Deloitte.



Tier 1 models and reporting considerations

Financial reporting periods ending on or after 31 December 2026

Contents

Introduction

Key considerations for 31 December 2026 **A-1**

A. What's new in corporate reporting? **A-2**

A1 Key corporate reporting considerations for 31 December 2026 **A-3**

A2 Ongoing financial reporting considerations **A-4**

A2.1 Key considerations for financial reporting A-4

A2.2 Key publications A-11

A3 Key global financial reporting developments **A-12**

A3.1 Global agreement on corporate taxation A-12

A3.1.1 Background A-12

A3.1.2 'Side-by-side' amendments A-12

A3.2 Contracts that reference nature-dependent electricity A-13

A3.3 Amendments to the classification and measurement of financial instruments A-14

A3.4 Disclosure of uncertainties in the financial statements A-16

A3.5 Recent IFRIC agenda decisions A-19

A3.6 AASB 18 *Presentation and Disclosure in Financial Statements* A-21

A4 Australian specific considerations **A-24**

A4.1 Accounting and reporting implications of recent Australian government initiatives A-24

A4.2 ASIC focus areas and findings A-29

A4.2.1 ASIC focus areas for financial reporting A-29

A4.2.2 ASIC's regulatory approach and financial report reviews A-30

A4.2.3 ASIC findings from 2025-2026 financial reporting and audit surveillance A-34

What is the background to the report? A-34

What were the outcomes? A-34

ASIC's expectations for OFRs A-36

Sustainability reporting A-36

Future surveillance A-36

A4.3 Reissued ASIC financial reporting instruments A-37

A4.4 ASIC regulatory simplification A-38

B. Sustainability and climate reporting **B-1**

B1 Global developments **B-2**

B1.1 Overview of IFRS Sustainability Disclosure Standards B-2

B1.1.1 IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* B-2

B1.1.2 IFRS S2 *Climate-related Disclosures* B-2

B1.1.3 Effective date B-2

B1.2 General requirements for sustainability-related financial information (IFRS S1) B-3

B1.2.1 Background and scope B-3

B1.2.2 Conceptual foundations B-3

B1.2.3 Core content B-4

B1.2.4 General requirements B-4

B1.2.5 Judgements, uncertainties and errors B-5

B1.3 Climate-related disclosures under IFRS S2 B-5

B1.3.1 Core content B-6

B1.3.2 Cross-industry metrics B-7
B1.3.3 Industry-based metrics B-8
B1.3.4 Transitional relief B-9
B1.3.5 Amendments to IFRS S2 clarifying greenhouse gas emissions measurement and disclosures B-10
B1.3.6 ISSB proposals to amend the SASB Standards B-12
B1.4 ISSB priorities B-13
B1.4.1 Supporting the implementation of IFRS S1 and IFRS S2 B-13
B1.4.2 Nature-related disclosures B-15
B1.4.3 Workforce-related disclosures B-16

B2 Australian sustainability reporting requirements B-17

B2.1 Legislative framework B-17
B2.1.1 Enabling legislation B-17
B2.1.2 Entities required to prepare sustainability reports under the Corporations Act B-17
B2.1.3 Phased approach to implementation B-18
B2.1.4 Reporting requirements B-21
Overview B-21
Compliance with Australian Sustainability Reporting Standards and legislative requirements B-21
Notes to the climate statements B-22
Reporting B-22
B2.1.5 Assurance requirements B-23
B2.1.6 Modified liability B-25
B2.2 Australian Sustainability Reporting Standards B-27
B2.2.1 Key differences between IFRS Sustainability Disclosure Standards and Australian Sustainability Reporting Standards B-27
AASB plans in relation to industry-based information B-28
Entities reporting under National Greenhouse and Energy Reporting legislation B-29
B2.3 Australian regulatory perspectives B-30
B2.3.1 Overview B-30
B2.3.2 ASIC regulatory guide B-30
B2.3.3 ASIC reporting relief B-31
B2.3.4 Regulatory surveillance outcomes B-32
B2.4 Treasury guidance on preparing transition plans B-34
B2.5 National climate scenario guidance B-35
B2.6 Educational modules on sustainability reporting B-36
B2.7 Sustainability reporting professional requirements B-37

B3 Greenwashing B-38

B3.1 Global perspectives B-38
B3.2 Australian regulatory perspective B-38
B3.3 Greenwashing and sustainability reporting are linked B-40
B3.4 Financial reporting considerations B-41

B4 Other developments B-42

B4.1 International standard setters B-42
B4.1.1 Greenhouse Gas (GHG) Protocol B-42
B4.1.2 International assurance standards on sustainability B-43
B4.2 Other sustainability reporting frameworks B-44
B4.2.1 Global Reporting Initiative (GRI) B-44
B4.2.2 Nature-related financial disclosures B-45
B4.3 Global sustainability reporting requirements that may apply to Australian entities B-46
B4.3.1 New Zealand B-46
B4.3.2 Europe B-46

B4.3.3 California B-48
B4.3.4 United States B-49

C. Details of new and revised pronouncements C-1

C1 Overall considerations C-1

C1.1 Impacts of adopting new and revised pronouncements C-1
C1.2 Disclosing information about pronouncements not yet adopted C-2
C1.3 Early adoption C-2

C2 Summary of new and amended pronouncements C-1

C2.1 Financial reporting pronouncements effective for the first-time for 31 December 2026 financial years C-1
C2.2 Financial reporting pronouncements effective for the first-time for 31 December 2026 half-years C-2
C2.3 Financial reporting pronouncements not yet effective for financial years ending 31 December 2026 C-3
C2.4 Sustainability reporting pronouncements effective for financial years ending 31 December 2026 C-4
C2.5 Sustainability reporting pronouncements not yet effective for financial years ending 31 December 2026 C-4
C2.6 IFRS Interpretations Committee agenda decisions C-4
C2.7 Transition implementation group on IFRS S1 and IFRS S2 agenda items C-6
C2.8 Legislative developments C-7
C2.9 ASIC C-10
C2.9.1 ASIC pronouncements C-10
C2.9.2 ASIC regulatory guides C-12
C2.9.3 Other ASIC information C-15
C2.10 ASX C-17

D. Reporting deadlines D-1

D1 Entities reporting under the Corporations Act D-1

D1.1 Listed entities (other than registered schemes) (ASX) D-1
D1.2 Listed registered schemes D-2
D1.3 ASX AQUA market issuers D-3
D1.4 Unlisted disclosing entities D-4
D1.5 Unlisted public companies D-4
D1.6 Proprietary companies D-5
D1.7 Unlisted registered schemes D-5
D1.8 Notified foreign passport funds D-5
D1.9 Sub funds of retail CCIVs D-6

D2 Entities reporting to the ACNC D-7

D2.1 Large and medium charities D-7
D2.2 Small charities D-8

D3 Additional deadlines D-9

D3.1 Overview D-9
D3.2 Holding entities under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* D-9
D3.3 AFS licensees D-9

E. Sustainability report E-1

About the sustainability report E-2

Sustainability reporting requirements E-4

Contents of annual sustainability reports E-4
General requirements for disclosure of climate-related financial information E-6

Forward looking information E-16
Additional information in sustainability reports E-17
Modified liability settings E-18
Sustainability-related financial disclosures outside the sustainability report E-21
Sustainability-related financial disclosures outside the sustainability report (continued) E-22
Comparison with TCFD recommendations E-22
AASB S2 Knowledge Hub E-22
Australian national climate risk assessment E-22

Directors' declaration E-23

Climate statements E-25

Governance E-25
Strategy E-28
Risk management E-47
Metrics and targets E-48
Other disclosures E-71

Assurance report E-75

Core model financial statements

About the model financial report 1

Consolidated statement of profit or loss and other comprehensive income 6

Consolidated statement of financial position 14

Consolidated statement of changes in equity 20

Consolidated statement of cash flows 22

Notes to the consolidated financial statements 27

Appendix 1 – Areas of the model financial statements affected by climate change 172

Appendix 2 – Initial application of the Amendments to IFRS 9 and IFRS 7 titled *Contracts Referencing Nature-dependent Electricity* 184

Appendix 3 – Australian-specific disclosures 190

About these disclosures 191

Appendix 4E 192

Directors' report 196

Remuneration report *[all listed disclosing entities that are companies]* 212

Auditor's independence declaration 229

Independent auditor's report 232

Directors' declaration 235

Consolidated statement of financial position 237

Notes to the consolidated financial statements 240

1. General information 240
2. Adoption of new and revised Australian Accounting Standards 242
3. Accounting policies 252
4. Critical accounting judgements and key sources of estimation uncertainty 255
5. Revenue (not-for-profit entities) 256
14. Dividends 257
20. Subsidiaries 259

30. Leases (Group as a lessee) (not-for-profit and public sector) 267
54. Notes to the cash flow statement 268
64. Related party transactions 269
66. Remuneration of auditors 270
67. Parent entity information 273

Consolidated entity disclosure statement 277

ASX disclosures 281

ASX Corporate Governance Principles and Recommendations 289

Tax transparency report 295

Appendix 4 – Details of reporting pronouncements 302

5.1 Financial reporting pronouncements applicable to all entities 303
5.2 Financial reporting pronouncements applicable to Tier 2 entities only 310
5.3 Financial reporting pronouncements applicable to not-for-profit entities and public sector entities only 311
5.4 Australian sustainability reporting pronouncements 313

Appendix 5 – Abbreviations 315

This publication contains copyright material of the IFRS® Foundation in respect of which all rights are reserved. Reproduced by Deloitte Touche Tohmatsu with the permission of the IFRS Foundation. No permission granted to third parties to reproduce or distribute. For full access to IFRS Standards and the work of the IFRS Foundation please visit http://eifrs.ifrs.org.

Core editorial team
Michelle Green
Maria Proshina
Frank Betkowski
Parthia Fung

Contributors
Sharon Martin
Steve Miklos

Contacts
Moana Overton
Partner
moverton@deloitte.com.au

Carol Warden
Partner
cwarden@deloitte.com.au

Holly Hunt
Partner
holhunt@deloitte.com.au

Jonathan Streng
Managing Director
jstreng@deloitte.com.au

Introduction

Building on reporting experience and preparing for what comes next

December 2026 provides an opportunity to reflect on recent reporting experience and prepare for changes ahead. While changes to financial reporting requirements applying for the first time this year are relatively targeted, entities are also preparing for more significant changes in future periods. Mandatory climate reporting is moving into its next phase, while continued economic and geopolitical uncertainty remains relevant to the judgements, estimates and disclosures underpinning financial reports.

For many Tier 1 for-profit entities, AASB 18 *Presentation and Disclosure in Financial Statements* will be a key area of focus as its 1 January 2027 mandatory application date approaches. AASB 18 will change the presentation of financial performance through new categories and defined subtotals in the statement of profit or loss, disclosures about management-defined performance measures and changes to the grouping of information. Its implications may also extend to systems, processes and other parts of the reporting suite. Importantly, retrospective application means that 2026 information will form the comparatives when the Standard is first applied, making implementation an immediate consideration for December year-end entities.

Current-period reporting also requires careful attention. Economic and geopolitical developments may affect supply chains, energy markets, operating costs, capital allocation and liquidity, with potential implications for accounting judgements and estimates. ASIC's ongoing financial reporting surveillance reinforces the need to revisit significant judgements and assumptions and ensure disclosures explain material uncertainties and entity-specific circumstances.

Climate reporting is also entering its next phase. With the first mandatory reports now published, entities can draw on emerging reporting practice, ASIC's feedback on the first December reports and its broader oversight of the new regime as they continue to develop their reporting practices. For Group 1 entities, December 2026 also brings Scope 3 greenhouse gas emissions into mandatory reporting, requiring a sound understanding of the value chain, reporting boundaries and significant emissions sources. Group 2 entities, meanwhile, are moving closer to their first mandatory reporting period, making continued attention to data, methodologies and controls increasingly important.

The challenge is not only to meet these individual reporting requirements, but to ensure the annual report tells a coherent story. The financial statements, directors' report and sustainability report serve different purposes, but readers should be able to understand how the significant assumptions, risks and uncertainties described across them relate to one another. Clear connections between these elements are becoming increasingly important to effective corporate reporting.

October 2026



"December 2026 is an important point to take stock of current reporting requirements while preparing for what comes next. AASB 18 and the next phase of climate reporting bring significant implementation challenges reinforcing the need for entities to make meaningful progress now."

Moana Overton
National Lead Partner
Accounting & Corporate Reporting

Key considerations for 31 December 2026

This section provides pertinent information for corporate reporting at 31 December 2026, including what's new for the current reporting season, a summary of new and revised pronouncements, developments in sustainability reporting and reporting deadlines.

In this section

A.	**What's new in corporate reporting?**	**A-2**
B.	**Sustainability and climate reporting**	**B-1**
C.	**Details of new and revised pronouncements**	**C-1**
D.	**Reporting deadlines**	**D-1**
E.	**Sustainability report**	**E-1**

A. What's new in corporate reporting?

This section provides an overview of the key corporate reporting considerations for financial reporting periods ending on 31 December 2026.

Roadmap to this section

Topic	What is covered
A1 Key corporate reporting considerations for 31 December 2026	An easy-to-follow summary of the key changes and other considerations for corporate reporting at 31 December 2026
A2 Ongoing financial reporting considerations	• Key considerations for financial reporting • Key publications
A3 Key global financial reporting developments	• Global agreement on corporate taxation • Contracts that reference nature-dependent electricity • Amendments to the classification and measurement of financial instruments • Disclosure of uncertainties in the financial statements • Recent IFRIC agenda decisions • AASB 18 *Presentation and Disclosure in Financial Statements*
A4 Australian specific considerations	• Accounting and reporting implications of recent Australian government initiatives • ASIC focus areas and findings • Reissued ASIC financial reporting instruments • ASIC regulatory simplification

The information in this section was prepared as of 30 October 2026 and entities should ensure any developments occurring from this date to the date of authorising of the financial statements are appropriately considered. This publication is updated twice yearly (for June and December reporting periods) and the latest edition can be found at www.deloitte.com/au/models.

Financial report preparers should consider their own specific circumstances when preparing their financial reports and ensure they fully consider all the requirements in the sections that follow.

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

A1 Key corporate reporting considerations for 31 December 2026

Climate reporting

For Group 1 entities with December year ends, 2026 marks the second year of mandatory climate-related reporting and the first year in which Scope 3 greenhouse gas emissions disclosures are required. Group 2 entities should be preparing for first-time reporting from June 2027 year ends.. Read our analysis of the mandatory requirements in section B.

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

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

Persistent inflation and rising interest rates, as well as global uncertainties, including imposition of import or export tariffs, fuel supply disruptions and price volatility may affect financial reporting in various ways. Entities should evaluate how these factors affect their financial reports, ensuring they reflect economic realities and associated risks and disclose key judgements and uncertainties.

Section A2 provides more detail on these areas.

ASIC surveillance activities and focus areas

ASIC announced its focus areas for the 2026-2027 financial year, which include enduring and specific items. In addition, ASIC issued a report with findings from 2025-2026 financial reporting and audit surveillance. More information can be found in section A4.2.

Amended standards and requirements

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

- New illustrative examples for **disclosures of uncertainties** related to impairment testing and measurement of provisions
- Amended accounting and disclosure requirements for power purchase agreements and other **contracts referencing nature-dependent electricity**
- Amended requirements for **classification and measurement of financial instruments**, including derecognition of financial liabilities settled through electronic payment systems and classification of financial assets with contingent or non-recourse features
- Updated references to **ASIC Corporations Instruments**, including two new consolidated Corporations Instruments, that brought together many reliefs related to financial and sustainability and auditing matters

More details can be found in sections A3.3, A3.4, A4.3 and A4.4.

Pillar Two

The agreed 'side by side' changes to Pillar Two are not yet enacted in Australia and so cannot be reflected in current tax calculations for financial reporting purposes. Disclosure may be required where the expected impact is material. More information can be found in section A3.1.

Implementation of AASB 18

AASB 18 *Presentation and Disclosure in Financial Statements* is effective from annual periods beginning on or after 1 January 2027 and requires comparative information to be restated. Entities should now be well advanced in preparing for implementation, including considering necessary changes to systems and processes and how financial performance is communicated externally. Refer to section A3.6 for more information.

A2 Ongoing financial reporting considerations

A2.1 Key considerations for financial reporting

Australian businesses are navigating a volatile and uneven business environment, characterised by renewed upward pressure on interest rates, a softening labour market and persistent cost-of-living pressures that continue to influence consumer behaviour. Global uncertainties, including changing tariff settings, volatility of oil and gas prices, geopolitical risks, extreme weather events, cyber threats and supply chain disruptions, may add to inflationary pressures and weigh on business activity, investment and demand.

An important response to these conditions is transparent and entity-specific reporting that enables users to understand how the changing environment has affected the entity, together with the key decisions, judgements and uncertainties involved in preparing the financial report.

Emerging learnings from the first and second waves of mandatory climate reporting reinforce the importance of connectivity across the financial statements, sustainability report and directors' report. As reporting practices continue to develop, entities should focus on presenting a coherent and consistent narrative about their current performance, strategy and outlook across the short, medium and long term. This includes clearly linking climate-related risks and opportunities, financial effects, strategic responses and resource-allocation decisions, and explaining any apparent differences in assumptions or information across the annual report. Over time, these learnings should support more decision-useful reporting as climate-related analysis becomes increasingly embedded in broader strategic and financial planning.

Transparent, entity-specific disclosure is particularly important in areas involving significant judgement or estimation uncertainty. These areas remain subject to close regulatory scrutiny, and entities should ensure their disclosures clearly explain the assumptions, judgements and risks affecting their financial position and performance.

Volatile oil prices, supply risks and tariffs continue to affect global trade, supply chains and investment decisions with potential consequences for economic growth, inflation and exchange rates. Entities should consider how these developments may affect their operations and financial reporting.



The table on the next page summarises key accounting and financial reporting considerations arising from current economic and geopolitical uncertainties for financial statements prepared as at 31 December 2026.

More information



[Financial Reporting Alert 26-1](#)
Financial reporting considerations arising from the conflict in the Middle East[1]

[1] Though the publication focuses on US GAAP reporting, it provides valuable considerations for preparers of financial reports in accordance with Australian Accounting Standards or IFRS Accounting Standards.

Accounting implications	Tariffs and trade disruption	Inflation and cost pressures	Commodity and energy prices	Interest rates and financing conditions	Demand and economic growth
Asset values, including impairment	Impairment indicators Future cash flows	Future cash flows	Future cash flows	Discount rates Future cash flows	Future cash flows Growth assumptions Remaining useful life
Provisions	Future cash flows Onerous contracts	Future cash flows Onerous contracts	Future cash flows Onerous contracts	Discount rates	Onerous contracts
Employee benefits	Performance conditions	Defined benefit assumptions	Performance conditions	Discount rates	Performance conditions
Fair value of financial instruments	Equity investments Derivatives	Equity investments Commodity-based derivatives	Equity investments Commodity-based derivatives	Equity investments Derivatives	Equity investments
Expected credit losses	Trade receivables (if customers are affected by tariffs and supply chain disruption)	Trade receivables	Industry-specific credit risks	Borrower creditworthiness and refinancing risks	Trade receivables (customer credit risk)
Compliance with debt covenants	Earnings-based covenants	Earnings-based covenants	Earnings-based covenants	Earnings-based covenants	Earnings-based covenants
Inventory	NRV allowance	NRV allowance	NRV allowance		NRV allowance
Income taxes	DTA recoverability	DTA recoverability	DTA recoverability	DTA recoverability	DTA recoverability
Revenue recognition	Percentage of completion Variable consideration Contract modifications	Percentage of completion Variable consideration Contract modifications	Percentage of completion Variable consideration Contract modifications	Significant financing component	Variable consideration Contract modifications

Transparent disclosure of significant judgements and estimation uncertainty

Current economic and geopolitical uncertainties may result in a wider range of reasonable assumptions, forecasts and judgements in areas such as impairment, fair value measurement, expected credit losses, provisions and the recoverability of deferred tax assets.

Transparent, entity-specific disclosure is particularly important where those judgements and estimates could materially affect the financial statements and may be subject to regulatory scrutiny.

Consider whether disclosures:

- Clearly explain the **significant assumptions, judgements and sources of estimation uncertainty**, and their potential financial statement effects
- Provide appropriate **sensitivity or scenario analysis** where reasonably possible changes could materially affect reported amounts
- Are **consistent and connected** across the financial and sustainability reports where the same assumptions or forecasts are relevant
- Are supported by appropriate **documentation and evidence**.

Key considerations for financial reporting

Climate-related considerations in the financial report

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

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

Refer to the topics below for more specific climate-related considerations.

Operating and financial review (OFR)

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

- Disclosures should be tailored to the individual circumstances of the entity and the business environment in which it operates, consistent with the annual financial report and the sustainability report, balanced and unambiguous and presented in a clear, concise and effective manner (see ASIC Regulatory Guide RG 247 *Effective disclosure in an operating and financial review*)
- ASIC has a strong focus on material business risks, including risks and opportunities related to climate change, cyber security, artificial intelligence, and greenwashing
- OFR should contribute to connectivity of information by playing an expanded role in situating strategy, risks and opportunities related to climate change within the broader context of the corporate strategy and future prospects.
- Non-IFRS measures should not be given undue prominence, be reconciled to IFRS measures and consistently determined from period to period. As AASB 18 will bring certain measures into the audited financial statements, it is a timely opportunity to consider whether existing non-IFRS measures remain relevant, appropriate and necessary
- Entities should ensure consistency between information disclosed in the OFR and financial statements – if a risk is discussed in the "front" section of the report, users would expect to understand how it affects the financial statements.

Impairment

Economic conditions, changes and uncertainties affecting businesses, like increased fuel costs, persistent inflation and rising interest rates may be pervasive to an entity's impairment testing:

- Entities need to assess how to respond to uncertainties (e.g. adjusting discount rates or taking a probability-weighted approach)
- Market capitalisation can be an indicator of impairment but is not a measure of recoverable amount
- Consider impacts of higher costs of production or supply interruptions and changes
- Consider the effects on sale volumes
- Build in sales price increases where reasonable
- Ensure energy price forecasts are reasonable
- Ensure discount rates and terminal values reflect current interest rate actualities and expectations
- Consider whether an indicator of impairment reversal exists
- Ensure connectivity of information disclosed in respect of climate-related risks and opportunities in the sustainability report and assumptions applied for impairment models and consider additional disclosures to increase transparency and clarity
- Include meaningful, entity-specific disclosures, focus on key assumptions and sensitivity analyses, and consider scenario analyses.

Provisions



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

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

Revenue recognition



Regulatory scrutiny of revenue recognition policies continues to be high:

- The requirement that variable consideration should only be included in revenue where it is highly probable it will not result in a significant reversal may require re-estimation in areas such as customer returns or liquidated damages
- When revenue contracts allow price adjustments due to changes in tariffs, such changes should be accounted as variable consideration
- Renegotiated customer contracts may trigger contract modification accounting
- Entities should ensure that they use reasonable and supportable forecasts in respect of revenue and costs when assessing the percentage of completion for long-term contracts where revenue is recognised over time
- Where relevant, ensuring connectivity between disaggregated revenue and disclosures in the financial report and climate-related risks and opportunities disclosed in the sustainability report
- The ability of the entity to pass-on increased costs or new tariffs to customers and related uncertainties should be disclosed in the operating and financial review.

Expected credit losses



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

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

Inventories



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

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

Fair value measurements



Determination of fair value often involves significant judgement:

- Economic conditions may require changes in valuation techniques or changes in classification in the "fair value hierarchy" (often to or from Level 3)
- There has been recent market volatility in publicly traded financial instruments
- ASIC is increasing its focus on the valuation of unlisted investments and entities should ensure they have thorough documentation and support for valuations
- Where climate-related matters materially impact fair value measurements, disclosures should include how the impact has been incorporated and any significant uncertainties
- Tariff changes and higher transport costs may affect the analysis of the principal or most advantageous market for an asset or liability, as well as the fair values of potentially affected assets.

Subsequent events



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

- Forward-looking calculations such as impairment assessments and expected credit loss calculations should consider conditions and foresight at the reporting date and not use the benefit of hindsight
- Non-adjusting subsequent events which are expected to materially affect an entity's business need to be disclosed in a way that provides meaningful insight for users.

Liquidity risk management



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

- Liquidity disclosures are particularly important where uncertainty exists and where banks have tightened lending criteria
- Clear disclosure should be made of working capital enhancements such as supplier financing arrangements
- As deteriorating economic conditions or market developments, such as higher interest rates, tariff changes, supply chain disruption and increased transport costs may affect an entity's ability to comply with covenants included in loan arrangements, an entity should consider providing relevant disclosure about such covenants and the impact of potential breaches
- Information about the impacts of climate-related risks and opportunities on liquidity risk management may be necessary in some cases and should be consistent with information included in the sustainability report whilst avoiding unnecessary duplication.

Complex financing arrangements



Features in financing arrangements may change the accounting treatment:

- Transactions such as raising capital, supplier finance arrangements, private credit and borrowing facilities may involve features that change the accounting treatment. For example, debt versus equity, sale or financing of a sale and leaseback, embedded derivatives or compound financial instrument accounting for financing facilities that contain linkages to non-standard variables, such as green bonds. In addition, entities may need to differentiate between own use supply contracts versus derivatives, for example in respect of power purchase agreements.

Going concern



Disclosure is required where assessing going concern involved significant judgement:

- Recent going concern issues, for example in the building and construction industry, have highlighted that specific industries are more vulnerable to the challenges posed by current economic conditions than others
- Key considerations include any negative market or regulatory changes (e.g. volatile energy prices and higher interest rates), operational disruptions, potential diminished demand, contractual obligations, potential liquidity and working capital shortfall and access to capital
- The assessment of going concern needs to cover a period until at least, but not limited to, the next 12 months from the end of the reporting period.

Payment of dividends



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

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

Deferred tax assets



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

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

One-off gains and losses



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

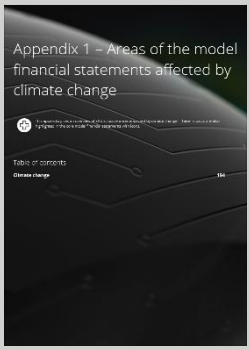
- When determining whether a material item of gains or losses should be presented separately in the statement of profit or loss, consideration should be given to nature and magnitude of the item and rationale for creating additional line item and its usefulness
- Presentation of one-off gains and losses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

A2.2 Key publications

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



iGAAP in Focus ***Closing Out – Areas of focus for financial and sustainability reporting (September 2026)***



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



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



Clarity publication ***A new era of sustainability reporting***



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



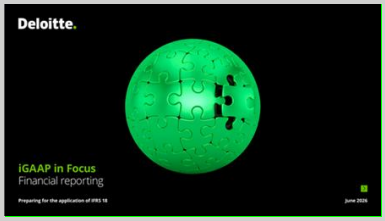
iGAAP in Focus ***Financial reporting considerations related to the Russia-Ukraine War***



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



iGAAP in Focus ***IASB publishes illustrative examples for disclosures of uncertainties in the financial statements using climate-related scenarios***



iGAAP in Focus ***Financial reporting: Preparing for the application of IFRS 18***

A3 Key global financial reporting developments

A3.1 Global agreement on corporate taxation

A3.1.1 Background

The Pillar Two rules apply to large multinational groups with annual consolidated revenue of at least EUR750 million and are designed to impose a 15% minimum effective tax rate in each jurisdiction where a group operates. The key components are: qualified domestic minimum top-up taxes (QDMTTs) which allow jurisdictions to charge any top-up taxes due in respect of local profits; the income inclusion rule (IIR) under which parent company jurisdictions apply the top-up tax rules on a top-down basis; and the undertaxed profits rule (UTPR) which will apply as a secondary (backstop) rule where the other rules have not been fully applied.

Australia implemented the Pillar Two rules, with the income inclusion rule (IIR) and domestic minimum tax (QDMTT) applying for income years starting on or after 1 January 2024, and the undertaxed profits rule (UTPR) applying for income years starting on or after 1 January 2025

AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules* provides a mandatory exception from recognising or disclosing deferred tax assets and liabilities related to Pillar Two income taxes[2]. Entities remain required to consider the current tax consequences of Pillar Two and the associated disclosure requirements.

A3.1.2 'Side-by-side' amendments

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

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

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

On 5 January 2026, the OECD/G20 Inclusive Framework on BEPS ("inclusive framework") published details of a "side-by-side package" in relation to the Pillar Two global minimum tax rules ("Pillar Two"). The document includes agreed administrative guidance on a permanent simplified effective tax rate (ETR) safe harbour, an extension of the transitional country-by-country (CbC) reporting safe harbour, a substance-based tax incentive (SBTI) safe harbour, and a side-by-side system.

The inclusive framework has committed to a work program for further clarification and simplification of the Pillar Two rules.

The side-by-side solution will be considered by the OECD BEPS jurisdictions with a view to enabling widespread implementation by jurisdictions that have implemented Pillar Two. Although in the 2026-27 Federal Budget paper No. 2 released in May 2026 the Australian Government confirmed that it would implement the side-by-side, the new rules will not apply to Australian taxpayers until they are legislated and enacted in Australia. At the date of finalisation of this publication (30 October 2026), there have been no developments in relation to implementing the "side-by-side" system in the Australian context. Accordingly, entities should recognise and measure current taxes arising under Pillar Two using the enacted legislation.

More information



tax@hand *OECD Pillar Two side-by-side package: An Australian perspective*

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

A3.2 Contracts that reference nature-dependent electricity

In February 2025 the AASB issued AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*. The amendments change the accounting requirements of AASB 9 *Financial Instruments* and added new disclosure requirements to AASB 7 *Financial Instruments: Disclosures*.

The amendments apply to contracts referencing electricity generated from nature-dependent sources, such as wind and solar. These contracts usually expose entities to variability in the quantity of electricity delivered because generation depends on natural conditions that cannot be controlled. As a result, the amount of electricity produced and supplied may fluctuate over the contract term. Such arrangements are commonly associated with renewable energy sources and include both contracts to purchase or sell nature-dependent electricity and financial instruments that reference such electricity. The amendments address the following common accounting challenges arising because of variability in quantity of electricity:

Own use exemption

Some renewable electricity contracts require the purchaser to accept electricity whenever it is generated, even if it cannot be consumed at that time. This may result in temporary surplus electricity that, due to electricity market rules, must be sold into the market. Under the previous requirements, these sales raised questions about whether the contract continued to be held in accordance with the entity's expected usage requirements and therefore qualified for the own use exemption.

The amendments clarify that such sales are not necessarily inconsistent with own use exemption. A contract can still meet the own-use requirements if the entity has been, and expects to be, a net purchaser of electricity over the relevant assessment period. An entity is a net purchaser when its electricity purchases exceed its sales in the same market, taking into account purchases made to replace electricity previously sold.

This assessment must be based on reasonable and supportable information about past, current and expected future electricity transactions. The assessment period should reflect seasonal variations in renewable electricity generation and fluctuations in the entity's electricity demand. For historical assessments, the look-back period cannot exceed 12 months. As a result, qualifying renewable electricity contracts can continue to apply the own-use exemption even when unavoidable sales of excess electricity occur because of weather-dependent generation.

Hedge accounting requirements

Some contracts referencing nature-dependent electricity can be designated as hedging instruments in hedges of forecast electricity purchases.

Under the amendments, entities are permitted to designate as the hedged item a variable volume of forecast electricity purchases that is linked to the expected output of the renewable generation facility referenced in the hedging instrument. This is a significant change from the previous hedge accounting requirements, which generally assumed a fixed nominated quantity. All other hedge accounting requirements in AASB 9 continue to apply.

In addition, when the cash flows of the contract designated as the hedging instrument depend on the occurrence of the forecast electricity purchases designated as the hedged item, those forecast transactions are presumed to be highly probable.

The amendments also include an illustrative example demonstrating one possible way for an entity to designate forecast electricity purchases with a variable nominal amount in a cash flow hedge relationship.

Enhanced disclosure requirements

New disclosure requirements require entities to provide additional information about contracts referencing nature-dependent electricity and related hedge accounting relationships.

Entities are required to disclose, in a single note, information about the contractual features that expose the entity to variability in the amount of electricity, information about unrecognised commitments arising from these contracts, such as the estimated future cash flows from buying electricity, how the entity assesses whether a contract might become onerous, quantitative and qualitative information about effects of the entity's financial performance for the reporting period, including costs of purchasing electricity and proceeds from sales of unused electricity. Additional disclosures are also required regarding the effect of applying the new hedge accounting requirements.

The amendments are effective for annual periods beginning on or after 1 January 2026.

The amendments to the own use exemption are required to be applied retrospectively based on facts and circumstances at the date of initial application. However, entities are not required to restate prior periods, but are permitted to do so if it is possible without the use of hindsight. If the entity does not restate prior periods, it should recognise the effect of initial application in the opening retained earnings or other appropriate equity component. If a contract referencing nature-dependent electricity would be outside the scope of AASB 9 as a result of applying the amendments to the own use requirements, an entity is permitted, at the date of initial application, to irrevocably designate the contract as measured at fair value through profit or loss.

An entity is required to apply the amendments to the hedge accounting requirements prospectively to new hedging relationships designated on or after the date of initial application. An entity is permitted, at the date of initial application, to discontinue a hedging relationship in which a contract referencing nature-dependent electricity has been designated as the hedging instrument, if the same hedging instrument is designated in a new hedging relationship in accordance with the amendments.

For an illustrative disclosure see Appendix 3: Note 2.1 *New and amended Australian Accounting Standards that are effective for the current year*.

More information



[iGAAP in Focus](#) ***IASB finalises amendments on contracts that reference nature-dependent electricity***

A3.3 Amendments to the classification and measurement of financial instruments

In July 2024 the AASB issued AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*. The amendments introduce several narrow changes to accounting requirements of AASB 9 *Financial Instruments* and added new disclosure requirements to AASB 7 *Financial Instruments: Disclosures*.

Derecognition of financial liabilities settled through electronic payment systems - The amendments provide a practical expedient allowing an entity to derecognise a financial liability before cash is received by the creditor when settlement is made through an electronic payment system. Prior to the amendments, a liability was derecognised on settlement date, being the date when it is extinguished. Under the new requirements, a liability can be derecognised before the settlement date if the entity has initiated a payment instruction that cannot be withdrawn or cancelled, can no longer access the cash to be used for settlement, and the related settlement risk associated with the electronic payment system is insignificant. The practical expedient is optional but should be applied consistently to all payments processed through the same electronic payment system. The amendments do not change the requirements for derecognition of financial assets settled through electronic payment systems.

Classification of financial assets with contingent features, including ESG-linked loans - The amendments provide additional guidance on applying the "solely payments of principal and interest" (SPPI) test to financial assets with contractual terms linked to sustainability or other contingent events. The amendments clarify that the assessment should focus on what the lender is being compensated for, rather than the amount of compensation received. Contractual cash flows remain consistent with a basic lending arrangement if, in all contractual scenarios, they are not significantly different from those of an equivalent instrument without the contingent feature. However, contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost (for example, the value of equity instruments or the price of a commodity) or if they represent a share of the debtor's revenue or profit, even if such contractual terms are common in the market in which the entity operates. Two examples were added to the application guidance to illustrate this guidance. These clarifications are particularly relevant for the growing market in sustainability-linked financing arrangements.

Financial assets with non-recourse features - The amendments clarify that a financial asset had non-recourse features when the lender's ultimate right to repayment is contractually limited to cash flows generated by specified

assets, meaning the lender is exposed primarily to asset performance risk rather than the borrower's general credit risk.

Contractually linked instruments (CLIs) - The amendments clarify that contractually linked instruments are arrangements in which a prioritisation of payments to the holders of financial assets using multiple tranches is established through a waterfall payment structure, resulting in varying levels of credit risk and a disproportionate allocation of losses between the holders of different tranches. The guidance also explains that not all multi-tranche structures are CLIs. Some arrangements are financing structures that provide credit enhancement to senior lenders and should instead be assessed under the general requirements for contractual cash flows that are solely payments of principal and interest (SPPI). The amendments further clarify that the CLI requirements apply only when the underlying pool includes assets with cash flows that are SPPI, or equivalent to SPPI. This may include certain assets outside the scope of AASB 9 classification requirements, such as lease receivables. However, lease receivables with significant residual value risk or payments linked to variables that are not basic lending risks or costs (for example, market rental rates) would not meet this requirement.

Enhanced disclosures for equity investments designated at fair value through other comprehensive income (FVOCI) - AASB 7 is amended to require the disclosure of additional information about equity instruments irrevocably designated at fair value through other comprehensive income (FVOCI). Entities should separately disclose the fair value gains or losses recognised in OCI relating to investments derecognised during the period and investments held at the reporting date. Where FVOCI-designated investments are derecognised, entities should also disclose transfers of cumulative gains or losses within equity that relate to the derecognised investments. At the same time, disclosure requirements have been simplified by allowing fair value information to be presented by class of investment rather than for each individual instrument.

New disclosures for instruments with contingent contractual cash flows - New disclosure requirements apply to financial assets and financial liabilities containing contractual terms that may change the timing or amount of cash flows when a specified event occurs or does not occur. This includes many sustainability-linked instruments. Entities are required to explain the nature of the contingent event, disclose the potential impact on future cash flows, and provide information about the carrying amounts of affected financial assets and liabilities. The objective is to improve transparency around instruments whose cash flows depend on factors that are not directly related to basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. The amendments are generally applied retrospectively, however restatement of comparative periods is not required. An entity may restate prior periods if it is possible to do so without the use of hindsight. Where comparative information is not restated, any transition adjustment is recognised in opening retained earnings (or another appropriate component of equity) at the date of initial application. Additional transition disclosures are required where the amendments result in financial assets changing measurement category.

For an illustrative disclosure see Appendix 3: Note 2.1 *New and amended Australian Accounting Standards that are effective for the current year*.

More information



iGAAP in Focus *IASB issues amendments to the classification and measurement requirements of financial instruments*

A3.4 Disclosure of uncertainties in the financial statements

In November 2025 the IASB issued six additional examples to several IFRS Accounting Standards that illustrate how an entity applies the requirements in those standards to disclose the effects of uncertainties in its financial statements. Though the examples mostly focus on climate-related uncertainties, the illustrated principles and requirements apply equally to other types of uncertainties.

The document includes the following illustrative examples:

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

Scenario 1—Materiality judgements leading to additional disclosures

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

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

Scenario 2—Materiality judgements not leading to additional disclosures

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

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

Disclosure of assumptions: specific requirements (IAS 36)[3]

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

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

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

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

[3] These illustrative examples are included in AASB 2026-1 which is effective from annual periods beginning on or after 1 July 2025 (see more details on the next page).

Disclosure about credit risk (IFRS 7)

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

Disclosure about decommissioning and restoration provisions (IAS 37)[3]

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

Disclosure of disaggregated information (IFRS 18)

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

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

The examples are not an integral part of IFRS Accounting Standards but instead provide guidance on how IFRS Accounting Standards should be applied to climate-related risks and other uncertainties. Accordingly, these examples do not have an effective date, instead, entities are entitled to sufficient time to implement any changes to the information disclosed in their financial statements as a result of the issuance of the illustrative examples.

However, following the issuance of the illustrative examples by the IASB, in January 2026, the AASB issued AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements* which added two of the above illustrative examples as amendments to the Illustrative Examples accompanying AASB 136 *Impairment of Assets* and the Implementation Guidance accompanying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, respectively. As a result, these two illustrative examples are applicable to annual periods beginning on or after 1 July 2025 and that end on or after 28 February 2026 with earlier application permitted.

The remaining new examples (relating to IFRS 7, IFRS 18, IAS 1 and IAS 8) are not included in AASB 2026-1 as the illustrative examples or implementation guidance accompanying those standards has not been published with the corresponding Australian Accounting Standards.

For an illustrative disclosure see Appendix 3: Note 2.1 *New and amended Australian Accounting Standards that are effective for the current year*.

More information



iGAAP in Focus ***Financial reporting: IASB publishes illustrative examples for disclosures of uncertainties in the financial statements using climate-related scenarios***

Impacts of climate in financial statements

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

- **Depreciation and amortisation** – Expected useful lives of assets may change as a result of identified sustainability-related risks and opportunities and the strategy put in place to address those risks and opportunities. For example, the useful life of plant and equipment may change where it is expected to be replaced with lower emission assets
- **Impairment** – Value in use calculations may have positive or negative future impacts due to the physical effects of climate change, related effects on regulation, technological developments and consumer preferences. Changes in market expectations and reputational risk may result in amended business models. These factors may change management cash flow projections or the level of risk associated with achieving cash flows. In addition, narrative disclosure in relation to how the entity's impairment testing has taken climate and other risks and opportunities into account should be considered, and may extend to scenario analysis and detailed discussions of assumptions
- **Fair values** – The requirements of AASB 13 *Fair Value Measurements* would include the consideration of climate risks and opportunities where relevant. For example, expected changes in consumer preferences or the risk of assets being stranded may change market pricing of assets
- **Provisions** – Anticipated climate responses may change the timing of outflows for decommissioning, make good and similar provisions. Changes in consumer preference or increased costs necessary to comply with climate regulatory requirements may lead to onerous contracts. The IFRIC agenda decision on climate-related commitments should also be considered (see section A3.5).

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

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

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

A3.5 Recent IFRIC agenda decisions

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

- **Disclosure of revenues and expenses for reportable segments (IFRS 8 *Operating Segments*) (July 2024):** The agenda decision requires the disclosure of the amounts listed in IFRS 8:23 (e.g. revenue, interest revenue and expense, depreciation and amortisation) for each reportable segment when those amounts are included in segment profit or loss reviewed by the chief operating decision maker (CODM) – even if not separately provided or reviewed by the CODM – or if those amounts are regularly provided to the CODM – even if not included in segment profit or loss. In addition, it was observed that IFRS 8:23(f) does not require disclosure by reportable segment of each material item of income or expense that is presented separately in the statement of profit or loss or disclosed in the notes in accordance with IAS 1:97. In determining information to be disclosed for each reportable segment, an entity applies judgement and considers the core principle of IFRS 8, which requires an entity to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. For an illustrative disclosure see Note 6 (pages 64-67) of the core model financial statements
- **Climate-related commitments (IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*) (April 2024):** The agenda decision refers to a fact pattern when an entity, a manufacturer of household products, has publicly stated a net-zero transition commitment by publishing a detailed plan for modification of manufacturing methods in order to reduce its annual greenhouse gas emissions by at least 60% of their current level in the ninth year and to buy carbon credits to offset the remaining emissions after those nine years. The Committee concluded that whether the entity's statement of its commitments to reduce and offset its greenhouse gas emissions creates a constructive obligation to fulfil those commitments will depend on the facts of the statement and the circumstances surrounding it. Management would apply judgement to reach a conclusion at each reporting date about whether a valid expectation that the entity will fulfil the commitment is created. If management concludes that its statement creates a constructive obligation:

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

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

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

1	**Financial guarantee – IFRS 9** • Consider whether an issued guarantee is a financial guarantee contract as defined in IFRS 9 *Financial Instruments* • The Committee noted that entities should apply judgement in interpreting the meaning of the term "debt instrument" in the definition of a financial guarantee contract as this term is not defined
2	**Insurance contract – IFRS 17** If an entity concludes it is not a financial guarantee, the entity considers whether the guarantee is an insurance contract as defined in IFRS 17 *Insurance Contracts*
3	**Other standards** If an entity concludes it is neither of the above, it considers requirements of other standards, including: • IFRS 9 for a loan commitment or a derivative • IFRS 15 *Revenue from Contracts with Customers* for a guarantee to a customer • IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* if the guarantee gives rise to a provision, contingent liability, or contingent asset.

- **Determining and accounting for transaction costs (IFRS 9 *Financial Instruments*) (January 2026):** The agenda decision considered whether costs that are directly attributable to the origination or issuance of a financial instrument but are incurred before entering into the contractual arrangement are 'incremental' and, therefore, meet the definition of transaction costs in Appendix A of IFRS 9. Feedback gathered suggested that:
  - Costs that are directly attributable to the origination or issuance of a financial instrument but are incurred before entering into the contractual arrangement are not precluded from being 'incremental' and, accordingly, could meet the definition of transaction costs in IFRS 9
  - Transaction costs are recognised in the statement of financial position, often as prepayments or other assets.

  The Committee concluded that the matter did not have widespread effect as there is no material diversity in applying these requirements of IFRS 9 and decided not to add a standard-setting project on the work plan.
- **Economic benefits from use of a battery under an offtake arrangement (IFRS 16 *Leases*) (April 2026):** The agenda decision considered whether an electricity retailer has the right to obtain substantially all of the economic benefits from the use of a battery under a battery offtake arrangement for the purposes of assessing whether the arrangement contains a lease. The fact pattern involved a battery owner and an electricity retailer participating in a gross pool electricity market, in which only the registered participant can transact with the market operator. As the battery owner is the registered participant, it buys and sells electricity with the market operator at spot prices and passes the resulting cash flows to the retailer, while the retailer pays a fixed amount for access to the battery. These amounts are periodically settled net in cash between the parties. The retailer has the exclusive right to use 100% of the battery's capacity and can instruct when and how much the battery was charged and discharged. The Committee concluded that the battery is used to store, and then release, electricity—and not to produce electricity. Based on that, the economic benefits from use of the battery arise from its storage capability and capacity and the retailer obtains substantially all of those economic benefits.

Recent agenda decisions related to implementation of IFRS 18 *Presentation and Disclosure in Financial Statements* are discussed in section A3.6 below. A list of all recent IFRIC agenda decisions can be found in section C2.6.

A3.6 AASB 18 *Presentation and Disclosure in Financial Statements*

In April 2024 the IASB published IFRS 18 *Presentation and Disclosure in Financial Statements*. The standard introduces significant changes to how entities present and communicate their financial performance. The equivalent AASB 18 *Presentation and Disclosure in Financial Statements* was issued by the AASB in June 2024. When applicable, AASB 18 supersedes AASB 101 *Presentation of Financial Statements*. AASB 18 applies to for-profit entities for periods beginning on or after 1 January 2027 and to not-for-profit and superannuation entities for periods beginning on or after 1 January 2028[4].

The key changes introduced by AASB 18 are:

- A **new structure for the statement of profit or loss**, including five mandatory categories, comprising operating, investing, financing, income taxes and discontinued operations, and new required subtotals, including "operating profit or loss" and "profit before financing and income taxes"
- **New principles of classification of income and expenses** across categories, including that the classification is affected by whether an entity has any of two specified main business activity of investing in particular classes of assets or providing financing to customers
- New **disclosure requirements for management-defined performance measures** (MPMs), which are a subset of what is usually referred to as "non-GAAP measures" used in external communications
- Enhanced requirements for **aggregation and disaggregation and labelling of information** in the primary financial statements and in the notes
- Introduction of a **"mixed" presentation in the statement of profit or loss** in addition to options to present operating expenses by nature or by function
- Consequential amendments to AASB 107 *Statement of Cash Flows* **removing classification alternatives for interest and dividend cash flows** for entities that do not have a specific main business activity and requiring **operating profit to be used as the starting point for the indirect method of reporting cash flows** from operating activities.

AASB 18 applies retrospectively and requires a restatement of comparative information. In addition, it applies to interim reporting periods in the first year of adoption. Entities should carefully plan their implementation journey as it may require changes in governance, data and systems as well as significant judgement in applying new principles to specific income and expenses.

As the IASB decided not to set up a specific Transition Resources Group, all implementation issues are being addressed through the IFRIC or the IASB. IFRIC has considered a number of IFRS 18-related application requests. In April 2026 the Committee published four agenda decisions summarised below:

- **Classification of gains and losses on a derivative managing a foreign currency exposure (April 2026):** The agenda decision considered how an entity applies IFRS 18 to classify gains and losses on a derivative that is used to manage foreign currency risk but is not designated as a hedging instrument. In the fact pattern, a group has a foreign currency-denominated asset and liability that resulted in a net liability exposure. To manage the foreign currency risk of that net exposure, a treasury entity entered into an external forward contract with a third party. The group's risk management policy identified the derivative as managing only the foreign currency risk of the net liability exposure, rather than the gross underlying asset and liability positions. The Committee concluded that gains and losses on the derivative should be classified in the same category as the income and expenses affected by the risk being managed. Because the derivative managed a net liability exposure, the relevant risk affected only the financing category of the statement of profit or loss. The Committee also concluded that classifying the derivative gains and losses in the financing category would not result in a prohibited "grossing up" of gains and losses, as the managed risk affected only a single category. Accordingly, any gain or loss on the derivative would be presented in the financing category.
- **Classification of a foreign exchange difference from an intragroup monetary liability (or asset) (April 2026):** The agenda decision considered how an entity applies IFRS 18 to classify foreign exchange differences arising on an intragroup monetary loan between entities with different functional currencies. In the fact pattern, the intragroup loan was not part of a net investment in a foreign operation. Although the loan balance and related income and expenses were eliminated on consolidation, the resulting foreign exchange differences remain recognised in the consolidated statement of profit or loss. IFRS 18 requires to 'classify foreign exchange differences included in the statement of profit or loss in the same category as the income and expenses from the items that gave rise to the foreign exchange differences. The Committee observed that the intragroup monetary asset or liability is the item that gives rise to the foreign exchange difference and concluded that IFRS 18 supports

[4] In addition, AASB 2026-4 *Amendments to Australian Accounting Standards – Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation* provides targeted relief and modifications for superannuation entities and certain not-for-profit public sector entities when applying AASB 18 and the related AASB 107 amendments. See Appendix 4.1 for more details

two acceptable accounting policies. An entity may classify the foreign exchange difference:

- In the operating category as a default category because there are no related income or expenses after elimination (View 1)
- In the category in which the income and expenses from the intragroup loan would have been presented before elimination (View 2). In applying this view the entity classifies the exchange difference from its perspective (as a consolidated group), which means that the classification might differ from the category in which the subsidiary classified the exchange difference in its standalone accounts.

The Committee concluded that both approaches are reasonable applications of IFRS 18 and that entities should apply their chosen policy consistently.

- **Assessment of a specified main business activity for the purposes of the separate financial statements of a parent (April 2026):** The agenda decision considered whether a parent entity, for the purposes of its separate financial statements, has a specified main business activity of investing in unconsolidated subsidiaries. The fact pattern involved a parent whose only substantive activities were holding investments in subsidiaries, making decisions about their management, acquisition and disposal, and distributing returns to shareholders. The parent accounted for its investments in subsidiaries at cost and, for the purposes of the group's consolidated financial statements, had concluded that no specified main business activity existed. The parent does not provide to its shareholders any segmental analysis or use any subtotals to explain its operating performance related to its separate financial statements. The parent also does not use such metrics for internal monitoring purposes. Shareholders are provided segmental analysis and subtotals as indicators of the consolidated group's operating performance. The Committee concluded that the assessment is made from the perspective of the reporting entity preparing the separate financial statements and can differ from the assessment made for the consolidated group. In the circumstances described, the parent's only substantive activity was investing in and managing unconsolidated subsidiaries, which provided sufficient evidence that investing in those subsidiaries was a specified main business activity. Accordingly, in the parent's separate statement of profit or loss, income and expenses arising from the investments accounted for at cost are classified in the operating category, rather than the investing category.
- **Scope of the requirements to disclose expenses by nature (April 2026):** The agenda decision considered whether the requirement to disclose operating expenses by nature applies only if certain operating expenses presented by function or if any expense presented by function in the operating category of the statement of profit or loss. The Committee concluded that the requirement to provide additional disclosures by nature of expenses applies when any expense is presented by function in the operating category. It also noted that the disclosed amounts may include costs that have been capitalised as part of an asset rather than recognised as an expense in the current period, and that entities should explain this and identify the related assets when relevant.

In addition, seven tentative agenda decisions were published in June 2026 and were open for comments until 9 September 2026 and one agenda decision was published in September 2026 and is open for comments until 30 November 2026:

Tentative agenda decision	Application questions considered
Presentation of operating expenses (June 2026)	• When an entity is required to use a 'mixed presentation' • Can an entity present some amounts of the same nature of expense by function and others by nature
Labels of subtotals (June 2026)	When subtotal in the statement of profit or loss is also an MPM, whether the label of the measure is required to explicitly list all the elements excluded from (or included in) the measure
Assessment of specified main business activities for a manufacturer-lessor (June 2026)	How an entity that is a manufacturer-lessor assesses whether the entity's aggregated lease activity, comprising its finance lease and operating lease activities, is a main business activity of providing financing to customers
Classification of income and expenses when an entity has a main business activity of providing financing to customers (June 2026)	How an entity that has a main business activity of providing financing to customers classifies income and expenses from liabilities that arise from transactions that involve only the raising of finance in its consolidated statement of profit or loss

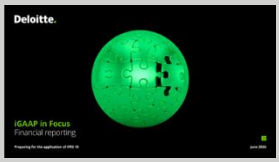
Tentative agenda decision	Application questions considered
Classification of income and expenses from cash and cash equivalents (June 2026)	How an entity classifies income and expenses from cash and cash equivalents in its consolidated statement of profit or loss if the entity has, alongside other business activities, a main business activity of investing in financial assets and providing financing to customers
Management-defined performance measures—public communications (June 2026)	Whether presentations provided on a confidential basis to a small number of identifiable shareholders or potential investors are public communications for the purpose of identifying an MPM
Management-defined performance measures—hypothetical income and expenses (June 2026)	Whether a performance measure that includes hypothetical income and expenses can meet the definition of an MPM
Assets that generate a return individually and largely independently of an entity's other resources (September 2026)	How an entity assesses whether an asset it holds generates a return individually and largely independently of the entity's other resources

Entities should monitor activities of IFRIC for further guidance.

More information



iGAAP in Focus ***Financial reporting: IASB publishes new standard on presentation and disclosure in financial statements***



iGAAP in Focus ***Financial reporting: Preparing for the application of IFRS 18***



Illustrative financial statements ***for the year ended 31 December 2027 which demonstrate the initial application of IFRS 18***

.

A4 Australian specific considerations

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

Measure	Reporting implications
REGULATION	
Doubling thresholds for proprietary companies and Group 3 sustainability reporting As part of the 2026-27 Federal Budget, the Federal Government announced a doubling of two thresholds used to determine whether a proprietary company is considered 'small' or 'large'. The consolidated revenue threshold would be doubled to $100 million and the consolidated asset threshold doubled to $50 million (with the employee number threshold remaining at 100 employees). Because the thresholds for sustainability reporting are linked to the proprietary company thresholds, this measure would also double the thresholds for 'Group 3' reporters. Treasury released a consultation on draft regulations to give effect to this measure on 19 October 2026, which indicates the higher thresholds will be effective for annual reporting periods beginning on or after 1 July 2027. As at the date of finalisation of this publication (30 October 2026), the consultation remained open (closing 2 November 2026), and the measure remains unlegislated.	Entities should continue to apply the existing thresholds until the revised thresholds are legislated and effective. Companies that are currently small proprietary companies but expect to exceed the existing thresholds for a financial year ending immediately before the new thresholds are effective may wish to consider whether ASIC relief could be available. This would be relevant where they would otherwise be required to prepare financial reports for only one financial year before falling below the revised thresholds. Any application would need to address the applicable statutory criteria and ASIC's requirements.
Simplifying group financial reporting relief As part of the 2026-27 Federal Budget, the Federal Government announced its intention to simplify group reporting relief "without reducing protections for those dealing with group companies". The reform is intended to replace the need for deeds of cross guarantee (currently required under *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* and *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785)* with a simplified statutory process. As at the date of finalisation of this publication (30 October 2026), the government had not consulted or legislated its proposed simplification.	Until any legislated simplification is in place, entities should continue to comply with the relevant ASIC Corporations Instrument in order to maintain access to financial reporting relief for wholly-owned subsidiaries.
Creation of External Reporting Australia This initiative was implemented by *Treasury Laws Amendment (Financial Reporting System Reform) Act 2026* and results in the merger of the Financial Reporting Council, the AASB and AUASB into a new body named 'External Reporting Australia' with effect from 1 December 2026. The new body constitutes new boards for each current category of standards (accounting standards; auditing and assurance standards and sustainability standards). In September 2026, the Financial Reporting Council consulted on a draft determination to establish External Reporting Australia's standard-setting boards, including each board's strategic direction, functions and powers, how the boards operate, consult and make decisions and reporting requirements. The consultation closed on 15 October 2026. As at the date of finalisation of this publication (30 October 2026), a final determination had not been made.	No direct impact of the merger of the existing boards into External Reporting Australia is expected. However, there may be indirect impacts, e.g. if series of standards are renamed or re-cited, financial, sustainability and auditor reports would need to refer to the new name or citation where required.

Measure	Reporting implications
Payday super Require mandatory superannuation contributions to be paid at the same time as related salary and wages (rather than quarterly). The measure was introduced by *Treasury Laws Amendment (Payday Superannuation) Act 2025* which received Royal Assent on 6 November 2025 and is effective from 1 July 2026.	May impact the timing of future cash flows forecasts in recoverable amount models, as well as liquidity risk management disclosures.
Australia's Strategy for Nature 2024-2030 As part of Australian Strategy for Nature 2024-2030 published by the Department of Climate Change, Energy, the Environment and Water (DCCEEW), a national implementation plan was published. "Outcome 2" under the implementation plan is that businesses embed nature in their decision-making. This would include: • Continuing developing tools and guidance to support the voluntary update of nature-related financial reporting • Continuing developing new methods and guidance for the Nature Repair Market to support opportunities for broader application • Closely monitoring the work of the ISSB on biodiversity, ecosystems and ecosystems services (now referred to as 'nature-related disclosures') and consider its sustainability disclosure requirements in light of any global baseline developed by the ISSB • Supporting funding arrangements that are sustainable and can be deployed at scale to meet Australia's biodiversity goals.	Entities should monitor developments in nature-related reporting and consider voluntary adoption of existing and forthcoming disclosure frameworks.
INCENTIVES	
"Future Made in Australia" incentives On 11 February 2025 the Parliament passed *Future Made in Australia (Production Tax Credits and Other Measures) Act 2025*. The Bill received Royal Assent on 14 February 2025. As part of the Act two incentives were introduced: • Critical minerals production tax incentive (CMPTI) – the temporary incentive will provide eligible recipients with an uncapped refundable tax offset of 10% for the eligible costs of processing and refining of 31 specified critical minerals. The incentive will be available for a maximum period of 10 years between 1 July 2027 and 30 June 2040. • Hydrogen production tax incentive (HPTI) – a temporary refundable incentive of $2 per kilogram of renewable hydrogen produced by eligible companies for a maximum of 10 years between 1 July 2027 and 30 June 2040 for projects that reach final investment decision by 2030.	The incentives meet the definition of a government grant, therefore the amounts will be recognised as a gain in profit or loss before income tax. The incentives may affect future cash flows forecasts for the purpose of impairment testing.
Build to rent incentive These measures increase the tax deduction (depreciation) rate for newly constructed build-to-rent residential projects which meet certain eligibility criteria from 2.5% p.a. to 4% p.a. The measure was introduced as part of *Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Act 2024* which received Royal Assent on 10 December 2024 and is effective from 1 January 2025.	May result in additional deferred tax liabilities as assets are depreciated.

Measure	Reporting implications
Research and development (R&D) amendments As part of the 2026-27 Federal Budget, the Federal Government announced proposed changes to the Research and Development Tax Incentive (R&DTI), including increasing the R&D tax offset, reducing the intensity threshold (meaning more entities should become eligible for a higher offset), increasing the expenditure and turnover thresholds, removal of supporting R&D expenditure from eligibility for the R&DTI, and other measures. This measure is proposed to be implemented through *Treasury Laws Amendment (Tax Reform No.4) Bill 2026*. Separately, tobacco and gambling activities are no longer eligible for the R&DTI. This measure was included in *Treasury Laws Amendment (Delivering an Efficient and Trust Tax System) Act 2026*, which received Royal Assent on 30 June 2026 and applies to income years starting on or after 1 July 2025.	Non-refundable R&D tax offsets are generally accounted for as an income tax benefit and refundable R&D tax offsets are generally accounted for as a government grant[5]. These measures do not change the underlying features of the R&DTI and should not change underlying accounting policies. However: • Where an entity's expenditure is no longer eligible for the R&DTI, ongoing expenditure should be accounted for consistently with other expenses • Where an entity becomes eligible for a refundable offset (due to the higher turnover threshold or for other reasons), a change in accounting policy to recognise the refundable offset as a government grant should be considered.
SPECIFIC TAX MEASURES IMPACTING FINANCIAL REPORTING	
Carry-back of tax losses As part of the 2026-27 Federal Budget, the Federal Government announced a policy to enable corporate tax entities that have aggregated annual global turnover of less than $1 billion (i.e. are *not* significant global entities for tax purposes) to *optionally* carry back a tax loss in an income year and apply it against tax paid in the previous two years and receive a refundable tax offset. The amount of refundable tax offset available cannot exceed the amount of earlier tax paid by the entity and the entity's franking account balance at the end of the income year for which the refundable tax offset is claimed. The measure was introduced as part of *Treasury Laws Amendment (Tax Reform No. 2) Act 2026* which received Royal Assent on 26 August 2026. This measure is effective for income years commencing on or after 1 July 2026.	Where an entity is eligible for, and intends to claim, a refundable tax offset, the entity should recognise a current tax asset for the amount of the offset. Where an entity is not eligible, or is eligible but does not intend to carry back an incurred loss, the entity should recognise a deferred tax asset where the recognition criteria are met.
Instant asset write-off for small business entities Small businesses with aggregated annual turnover of less than $10 million are now permanently able to immediately deduct the full cost of eligible assets costing less than $20,000. This follows similar temporary measures enacted on a case-by-case basis over several years. The measure was introduced as part of *Treasury Laws Amendment (Tax Reform No. 2) Act 2026* which received Royal Assent on 26 August 2026. This measure is effective for assets that are first used or installed ready for use for a taxable purpose on or after 1 July 2026. Earlier temporary measures apply to earlier periods.	Deductions will result in the recognition of a deferred tax liability in relation to any capitalised asset.

[5] For more information, see our Clarity publication *Accounting for the R&D tax offset.*

Measure	Reporting implications
Denying deductions for interest charges Deductions for Australian Taxation Office (ATO) interest charges, specifically the general interest charge (GIC) and shortfall interest charge (SIC), incurred in income years starting on or after 1 July 2025 will not be allowed. GIC and SIC are incurred where tax debts have not been paid on time, or a tax liability has been incorrectly self-assessed and resulted in a shortfall of tax paid, respectively. The measure was introduced as part of *Treasury Laws Amendment (Tax Incentives and Integrity) Act 2025* which received Royal Assent on 27 March 2025 and is effective from 1 April 2025.	May result in additional permanent tax differences and higher effective tax rates.
Discretionary trust taxation As part of the 2026-27 Federal Budget, the Federal Government announced its intention to implement a minimum 30% tax on discretionary trusts. The 30% tax would be a non-refundable offset to individual beneficiaries and capital gains tax relief would be provided for trusts wishing to restructure to fixed trusts or companies. Subsequently, an additional electable regime was proposed, permitting certain discretionary trusts to avoid the minimum tax if trustees nominate, for income tax purposes, beneficiaries that may become presently entitled, or specifically entitled, to a specified share of income and non-income earnings of the trust estate each income year that the election is in force. These measures are to be implemented through two bills: the *Treasury Laws Amendment (Tax Reform No. 3) Bill 2026* and *Income Tax Rates Amendment (Minimum Tax on Discretionary Trusts) Bill 2026*, which were introduced into Parliament on 14 October 2026. As at the date of finalisation of this publication (30 October 2026), the bills remain unlegislated. The new measures are expected to be effective from 1 July 2028.	Once substantively enacted, discretionary trusts expected to be subject to the 30% tax would be required to reflect a change in tax status and recognise current and deferred taxes.
Tax loss refundability for small start-up companies As part of the 2026-27 Federal Budget, the Federal Government announced its intention to implement tax loss refundability for start-up companies with aggregated annual turnover of less than $10 million. Any refund would be limited to the value of fringe benefits tax and withholding tax on wages paid by the entity in the relevant period. This measure is expected to apply to income years commencing on or after 1 July 2028. As at the date of finalisation of this publication (30 October 2026), there has been no consultation or legislation and the measure remains unenacted.	Once substantively enacted, as there is no link to taxable profits or prior income tax paid, amounts refunded are likely to be accounted for as a government grant. Accounting will depend on the final form of the enabling legislation.
Innovative business CGT concession This measure is proposed to be implemented through *Treasury Laws Amendment (Tax Reform No.4) Bill 2026* and would provide investors in innovative start-up companies with access to a 50% CGT discount.	Once substantively enacted, eligible investors in innovative start-up companies would measure deferred taxes on their investments using the 50% CGT discount where the expected method of recovery triggers the eligibility criteria for the discount.

Measure	Reporting implications
ATO ruling on software royalty withholding taxes On 4 September 2026, the ATO issued TR 2026/2 *Income tax: royalties – character of payments in respect of software and intellectual property rights*. The ruling sets out the Commissioner's view on when cross-border payments under software intermediation arrangements constitute royalties subject to royalty withholding tax. This may include arrangements under which an Australian intermediary communicates, reproduces, modifies or adapts software, or otherwise exercises or authorises the exercise of rights exclusive to the copyright owner. The ATO also issued draft PCG 2026/D4, which outlines its proposed compliance approach and risk-assessment framework for cross-border software intermediation and distribution arrangements. The draft PCG is proposed to apply to arrangements entered into both before and after it is finalised.	Entities making cross-border payments for software or similar intellectual property rights should consider the impacts of the ruling. Potential financial reporting considerations may include (where material): • Determining the appropriate accounting pronouncements that apply • Recognition of previously unrecorded withholding tax liabilities, including any applicable interest or penalties • Whether a contingent liability or uncertain tax position exists requiring disclosure in the financial statements.

Other considerations

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

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

A4.2 ASIC focus areas and findings

A4.2.1 ASIC focus areas for financial reporting

In May 2026, ASIC announced its focus areas for the 2026-2027 financial year. These focus areas cover the June 2026 and December 2026 reporting periods.

ASIC previously announced a modified approach to its focus areas for financial reporting. In relation to focus areas, ASIC moved away from publishing new financial reporting focus areas each six months, instead publishing enduring focus areas for financial report reviews and supplementing those with focus areas for the relevant period where new regulatory requirements or emerging issues arise.

The enduring focus areas identified by ASIC largely remain unchanged, comprising:



Impairment and asset values

Impairment of non-financial assets, values of property assets, expected credit losses on loans and receivables, financial asset classification and values of other assets (including the probability assessment for recoverability of deferred tax assets, valuation of investments in unlisted entities and the net realisable value of inventories).



Revenue recognition

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



Provisions

Need for and adequacy of provisions for matters such as onerous contracts, make good provisions under leases, mine site restoration, financial guarantees given and restructuring.



Events occurring after year end and before completing the financial report

Events after year end should be reviewed to determine whether they relate to the current reporting period or new conditions requiring disclosure.



Disclosures in the financial report and operating and financial review (OFR)

Directors and preparers "should put themselves in the shoes of investors" and ensure information responds to their needs. Disclosures should be specific to the entity's business, assets, financial position and performance and reflect changes from the previous period.

Particular attention is drawn to matters such as the disclosure of uncertainties, current and non-current classification (including debt covenant compliance) and disclosure in the OFR of significant business risks and management strategies, including climate change risk and cyber security risks. ASIC further highlights that non-IFRS profit measures (in the OFR and market announcements) should not be misleading (see Regulatory Guide 230 *Disclosing non-IFRS financial information*).

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

Specific focus areas

In addition to the enduring focus areas, ASIC calls out the following specific focus areas for 2026-27 financial year:

- **Registrable superannuation entities (RSEs) and managed investment schemes (MISs)** – ASIC notes the following areas of focus: (1) unlisted investment valuations and (2) disclosure of advertising and sponsorship expenses. Management investment schemes have been explicitly highlighted by ASIC for the first time. MISs should closely review and comply with their financial reporting and lodgement obligations and remain aware of broader enduring focus areas.
- **Disclosures of decommissioning and site restoration costs** - As part of its focus on provisions, ASIC will review disclosures of entities with decommissioning and site-restoration costs in light of the illustrative examples recently introduced in AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* by AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements* (see A3.4 for more details).
- **Non-lodgement of financial reports by large proprietary companies** – ASIC will continue to work with these entities to ensure financial reports are lodged, and notes auditors should inform ASIC where they are aware of non-compliance with lodgement of financial reports. In December 2025, an ASIC media release noted that as part of its surveillance ASIC identified that 70% of companies it engaged with were non-compliant for failing to lodge a financial report for one or more financial years. ASIC remains focussed on driving improved compliance by companies and other entities with financial reporting obligations.

A4.2.2 ASIC's regulatory approach and financial report reviews

In late August 2026 ASIC released its *Corporate Plan 2026-27*, which outlines ASIC's strategic priorities for the four-year period 2026-2030 and its plan of action for the 2026-2027 financial year.

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

- **Sustainability reports and audits** – Improving the quality of sustainability reports by reviewing the reports of listed and unlisted Group 1 entities, whilst noting it will continue a "pragmatic and proportionate approach" to sustainability reporting. See our Clarity publication *A new era of sustainability reporting* and section B.
- **Financial reporting and audit monitoring** – Improving the quality of financial reports and audits through targeted reviews of financial reports and audit files of listed and unlisted companies, registrable superannuation entities and managed investment schemes. The plan notes ASIC will review "compliance with applicable standards, including valuation issues".
- **Non-lodgement of financial reports** – ASIC intends to address failures by companies and other regulated entities to comply with obligations to lodge financial reports. For assistance with understanding reporting obligations, see our *Australian financial reporting guide*.

ASIC media releases on financial reporting issues

Below is a summary of media releases issued by ASIC in recent years that are relevant for reporting at 31 December 2026.

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

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

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

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

ASIC's focus areas for financial reports have included the recognition and measurement of provisions for some time, and this media release is consistent with this focus area.

Wider disclosure of the potential impacts of contingent liabilities

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

Queries on expected credit losses go beyond financial institutions

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

Including loan establishment fees in the effective interest rate

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

Own market capitalisation not a measure of recoverable amount

ASIC reminded preparers of financial statements and their auditors that:

- An entity's market capitalisation will generally not represent an appropriate fair value estimate for its underlying business
- The valuation method used for impairment testing should be appropriate, use reasonable and supportable assumptions, and be cross checked for reliability using other relevant methods.

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

Non-consolidation of subsidiary

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

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

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

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

**ASIC's comments reflect the current reporting requirements. From 1 January 2027, AASB 18 will require certain management-defined performance measures (MPMs) to be disclosed in the audited financial statements. Accordingly, some measures that may previously have been reported only outside the financial statements will be included in the financial statements, provided they meet the requirements of AASB 18.*

Asset valuation and provisions related to assets held for sale

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

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

Change in revenue recognition policy from principal to agent

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

As noted by ASIC:

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

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

De-facto control of an investee

An entity restated 2023 comparatives in its financial statements for the year ended 31 December 2024 as it incorrectly accounted for its 45.6% equity interest in an entity as an investment in associate, while the entity had de-facto control in this investee because the remaining shareholders were widely dispersed.

Entities should apply AASB 10 *Consolidated Financial Statements* to assess de-facto control.

Business risk including sustainability-related risks disclosures

ASIC raised queries in relation to the adequacy of business risk disclosure in the operating and financial review (OFR). Furthermore, ASIC separately announced that a further six entities disclosed material business risks in their December 2022 half-year reports in response to ASIC enquiries.

In the separate announcement, ASIC noted:

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

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

Recognition of deferred tax assets

An entity reversed the amount of previously recognised deferred tax assets after ASIC raised concerns about the recognition of an unused tax loss as a deferred tax asset that did not meet the requirements of Accounting Standard AASB 112 *Income Taxes*.

Under AASB 112, an unused tax loss can only be recognised as a deferred tax asset if it is probable that future taxable profit will be available against which the unused tax losses can be utilised. ASIC reminds preparers of financial reports that careful judgement is required when recognising deferred tax losses as deferred tax assets. Financial report preparers should consider an entity's likelihood of generating profits in the future, noting that this assessment becomes more uncertain for later periods.

Identification of cash-generating units for impairment testing

ASIC raised concern about the appropriateness of combining multiple retail sites into a single cash-generating unit (CGU) on the basis that these sites represent a wholesale offering across an Australia-wide network.

AASB 136 *Impairment of assets* requires an entity to test assets for impairment at an individual asset level where possible. Impairment should only be assessed at CGU level if the recoverable amount of an individual asset cannot be determined. Because the entity was able to assess impairment for each individual retail site, ASIC took the view that the group approach was not appropriate.

The entity changed an accounting judgement applied in its financial report for the year ended 31 December 2025, resulting in an increase in impairment expenses.

ASIC reminds preparers of financial reports that careful judgement is required when assessing assets for impairment in accordance with accounting standards.

A4.2.3 ASIC findings from 2025-2026 financial reporting and audit surveillance

On 29 October 2026, ASIC released a report outlining the results of its 2025-2026 financial reporting and audit surveillance.

What is the background to the report?

The report 842, *ASIC's oversight of financial reporting and audit 2025-2026* (REP 842), summarises findings from financial reporting and audit surveillances and other complementary work for the period 1 July 2025 to 30 June 2026. It highlights areas where the quality of financial reporting and audits can be improved.

ASIC follows a data-led risk-based approach that integrates financial reporting and audit surveillance. A selected financial report is first subject to a desk review, and if any concerns are identified, the reporting entity is contacted, and a financial reporting surveillance commences. In addition, ASIC selects audit files for surveillance where a financial report has been subject to a review, and there are concerns that a financial report may have a risk of material misstatement. In addition to risk-based targeting, ASIC also makes random selections.

What were the outcomes?

The report notes that ASIC reviewed 353 financial reports, comprising 311 company and 42 registrable superannuation entities (RSEs) (separately reported on in REP 841 *Accounting for your super: Super fund financial reporting and audit 2025-26*), and conducted detailed financial reporting surveillances of 30 entities. ASIC also expanded its audit surveillance program to 25 audit files, up from 15 in 2024–25. ASIC's financial reporting surveillance resulted in 16 companies making, or agreeing to make, changes addressing 20 areas of concern. Collectively, the findings reinforce ASIC's continuing focus on the fundamentals of financial reporting, including appropriate recognition and measurement, support for significant judgements and estimates, and complete and entity-specific disclosures.

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

Topic area	Findings	Comments
Operating and financial review	10	Disclosure of material business risks remained ASIC's most common financial reporting concern. ASIC continued to identify disclosures that were generic or insufficiently tailored to the entity's circumstances and, in some cases, a complete absence of disclosure about material business risks.
Impairment and asset values	5	ASIC identified a range of recognition and measurement issues involving non-financial and financial assets. These included the level at which assets were tested for impairment, use of fair value where there was insufficient observable information to support the valuation, application of the appropriate accounting requirements to biological assets, and the measurement and recoverability of related-party receivables.
Financial report disclosures	3	ASIC identified two instances where large proprietary companies had not consolidated subsidiaries despite evidence of control, as required by AASB 10 *Consolidated Financial Statements*. It also identified a public company that had omitted the Consolidated Entity Disclosure Statement required by the Corporations Act. The entities agreed to address these matters in subsequent financial reports.
Deferred tax assets	1	ASIC questioned the recognition of deferred tax assets where an entity had a history of recent losses. Following ASIC's inquiries, the recognised deferred tax asset was reduced. ASIC reminds entities with a history of losses that recognition should be supported by sufficient evidence of future taxable profits or taxable temporary differences, with appropriate analysis and conclusions documented in position papers.
Employee benefits	1	ASIC identified employee benefit provisions that did not include associated superannuation, WorkCover and payroll tax on-costs. The entity agreed to include those amounts when measuring provisions for annual leave, rostered days off and long service leave in its next financial report.
	20	

Source: ASIC report, Deloitte analysis.

ASIC's key messages to directors and preparers

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

- Disclosures in the operating and financial review (OFR) reflect the entity's individual circumstances and plans provide shareholders with information about material business risks to help them assess the entity's strategies, prospects and performance
- Management produces robust position papers to support quality and timely financial information – and these should be prepared for directors and audit committees, particularly for areas with significant estimation uncertainty and judgement
- Adequate resources, skills and expertise are in place
- Timely, clear and effective communication with the auditor addressing risks affecting the information in the financial report
- A robust auditor selection process is in place.

Key points and takeaways include:

- **Familiar financial reporting issues remain in focus.** Material business risk disclosures in the OFR were again ASIC's most common financial reporting finding, followed by impairment and asset valuation issues
- **Asset valuations warrant particular attention.** ASIC specifically highlights private credit assets and unlisted investments, consistent with its broader focus on areas involving significant judgement and estimation
- **Getting the fundamentals right remains critical.** ASIC's findings also covered consolidation and other financial report disclosures, deferred tax assets and employee benefit provisions
- **Significant judgements need robust support**. For auditors, recurring themes included obtaining sufficient appropriate audit evidence, appropriately challenging management assumptions, risk assessment and documentation, particularly in areas such as revenue and impairment
- **ASIC's surveillance continues to broaden.** Managed investment schemes will be included in its financial reporting surveillance program for the first time in 2026–27, alongside continued focus on revenue recognition, asset impairment and financial instruments.

Non-lodgement of financial reports

ASIC continues to focus on entities that fail to lodge financial reports, noting that both non-lodgement and persistent late lodgement undermine market transparency and the integrity of Australia's financial system.

ASIC also reports a substantial increase in notifications made by auditors about actual or suspected contraventions. The number of notifications increased from 696 in 2024–25 to 3,341 in 2025–26, covering 3,487 contraventions, with over 85% of notifications relating to failures to lodge financial reports. Of the contraventions reported, 3,007 related to the lodgement of financial reports. Proprietary companies accounted for 2,044 non-lodgement contraventions, while unlisted public companies accounted for a further 314.

ASIC has adopted a targeted, data-driven surveillance approach and has taken enforcement action against entities that fail to meet their reporting obligations. This included issuing infringement notices totalling $9.5 million to 49 companies for alleged failure to lodge financial reports on time, as well as court action resulting in penalties exceeding $1.6 million against companies that repeatedly failed to lodge annual reports, alongside other governance failures. ASIC has indicated that its surveillance of non-lodgement will continue.

Registrable superannuation entities

In addition, in October 2026 ASIC published Report 841 *Accounting for your super: Super fund financial reporting and audit 2025-26* summarising the findings from its 2025–26 surveillance of registrable superannuation entities (RSEs).

ASIC reviewed 42 RSE financial reports, made inquiries with 9 RSEs and conducted audit surveillance of 6 RSE audits. The 42 financial reports reviewed represented the remainder of the RSE population not reviewed in 2024–25, meaning ASIC has now completed surveillance of all RSE financial reports over the first two years of mandatory reporting under the Corporations Act.

The findings were broadly consistent with those reported in the previous year, with ASIC continuing to identify concerns regarding the valuation of unlisted investments, timely adjustment of member liabilities following investment write-downs, the quality of fair value disclosures and the sufficiency of audit evidence obtained over investment valuations.

ASIC called on both trustees and auditors to strengthen governance, valuation oversight and audit procedures, particularly in relation to unlisted investments.

ASIC's expectations for OFRs

ASIC continues to identify shortcomings in the preparation of OFRs, including, in some cases, a complete absence of disclosure about material business risks.

The report highlights the following considerations for improving OFR disclosures:

- **Discuss material business risks** – to provide balance, companies should discuss the material business risks that may affect the achievement of outcomes described in the financial report.
- **Provide entity-specific disclosures** – disclosures should be appropriate to the company's individual circumstances and business environment and should not be generic
- **Strengthen risk management and reporting** – a well-developed and structured report on material business risks and their relationship to achieving business plans can provide useful information to retail investors and bring structure and accountability to risk management practices
- **Support sustainability reporting** – well-developed risk management and reporting processes will also help with the implementation of sustainability reporting standards.

Sustainability reporting

In September 2026 ASIC released Report 839 which sets out ASIC's observations from its review of December 2025 sustainability reports and highlights key action items for reporting entities. For more information, see section B2.3.4.

Future surveillance

Many of the themes emerging from this year's surveillance are familiar and align with ASIC's enduring and 2026–27 financial reporting and audit focus areas. These include asset values, revenue recognition, provisions and presentation and disclosure, with ASIC emphasising the need for particular attention in areas involving significant judgement and estimation.

For 2026–27, ASIC intends to review at least 200 financial reports of listed, public and large proprietary companies, 20 RSEs and 20 managed investment schemes, with managed investment schemes included in the surveillance program for the first time. Its areas of attention include revenue recognition, asset impairment and the recognition and measurement of financial instruments, together with decommissioning and restoration provisions following the recent guidance added to AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

ASIC will also continue its audit surveillance program, including following up remediation arising from its 2025–26 reviews.

More information



ASIC Media Release 26-098MR ***ASIC sets financial reporting, audit and sustainability focus areas for FY 2026–27***



ASIC web page ***ASIC financial reporting and audit focus areas***



Clarity publication ***Reporting priorities in focus - ASIC's latest focus areas shaping financial and sustainability reporting for 2026–2027***



ASIC Report REP 842 ***ASIC's oversight of financial reporting and audit 2025–26***



ASIC Report REP 841 ***Accounting for your super: Super fund financial reporting and audit 2025–26***

A4.3 Reissued ASIC financial reporting instruments

ASIC has reissued several Corporations Instruments which impact financial reporting:

- *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* (ASIC-CI 2026/183) permits entities to round information in directors' reports and financial reports. The level of rounding depends on the size of the entity and the nature of the item (e.g. information about key management personnel remuneration and audit fees are required to be rounded to a higher level of precision than other amounts in the reports)
- *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* (ASIC-CI 2026/533) extends the relief for wholly-owned entities that meet the relevant conditions from the requirements to prepare financial reports, have those reports audited and provide those reports to members. Conditions include being party to a deed of cross guarantee with its holding company and other group entities, and where the holding company lodges consolidated financial statements for the group. The new instrument replaces *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* (ASIC-CI 2016/785), as that instrument was due to sunset on 1 October 2026. ASIC-CI 2026/533 adopts transitional measures which means the relief provided applies to financial years ending on or after 1 January 2027. ASIC-CI 2016/785 will continue to apply (despite its repeal) to a financial year ending before 1 January 2027. This means that financial reports for financial years ending on 31 December 2026 will continue to refer to the ASIC-CI 2016/785.

The new instruments replace previous instruments that provided equivalent relief. There are no substantive changes from the previous financial reporting-related instruments.

In addition, ASIC reissued two other instruments: *ASIC Corporations (Electronic Lodgement of Financial and Sustainability Reports) Instrument 2026/59* (ASIC-CI 2026/59) issued in March 2026 which *replaced ASIC Corporations (Electronic Lodgment of Financial and Sustainability Reports) Instrument 2016/181* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2026/180* (ASIC-CI 2026/180) issued in August 2026 which replaced *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) and repealed *ASIC Corporations (Offer Information Statements) Instrument 2016/76.* However, both Instruments are not effective for financial reports as at 31 December 2026 as they were repealed by consolidated instrument *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468.* See more information in this section below and in section A4.4.

The replacement of these instruments forms part of ASIC's broader work to simplify and streamline existing regulatory relief. As part of this broader regulatory reform, in September 2025 ASIC published a regulatory simplification report which also proposed consolidating and streamlining 21 identified Corporations Instruments related to financial reporting, accounting and auditing (see section A4.4 below).

In September 2026 two new instruments were released which consolidate 17 reporting and auditing relief instruments covering financial and sustainability reporting and auditing requirements, including ASIC-CI 2026/183, ASIC-CI 2026/59 and ASIC-CI 2026/180. Importantly, the new instruments are effective immediately, which means that entities should refer to the new consolidated instruments in the financial reports as at 31 December 2026, with the exception of the rounding relief. Under transitional provisions in the new instrument, *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* will continue to apply to financial years and half years ending before 1 January 2027. This means that full and half-year reports at 31 December 2026 can continue to refer to *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*. See section A4.4 below for additional details.

Separately, the government has proposed a further simplification of group reporting relief. The 2026–27 Federal Budget also included a proposal to simplify group reporting relief "without reducing protections for those dealing with group companies". Under the proposal, the existing requirement for deeds of cross guarantee under *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* and *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* would be replaced by a simplified statutory process. As at the date of finalisation of this publication (31 October 2026), the government had not consulted on or legislated the proposal. In the meantime, entities should continue to comply with the applicable ASIC Corporations Instrument to maintain financial reporting relief for wholly-owned subsidiaries.

A4.4 ASIC regulatory simplification

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

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

From a corporate reporting perspective, the report proposes:

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

On 16 September 2026 ASIC released two Corporations Instruments, bringing together many reliefs related to financial and sustainability and auditing matters.

Together, *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* and *ASIC Corporations (Auditing) Instrument 2026/469* consolidate 17 reporting and auditing relief instruments covering financial and sustainability reporting and auditing requirements. ASIC's consolidated reporting and audit instruments resource details instruments that were consolidated and not included into consolidated instruments.

Implications for annual reports at 31 December 2026

With certain exceptions, the consolidated instruments are immediately effective. Therefore, entities relying on the relief under the superseded instruments should ensure they refer to the new instruments in the annual and half-year reports ending 31 December 2026. The citation of the instrument needs to reference the specific section of the consolidated Corporations Instrument because different parts of the proposed instrument refer to different types of entities.

Information about a relevant section in consolidated instruments for each superseded legislative instrument is provided in the table below:

Former instrument	Relevant section of the consolidated instrument
Instruments consolidated into *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468*	
ASIC Corporations (Post Balance Date Reporting) Instrument 2025/437	Part 2, Section 9 of ASIC-CI 2026/468
ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183	Part 2, Section 10 of ASIC-CI 2026/468[6]
ASIC Corporations (Directors' Report Relief) Instrument 2016/188	Part 2, Section 12 of ASIC-CI 2026/468
ASIC Corporations (Parent Entity Financial Statements) Instrument 2021/195	Part 3 of ASIC-CI 2026/468
ASIC Corporations (Related Scheme Reports) Instrument 2025/438	Part 4 of ASIC-CI 2026/468
ASIC Corporations (Non-Reporting Entities) Instrument 2025/436	Part 5 of ASIC-CI 2026/468
ASIC Corporations (Disclosing Entities) Instrument 2016/190	Part 6 of ASIC-CI 2026/468
ASIC Corporations (Reporting by Stapled Entities) Instrument 2023/673	Part 7 of ASIC-CI 2026/468
ASIC Corporations (Stapled Group Reports) Instrument 2025/439	Part 7 of ASIC-CI 2026/468
ASIC Corporations (Foreign-Controlled Company Reports) Instrument 2017/204	Part 8, Sections 35 and 36 of ASIC-CI 2026/468

[6] Under transitional provisions in the new instrument, *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* will continue to apply to financial years and half years ending before 1 January 2027. This means that full and half-year reports at 31 December 2026 can continue to refer to *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*. However, financial reports for periods ending after 31 December 2026 will need to refer to the new consolidated instrument.

Former instrument	Relevant section of the consolidated instrument
ASIC Corporations (Synchronisation of Financial Years) Instrument 2016/189	Part 8, Section 37 of ASIC-CI 2026/468
ASIC Corporations (Electronic Lodgment of Financial and Sustainability Reports) Instrument 2026/59	Part 9 of ASIC-CI 2026/468
ASIC Corporations (Disregarding Technical Relief) Instrument 2026/180	Part 10, Section 45 of ASIC-CI 2026/468
ASIC Corporations (Financial Reporting: Natural Person Licensees) Instrument 2017/307	Part 10, Section 46 of ASIC-CI 2026/468
Instruments consolidated into *ASIC Corporations (Auditing) Instrument 2026/469*	
ASIC Corporations (Auditor Independence) Instrument 2021/75	Part 2, Section 9 of ASIC-CI 2026/469
ASIC Corporations (CCIV Auditors) Instrument 2024/668	Part 2, Section 10 of ASIC-CI 2026/469
ASIC Corporations (Audit Relief) Instrument 2016/784	Part 3 of ASIC-CI 2026/469[7]

However, under transitional provisions in the new instrument *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468*, *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* will continue to apply to financial years and half years ending before 1 January 2027. This means that full and half-year reports at 31 December 2026 can continue to refer to *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*. However, financial reports for periods ending after 31 December 2026 will need to refer to the new consolidated instrument.

Similarly, under transitional provisions in the consolidated instrument *ASIC Corporations (Auditing) Instrument 2026/469*, *ASIC Corporations (Audit Relief) Instrument 2016/784* will continue to apply to financial years and half-years ending before 1 January 2027.

[7] Under transitional provisions in the new instrument, *ASIC Corporations (Audit Relief) Instrument 2016/784* will continue to apply to financial years and half-years ending before 1 January 2027.

B. Sustainability and climate reporting

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

Roadmap to this section

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

More information

The information in this section is a summary of the key requirements regarding sustainability reporting internationally and in Australia. In addition, refer to more detailed publications:



Clarity publication ***A new era of sustainability reporting*** **for more in-depth analysis of sustainability reporting in Australia**



Clarity publication ***Early insights into Wave 1 of Australian climate reporting*** **includes key insights, emerging practice and practical learnings from the first reporting cycle**



A director's guide to mandatory climate reporting (Version 2) **a co-authored publication of the Australian Institute of Company Directors, Deloitte and MinterEllison**

B1 Global developments

B1.1 Overview of IFRS Sustainability Disclosure Standards



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

B1.1.1 IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*

This Standard requires the disclosure of information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as the entity's "prospects").

The Standard includes conceptual foundations, core content, general requirements and requirements around judgements, uncertainties and errors. Many of these conceptual foundations and general requirements are broadly consistent with the IASB *Conceptual Framework for Financial Reporting*, IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* pronouncements for financial reporting.

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

B1.1.2 IFRS S2 *Climate-related Disclosures*

This Standard is the first thematic IFRS Sustainability Disclosure Standard covering the disclosure of climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as the entity's "prospects"). Disclosure requirements cover governance, strategy, risk management and metrics and targets.

The Standard is based on the recommendations of the now disbanded Task Force on Climate-related Financial Disclosures (TCFD) and includes industry-based metrics tailored to industry classifications derived from the industry-based Sustainability Accounting Standards Board (SASB) Standards (see further discussion below).

B1.1.3 Effective date

IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted (so long as both Standards are applied at the same time)[8].

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

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

B1.2.1 Background and scope



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

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

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

B1.2.2 Conceptual foundations

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

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

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

B1.2.3 Core content



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

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

B1.2.4 General requirements

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

- **Source of guidance** – in identifying sustainability-related risks and opportunities and in identifying applicable disclosure requirements, in addition to IFRS Sustainability Disclosure Standards, an entity must consider amongst other sources of guidance as outlined in IFRS S1, the disclosure topics in SASB Standards and may refer to the CDSB Framework Application Guidance, the most recent pronouncements of other standard-setting bodies and other entities in the same industry and geographical region(s)
- **Location of disclosures** – disclosures required by IFRS Sustainability Disclosure Standards must be included in an entity's general purpose financial report
- **Timing of reporting** – sustainability-related financial disclosures are made at the same time as the related financial statements and cover the same period as the related financial statements
- **Comparative information** – an entity discloses comparative information in respect of the preceding period for all amounts disclosed in the reporting period and for narrative and descriptive sustainability-related financial information where it is useful for an understanding of sustainability-related financial disclosures for the reporting period
- **Statement of compliance** – requires an entity whose sustainability-related financial disclosures comply with all of the relevant requirements of IFRS Sustainability Disclosure Standards to include an explicit and unreserved statement of compliance[9].

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

B1.2.5 Judgements, uncertainties and errors

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

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

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

B1.3 Climate-related disclosures under IFRS S2



Amendments to Greenhouse Gas Emissions Disclosures under IFRS S2

In December 2025 the ISSB issued targeted *Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2*) to provide additional relief and clarify existing relief from specific greenhouse gas (GHG) emissions disclosure requirements.

The amendments are effective for annual reports beginning on or after 1 January 2027. Earlier application is permitted. The ISSB provided specific transition requirements for the amendments.

More information about the amendments can be found in section B1.3.5.

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



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

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

B1.3.1 Core content

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

Governance	Strategy	Risk management	Metrics and targets
Objective Disclose information about the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	**Objective** Disclose information about the entity's strategy for managing climate-related risks and opportunities.	**Objective** Disclose information about the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities.	**Objective** Disclose metrics and targets to understand performance in relation to climate-related risks and opportunities, including progress toward climate-related targets (set internally or required to be met by law or regulation).
Disclosures • Information about the governance body(s) or individuals(s) with oversight of climate-related risks and opportunities • Information about management's role in processes, controls and procedures to monitor, manage and oversee climate-related risks and opportunities.	**Disclosures** • The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects • The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain • The effects of climate-related risks and opportunities on the entity's strategy and decision-making, including its transition plans • The effects of significant climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period, and the anticipated effects over the short, medium and long term[10] • The climate resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties.	**Disclosures** • The entity's process or processes used to identify, assess, prioritise and monitor climate-related risks and climate-related opportunities • The extent to which, and how, those processes are integrated into and inform the entity's overall risk management process.	**Disclosures** • Information relevant to the cross-industry metric categories (discussed below) • Industry-based metrics which are associated with particular business models, activities or common features that characterise participation in an industry[11] • Targets set by the entity, and targets required by law or regulation, including any GHG emissions targets, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress.

[10] The entity is required to specify the time horizons – short, medium or long term – over which the effects of climate-related risks and opportunities could reasonably expect to occur (IFRS S2:10(c)). These time horizons can vary between entities and depend on many factors, including industry-specific characteristics (IFRS S1:31). Accordingly, the entity is required to explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making (IFRS S2:10(d)).
[11] See section B2.2 for information about how this requirement is modified in Australian Sustainability Reporting Standards.

B1.3.2 Cross-industry metrics

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

Category	Metric	Unit of measure
GHG emissions		
Absolute gross GHG emissions generated during the reporting period, classified as scope 1, scope 2 and scope 3 emissions[12]	Quantitative	Metric tonnes of CO_2 equivalent
The approach used to measure GHG emissions, including: • The measurement approach, inputs and assumptions used • The reason the measurement approach, inputs and assumptions were chosen • Any changes made to the measurement approach, inputs and assumptions during the reporting period	Discussion and analysis	n/a
Scope 1 and scope 2 emissions are required to be disaggregated between: • The consolidated accounting group (the parent and its consolidated subsidiaries) • Other investees (associates, joint ventures, unconsolidated subsidiaries) not included in the consolidated accounting group	Quantitative	Metric tonnes of CO_2 equivalent
For scope 2 emissions: • Location-based scope 2 emissions[13]	Quantitative	Metric tonnes of CO_2 equivalent
• Information about any contractual instruments to inform users' understanding of the entity scope 2 emissions[14]	Discussion and analysis	n/a
For scope 3 emissions: • The categories included within the entity's measure of scope 3 emissions in accordance with the scope 3 categories in the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*	Discussion and analysis	n/a
• Additional information about the entity's Category 15 emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance	Quantitative	Metric tonnes of CO_2 equivalent
Transition risks		
The amount and percentage of assets or business activities vulnerable to transition risks	Quantitative	Amount, percentage
Physical risks		
The amount and percentage of assets or business activities vulnerable to physical risks	Quantitative	Amount, percentage
Opportunities		
The amount and percentage of assets or business activities aligned with climate-related opportunities	Quantitative	Amount, percentage
Capital deployment		
The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Quantitative	Amount
Internal carbon prices		
The price for each metric tonne of GHG emissions that the entity uses to assess the costs of its emissions	Quantitative	Amount per metric tonne of CO_2 equivalent
An explanation of whether and how the entity is applying the carbon price in decision-making (e.g. investment decisions, transfer pricing and scenario analysis)	Discussion and analysis	n/a

[12] Scope 1 emissions are direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity. Scope 2 emissions are indirect greenhouse emissions that occur from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Scope 3 emissions are all indirect emissions (not included in scope 2 emissions) that occur in the value chain of the reporting entity and are categorised into 15 categories. The emissions are measured in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions. See section B2.2 for more information about how this requirement has been implemented in Australian Sustainability Reporting Standards and section B1.3.5 for discussion about recent amendments to the measurement of greenhouse gas emissions.

[13] "Location-based" does not mean as emission metric based on geographic disaggregation, but rather what grids emissions are generated from, as noted in IFRS S2:BC106 which indicates that *"[a]n entity using a location-based approach measures the average emissions intensity of the grids on which energy consumption occurs (most commonly using grid-average emission factor data)".*

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

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

B1.3.3 Industry-based metrics

Proposed updates to SASB Standards

In July 2025, the ISSB released two exposure drafts that would amend the SASB Standards and *Industry-based Guidance on Implementing IFRS S2*. These exposure drafts presented a review of nine industries that were prioritised (eight industries in the Extractives & Minerals Processing sector and the Processed Foods industry). The exposure drafts were open for comment until 30 November 2025 and at the date of finalisation of this publication (30 October 2026) the ISSB had begun discussing constituent feedback and redeliberating the proposals. The ISSB has indicated an effective date of 12 to 18 months after any revisions are made (but early adoption will be available).

In addition, in March 2026 the ISSB published an exposure draft SASB/ED/2026/1 *Proposed Amendments to the SASB Standards and IFRS S2 Industry-based Guidance* (ED) with proposed changes to three other SASB standards: *Agricultural Products*, *Meat, Poultry & Dairy* and *Electric Utilities & Power Generators* and consequential amendments to the *Industry-based Guidance on Implementing IFRS S2*. The exposure drafts were open for comment until 25 July 2026. The ISSB is considering feedback on the exposure drafts.

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



IFRS S2 includes industry-based guidance, which originated from the SASB Standards developed for use in the United States[15]. As part of finalising IFRS S2, the ISSB decided to include the industry-based requirements as part of the illustrative guidance to the standard, rather than as a mandatory part of it.

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

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

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

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

B1.3.4 Transitional relief



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

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

- Provide sustainability-related risks and opportunities other than climate-related information[16]
- Provide comparative information in the first year of applying IFRS S1 and IFRS S2 (which means in an entity's second year of application, for an entity who elected to only provide climate-related information in their first year of applying IFRS S1, comparative information would only be required in respect of the climate-related disclosures in IFRS S2)
- Provide sustainability-related disclosures at the same time as the related financial statements (thereby providing additional time for entities to prepare their first set of climate-related disclosures, rather than aligning with financial reporting timeframes)[17]
- Disclose scope 3 GHG emissions under IFRS S2 (in addition, an entity applying this relief would not be required to provide comparatives for scope 3 emissions in the second year of applying IFRS S2)
- Use the GHG Protocol to measure emissions (where a different approach is currently being used).

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

[16] In the Australian context, entities are only required to apply AASB S2, as AASB S1 is a voluntary standard. Accordingly, this transitional relief is not applicable under Australian Sustainability Reporting Standards.
[17] This transitional relief is not available in the Australian context, and accordingly, entities are required to provide their sustainability report at the same time as their financial report (see section D. for details of reporting deadlines under the Corporations Act).

B1.3.5 Amendments to IFRS S2 clarifying greenhouse gas emissions measurement and disclosures

On 11 December 2025, the ISSB issued *Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)*.



The proposed amendments resulted from application issues considered by the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG).

The amendments are as follows:

- **Departures from using the GHG Protocol to measure emissions.** The existing reference to using an alternative to the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* (GHG Protocol) when measuring greenhouse gas emissions was clarified to explain an alternative measure could be used for *part* of an entity when a jurisdictional or exchange requirement applies to that part of an entity. For instance, where the National Greenhouse and Energy Reporting Scheme (NGER) applied to part of the entity, greenhouse gas emissions could be measured using NGER for that part of the entity and the GHG Protocol for the remainder
- **Global warming potential values.** Similar to the GHG Protocol proposals, an entity required by a jurisdictional authority or exchange to use global warming potential (GWP) values other than those from the latest Intergovernmental Panel on Climate Change (IPCC) assessment available at the reporting date, can use those alternative measures when measuring greenhouse gas emissions for *part* of an entity
- **Disclosure of Scope 3 Category 15 greenhouse gas emissions.** Entities are permitted to limit disclosure of Scope 3 Category 15 (investments) greenhouse gas emissions to financed emissions attributed to loans and investments (including loans, project finance, bonds, equity investments and undrawn loan commitments). Accordingly, an entity can exclude emissions attributable to derivatives, as well as those facilitated by other financial activities (so called 'facilitated emissions') and insurance-associated emissions. This means that, for example, emissions facilitated by investment banking and insurance underwriting activities are permitted to be excluded. An entity that excludes such emissions is required to explain what it has treated as a derivative (as a definition of a "derivative" is not provided in the amendments due to potential GAAP and framework differences) and describe the financial activities it has excluded from its measure of Scope 3 Category 15 GHG emissions as a result of applying the limitation, including activities associated with derivatives. An entity is required to disclose the total Category 15 emissions, as well as a subtotal of financed emissions where emissions for other financial activities are also included in Category 15
- **Industry classifications.** An entity participating in commercial banking or insurance activities will be allowed to use a single industry classification system other than the Global Industry Classification Standard (GICS) when classifying financed emissions and will not be required to use the same industry classification for both commercial banking and insurance activities where the entity participates in both activities. An entity is required to disclose the industry-classification system it used to classify investees or counterparties.

An entity is required to apply the amendments for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. If an entity applies these amendments earlier, it is required to disclose that fact.

If an entity previously applied IFRS S2, in the first annual reporting period in which it applies the amendments, the entity is required to, unless it is impracticable to do so, adjust comparative information for the preceding period as follows:

- If the entity has changed how it measures GHG emissions as a result of applying the relief provided by the amendments, it is required to adjust the comparative information as if it had changed how it measures GHG emissions in that preceding period
- If the entity disclosed Scope 3 GHG emissions in the preceding period, and the measurement of these emissions included Category 15 GHG emissions, it is required to adjust the comparative information to provide the total Category 15 GHG emissions and the subtotal of financed emissions included in that total as if it had applied the requirement to do so in that preceding period
- If the entity disclosed disaggregated financed emissions information by industry in the preceding period, it is required to adjust the comparative information to reflect the industry-classification system it selected as if it had used that system in that preceding period.

On 15 December 2025 the AASB issued an equivalent Standard, AASB S2025-1 *Amendments to Greenhouse Gas Emissions Disclosures*. The AASB also released frequently asked questions addressing the amendments.

For more information on the amendments, see:

- iGAAP in Focus *Sustainability Reporting: ISSB finalises amendments to IFRS S2 regarding specific greenhouse gas emissions disclosure requirements*
- Clarity publication *Amended relief for specific GHG emission disclosures*
- *AASB S2 Amendments FAQs* issued by the AASB.

B1.3.6 ISSB proposals to amend the SASB Standards



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

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

The exposure drafts propose:

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

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

The exposure drafts were open for comment until 30 November 2025 and at the date of finalisation of this publication (30 October 2026) the ISSB had begun discussing constituent feedback and redeliberating the proposals. The ISSB has indicated an effective date of 12 to 18 months after any revisions are made (but early adoption will be available).

In addition, in March 2026 the ISSB published an exposure draft SASB/ED/2026/1 *Proposed Amendments to the SASB Standards and IFRS S2 Industry-based Guidance* (ED) with proposed changes to three other SASB standards: *Agricultural Products*, *Meat, Poultry & Dairy* and *Electric Utilities & Power Generators* and consequential amendments to the *Industry-based Guidance on Implementing IFRS S2*.

The proposed amendments are intended to align the language and the concepts in the SASB Standards with ISSB Standards, improve the international applicability and decision-usefulness of the disclosures, support interoperability with other standards as well as maintain alignment between climate-related content in the SASB Standards and the ISSB's *Industry-based Guidance on Implementing IFRS S2.* The exposure draft was open for comment until 24 July 2026.

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

B1.4 ISSB priorities



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

- Place a high level of focus on supporting the implementation of IFRS S1 and IFRS S2 (see section B1.4.1)
- Place a slightly lower level of focus on enhancing the SASB Standards
- Add research projects to its work plan (see section B1.4.3) on the risks and opportunities associated with:
    - Biodiversity, ecosystems and ecosystem services (BEES, later renamed to "Nature-related disclosures")
    - Human capital, later renamed to "Workforce-related disclosures".

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

During its December 2025 meeting the ISSB decided to move the BEES project from research to standard-setting stage. The standard-setting project will develop disclosure requirements to respond to the needs of primary users of general purpose financial reports for information on nature-related risks and opportunities. In April 2026 the ISSB decided to progress its nature-related disclosures project in the form of an IFRS Practice Statement rather than a new standard. This approach would provide clear, due-process guidance on applying the existing requirements in IFRS S1 and IFRS S2 to nature-related disclosures without changing the standards themselves. It also offers flexibility for jurisdictions, including the option to mandate its adoption, and allows the ISSB to support high-quality, consistent reporting while retaining the ability to introduce a formal Standard later.

On 22 October 2026 the ISSB released the Exposure Draft of IFRS Sustainability Disclosure Practice Statement 1 *Nature-related Disclosures* which is open for comment until 19 February 2027. See section B1.4.3 for more information.

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

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

- Fast-tracking amendments to clarify greenhouse gas emissions measurement and disclosure (see section B1.3.5)
- Progressively improving the SASB Standards (see section B1.3.6)
- Publishing the educational materials and guidance documents (see below).

The table below outlines the educational materials and guidance issued by the ISSB or IFRS Foundation, and notes where an Australian version of the document has also been issued by the AASB. The Australian versions have a climate-related focus and reference specific Australian requirements:

ISSB/IFRS Foundation document		Equivalent AASB document (where relevant)	
Date	**Title**	**Date**	**Title**
March 2026	Factsheet Series: Climate resilience and climate-related scenario analysis requirements in IFRS S2	April 2026	Climate resilience and climate-related scenario analysis requirements in AASB S2
February 2026	Comparison – IFRS S2 with the TCFD Recommendations *(updated)*	July 2025	AASB S2 to TCFD comparison
August 2025	Disclosing information about anticipated financial effects applying ISSB Standards	October 2025	Disclosing information about anticipated financial effects – Applying AASB S2 *Climate-related Disclosures*
July 2025	Using ISSB Industry-based Guidance when applying ISSB Standards		
June 2025	Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2	July 2026	Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with AASB S2
May 2025	Greenhouse Gas Emissions Disclosure requirements applying IFRS S2 *Climate-related Disclosures*	September 2025	Greenhouse Gase Emissions Disclosure requirements applying AASB S2 *Climate-related Disclosures*
January 2025	Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2		
November 2024	Sustainability-related risks and opportunities and the disclosure of material information	March 2026	Climate-related risks and opportunities and the disclosure of material information
May 2024	ESRS-ISSB Standards Interoperability Guidance		
February 2024	Using the SASB Standards to meet the requirements in IFRS S1		
January 2024	Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards		
December 2023	Nature and social aspects of climate-related risks and opportunities		
-	*(no equivalent)*	September 2025	Proportionality mechanisms in AASB S2

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

For additional observations and practical considerations see:

- A Closer Look *Identifying material information for the purpose of reporting in accordance with IFRS Sustainability Disclosure Standards*
- A Closer Look *When numbers matter — Anticipated financial effects requirements in IFRS Sustainability Disclosure Standards.*

B1.4.2 Nature-related disclosures



In October 2026 the ISSB released an Exposure Draft of IFRS Sustainability Disclosure Practice Statement 1 *Nature-related Disclosures*. The proposals are open for comment until 19 February 2027.

Companies depend on natural resources and ecosystem services in ways ranging from water used in production to soil productivity and pollination. Changes in their availability, quality or affordability can affect costs, production, supply chains and ultimately financial performance. The proposed Practice Statement is intended to supplement IFRS S1 by providing more specific requirements and guidance for disclosures about nature-related risks and opportunities that could reasonably be expected to affect an entity's prospects.

The proposals build on IFRS S1's existing architecture of governance, strategy, risk management, and metrics and targets rather than creating an entirely separate reporting model. The proposals also draw on the Taskforce on Nature-related Financial Disclosures (TNFD) framework and permit but not require an entity to use the "LEAP" (Locate, Evaluate, Assess, Prepare) approach published by the TNFD to identify its nature-related risks and opportunities. The proposals do not change any requirements in IFRS S1 and IFRS S2, but introduce additional specificity for disclosures about nature-related risks and opportunities. For example, the proposals would require additional information about location-related aspects of nature-related risks and opportunities.

Entities would not need to apply the Practice Statement to claim compliance with IFRS Sustainability Disclosure Standards, although jurisdictions could choose to mandate it. The ISSB says it deliberately chose this route to balance improved nature-related information against the risk of disrupting jurisdictions and entities that are still implementing IFRS S1 and IFRS S2. Jurisdictions could permit voluntary application of the Practice Statement or decide whether and when to mandate it. The ISSB is also specifically seeking feedback on the Practice Statement approach.

Australia has introduced mandatory climate reporting, while the Australian Government is simultaneously encouraging businesses and financial institutions to understand nature-related risks and opportunities, support nature-related reporting and increase private investment in nature. The Government's Sustainable Finance Roadmap, issued in June 2024, notes the Government is progressing nature-related initiatives, including funding for tools and guidance to support the voluntary uptake of nature-related financial reporting by businesses and financial institutions. However, there is no current indication that the Practice Statement will be mandated in Australia. The Practice Statement could therefore provide a pathway for Australia to encourage companies to develop nature-related financial reporting voluntarily, without immediately extending mandatory sustainability reporting beyond climate.

For more information on the draft Practice Statement see:

- iGAAP in Focus *Sustainability Reporting: ISSB consults on draft practice statement for nature-related disclosure*

B1.4.3 Workforce-related disclosures



The ISSB's workforce-related disclosures project (previously referred to as the human capital research project) remains at the research stage. The project is considering investors' information needs about workforce-related risks and opportunities and how those risks and opportunities affect entities' prospects.

The ISSB decided to build on existing materials, including the SASB Standards and promote interoperability between its own global baseline of sustainability-related financial disclosures and other widely used standards and frameworks (including GRI Standards and European Sustainability Reporting Standards (ESRS)).

The table below provides an overview of current developments in the ISSB's research project on workforce-related disclosures (links are to the ISSB Updates for each meeting):

Meeting	Progress step
July 2024	Research design and approach
September 2024	Consideration of related risks and opportunities in the SASB Standards
October 2024	Jurisdictional survey on existing and upcoming jurisdictional related disclosure requirements
November 2024	Other disclosure standards and frameworks
January 2025	Related matters where IFRS Accounting Standards might require presentation or disclosure in financial statements
February 2025	Investor interest in information about risks and opportunities and the effects of these risks and opportunities on entities' prospects
March 2025	Current status of disclosure
	Other standards and frameworks for related disclosures
April 2025	Summary of findings from the first phase of the research projects and approach for next phase of the research project
July 2025	Approach to organising human capital concepts
October 2025	Structuring the ISSB's analysis of research findings
December 2025	Research findings on the necessity and feasibility of standard-setting
September 2026	Project update and proposed next steps

B2 Australian sustainability reporting requirements

B2.1 Legislative framework

B2.1.1 Enabling legislation

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

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

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

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

In addition, all entities who are required to report under Chapter 2M of the Corporations Act and who also report under the *National Greenhouse and Energy Reporting Act 2007* (NGER) are required to report in either Group 1 or Group 2 even if they do not meet the size threshold criteria.

Finally, registered schemes, registrable superannuation entities and retail CCIVs are excluded from Group 1 (even if they exceed the thresholds for that Group). Instead, these entities are included in Group 2 if the value of assets at the end of the financial year are $5 billion or more[18].

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

Entities in Group 3 are only required to make disclosures if they face material climate-related risks or opportunities, and where this is not the case, will be able to comply by disclosing a statement that they do not have material climate-related risks and opportunities and why this is the case (s.296B).

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

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

B2.1.3 Phased approach to implementation



Proposed doubling of thresholds for Group 3 sustainability reporting

As part of the 2026-27 Federal Budget, the Federal Government announced a doubling of two thresholds used to determine whether a proprietary company is considered 'small' or 'large'. The consolidated revenue threshold would be doubled to $100 million and the consolidated asset threshold doubled to $50 million (with the employee number threshold remaining at 100 employees). Because the thresholds for sustainability reporting are linked to the proprietary company thresholds, this measure would also double the thresholds for 'Group 3' reporters.

Treasury released a consultation on draft regulations to give effect to this measure on 19 October 2026, which indicates the higher thresholds will be effective for annual reporting periods beginning on or after 1 July 2027, the first year of mandatory sustainability reporting for Group 3 entities. As at the date of finalisation of this publication (30 October 2026), the consultation remained open (closing 2 November 2026), and the measure remains unlegislated.

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

- Entities which meet **two or more** of the prescribed size thresholds related to employees, consolidated assets and consolidated revenue, or
- Entities reporting under NGER, or
- In relation to registered schemes, registrable superannuation entities and retail CCIVs, the value of assets is $5 billion or more.

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

Group	Annual reporting periods commencing on or after	Category 1			Category 2	Category 3
		Meets two or more of these thresholds			NGER reporters	Registered schemes, RSEs and retail CCIVs
		Employees	Consolidated assets	Consolidated revenue		
1[19]	1 January 2025	500 or more	$1 billion or more	$500 million or more	Above NGER publication threshold[20]	N/A[21]
2[22]	1 July 2026	250 or more	$500 million or more	$200 million or more	All other NGER reporters	$5 billion assets or more
3[23]	1 July 2027	100 or more	$25 million or more	$50 million or more	N/A	N/A

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

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

ASIC guidance on determining amounts

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



In particular (RG 280.43):

- **Assets:** Total assets are determined as the amount reported as total assets in the statement of financial position or consolidated statement of financial position (as appropriate)
- **Revenue:** Revenue should be determined by reference to the definitions of income and revenue provided in AASB 15 *Revenue from Contracts with Customers*. Depending on the business model, entities may also consider other Australian Accounting Standards that give rise to the recognition of revenue, such as:
  - AASB 9 *Financial Instruments*
  - AASB 11 *Joint Arrangements*
  - AASB 17 *Insurance Contracts*
  - AASB 140 *Investment Properties*
  - AASB 141 *Agriculture*

[19] s.1707B(1)(a), s.1707B(2).
[20] Under s.1707B(4)(b), an NGER reporter is required to report in Group 1 if the entity's group meets the threshold in s.13(1)(a) of the *National Greenhouse and Energy Reporting Act 2007*. This threshold is met if the total amount of greenhouse gases emitted by the entity's group is at least 50 kilotonnes of CO_2 equivalent in a year.
[21] Under s.1707B(2)(b), an entity in Group 1 cannot be a registered scheme, registrable superannuation entity or retail CCIV. Accordingly, such entities are not required to report in accordance with the Group 1 even if they meet two or more of the thresholds in Category 1.
[22] s.1707B(1)(b), s.296B(2), (4), (5).
[23] s.292A, s.1707B(1)(c).

- **Employees:** In calculating the number of employees, ASIC notes "it may be helpful as a starting point" to refer to paragraph (a) in the definition of "employees and other providing similar services" contained in Appendix A of AASB 2 *Share-based Payment*.

In ASIC Report 809 *Response to submissions on CP 380 "Sustainability reporting"*, ASIC provides further background to the development of the above guidance, reproduced below:

> *"In response to feedback, we have amended our guidance to include a new section on revenue, assets and employees. …*
>
> *However, we recognise that the definitions of these concepts under the accounting standards allow for a degree of interpretation. Therefore, in some cases, a reporting entity may need to seek professional advice in relation to the application of the accounting standards to determine whether the entity meets a sustainability reporting threshold.*
>
> *We have not provided more detailed guidance as we consider that this could impact longstanding financial reporting and audit practices as well as the interpretation of accounting standards in the financial reporting context."*

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

ASIC guidance	Considerations
The value of assets using the Category 1 and Category 3 tests is determined by reference to total assets reported in the statement of financial position	• Where there is a choice under Australian Accounting Standards in how an asset is measured (e.g. property, plant and equipment may be measured on the cost basis or revaluation basis), the entity's accounting policy determines the amount to include in the measure of assets • The value of assets is determined after the deduction of accumulated depreciation, amortisation, loss allowances, impairment and similar amounts • Assets held for sale will be included in the measure of assets • For investment entities, total assets are determined on the fair value of the entity's investments (determined under AASB 9 *Financial Instruments*) rather than the underlying gross assets of the entity's subsidiaries • Entities managing assets on behalf of others, such as fund managers, do not include the value of assets under management in the assets measure unless those assets are consolidated by the entity
Judgement is required in determining the revenue measure	• The revenue measure can include more than revenue determined under AASB 15 • Entities should develop a policy on which amounts to include after considering their business model and seeking professional advice if necessary
Employees include *at least* individuals regarded as employees for legal and tax purposes[24]	• By using the wording "helpful as a starting point", ASIC implies additional employees may be identified • Casual employees who are considered employees for legal and/or tax purposes may be included in the measure (but no further guidance is provided on how such employees would be counted) • The linkage to legal concepts may warrant legal advice in some cases.

[24] RG 280 refers to subparagraph (a) of the definition of "employees and other providing similar services" in Appendix A of AASB 2 *Share-based Payment*. This definition is as follows (emphasis added): "Individuals who render personal services to the entity and either *(a) the individuals are*

B2.1.4 Reporting requirements

Overview

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

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

The climate statements and notes to the climate statements together disclose material climate-related financial risks and opportunities, metrics and targets related to climate (including scope 1, scope 2 and scope 3 GHG emissions) and climate-related governance or risk management processes, controls and procedures. The disclosures are those determined by sustainability standards made for purposes of the legislation (i.e. the Australian Sustainability Reporting Standards made by the AASB) (s.292A(2), RG 280.71).

Compliance with Australian Sustainability Reporting Standards and legislative requirements

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

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



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

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

regarded as employees for legal or tax purposes, (b) the individuals work for the entity under its direction in the same way as individuals who are regarded as employees for legal or tax purposes, or (c) the services rendered are similar to those rendered by employees"

Notes to the climate statements



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

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

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

Reporting

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

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

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

The requirement of the Corporations Act to prepare the sustainability report has the flow on effect that the scope of Listing Rule 17.5 is expanded to require suspension of the securities of listed entities that lodge their sustainability report after the due date (to the extent that they are required to prepare those reports under the new Corporations Act requirements). In December 2025 the ASX announced amendments to the ASX Listing Rule 17.5 so that non-lodgement of an entity's sustainability report by the due date (three months after year end) will not result in automatic suspension of trading in an entity's securities. Listed entities are still required to lodge their sustainability reports within three months after year end under ASX Listing Rule 4.5. However, suspension of the entity's securities will not be an automatic consequence of late lodgement. Non-lodgement of the directors' report, the statutory financial report or the auditor's report on the financial report by the due date will continue to result in automatic suspension. The change to ASX Listing Rule 17.5 came into effect on 16 January 2026.

ASIC released a new sustainability reporting Form 398 *Copy of sustainability report and auditor's report*, which large Australian businesses and financial institutions are required to use when lodging their sustainability reports under the Corporations Act. The sustainability report and related auditor's report must be lodged together with the new sustainability reporting form. Form 388 *Copy of financial statements and reports* will still be required to be used when lodging financial reports, related auditor's reports and directors' reports. Despite the changes to the listing rule above, entities should note that the Corporations Act and AASB S2 still requires the sustainability report to be lodged at the same time as the financial report.

B2.1.5 Assurance requirements

Changes to phasing in of assurance for voluntary sustainability reports prepared under the Corporations Act

In January 2026 the Auditing and Assurance Standards Board (AUASB) issued ASSA 2025-10 *Amendments to ASSA 5010: Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*, which requires the phasing in of assurance for Group 1, 2 and 3 entities to be equally applied to voluntary sustainability reports prepared under the Corporations Act.

For example, entities that commence voluntary reporting under the Corporations Act at the same time as reporting commences for Group 1 entities will be subject to the same phasing in of assurance as Group 1 entities.

Proposed reduction of the assurance requirements for sustainability reports under the Corporations Act

In August 2026 Treasury has released a consultation as the next step in the process announced by the Federal Government in the 2026-27 Budget to improve the efficiency of climate-related financial disclosures.

As part of the consultation Treasury seeks views on whether and how to reduce the "reasonable assurance" requirement for sustainability reports under the Corporations Act that would be required for all entities from 2030. The paper puts forward three options: maintaining the limited assurance requirements after 2030, delaying the transition to reasonable assurance until 2035, or requiring reasonable assurance for only "mature" sustainability reporting metrics (such as scope 1 and scope 2 emissions) while maintaining limited assurance requirements for the rest of the report.

The consultation was open for comment until 2 October 2026. At the date of finalisation of this publication (30 October 2026), no decisions have been made.

All climate disclosures included in sustainability reports made from 1 July 2030 onwards will be subject to audit (reasonable assurance) (s.301A). At the end of January 2025 the Auditing and Assurance Standards Board (AUASB) approved the adoption of international standard ISSA 5000 *General Requirements for Sustainability Assurance Engagements* and issued the equivalent ASSA 5000 which is applicable to sustainability assurance engagements for reporting periods beginning on or after 1 January 2025[25].

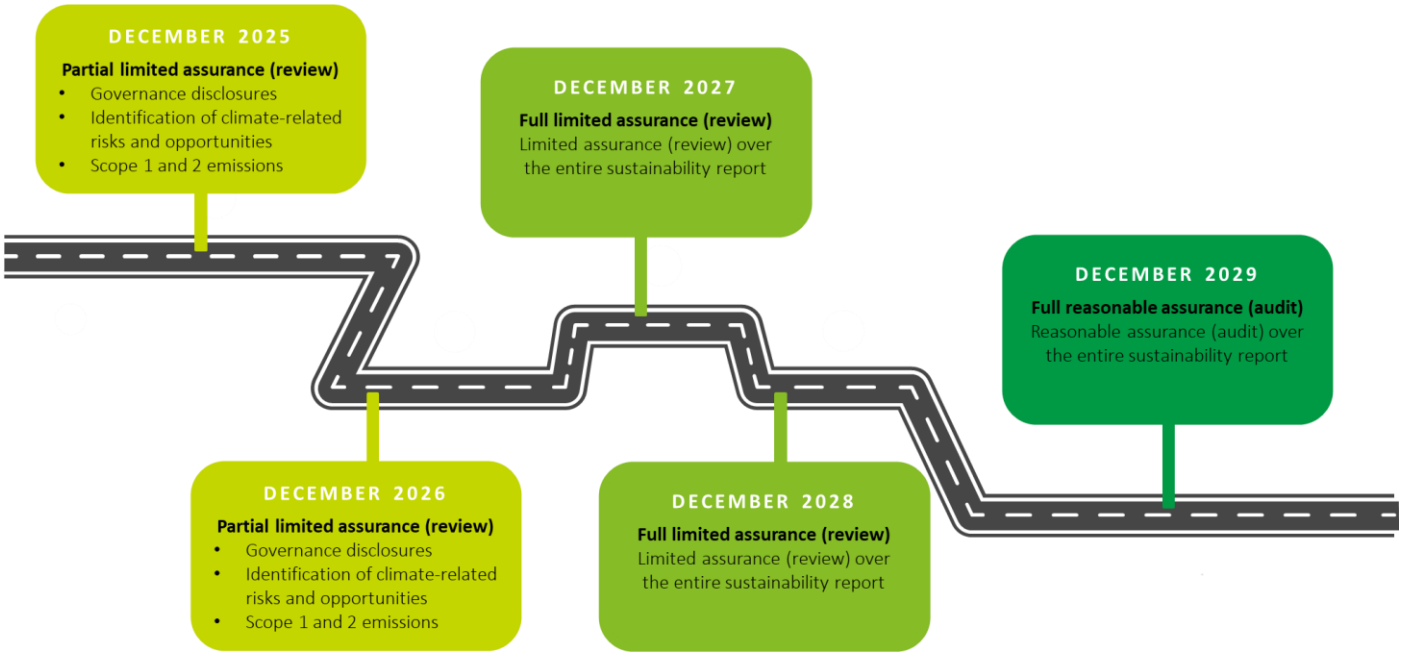


The legislation provides that the requirements for assurance over the sustainability report prior to 1 July 2030 should be determined by the AUASB on a phased-in basis (s.1707E).

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

[25] In response to matters raised by the auditing profession on initial application of the standard, on 4 June 2025, the AUASB announced minor amendments to ASSA 5000 in relation to the ethics requirements and effective date.

The diagram below illustrates how the assurance requirements will be applied in the first four years of mandatory sustainability reporting for Group 1 entities with December year ends.



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

Year of reporting	**Year 1**	**Year 2**	**Year 3**	**Year 4**
Group 1 – Years commencing	1 January 2025 to 30 June 2026	1 July 2026 to 30 June 2027	1 July 2027 to 30 June 2028	1 July 2028 onwards
Group 2 – Years commencing	1 July 2026 to 30 June 2027	1 July 2027 to 30 June 2028	1 July 2028 to 30 June 2029	1 July 2029 onwards
Group 3 – Years commencing	1 July 2027 to 30 June 2028	1 July 2028 to 30 June 2029	1 July 2029 to 30 June 2030	1 July 2030 onwards
Level of assurance	**Partial limited[26]**	**Full limited**	**Full limited**	**Full reasonable**
Governance	Limited	Limited	Limited	Reasonable
Strategy (risks and opportunities)	Limited[27]	Limited	Limited	Reasonable
Climate resilience assessments/ Scenario analysis	None	Limited	Limited	Reasonable
Transition plans	None	Limited	Limited	Reasonable
Risk management	None	Limited	Limited	Reasonable
Scope 1 and 2 emissions	Limited	Limited	Limited	Reasonable
Scope 3 emissions	N/A[28]	Limited	Limited	Reasonable
Climate-related metrics and targets	None	Limited	Limited	Reasonable

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

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

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

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

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

In January 2026 the AUASB released Illustrative Corporations Act Sustainability Assurance Reports. These illustrative reports are intended to promote consistent reporting by auditors from 31 December 2025. To promote consistency in sustainability reporting the AUASB further published FAQs. Additional guidance about the review and auditing requirements relating to sustainability reports under the Corporations Act can be found in FAQs published by ASIC.

B2.1.6 Modified liability

Changes to the modified liability framework

On 27 November 2025 the Senate passed *Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025* which received Royal Assent on 4 December 2025 and commenced the following day. One of the measures in the Bill extended the scope of the modified liability framework to:

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

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

The modified liability provisions apply to eligible sustainability reports for December 2025 year ends and later periods.

The enabling legislation introduces a temporary "modified liability" framework which provides limited immunity from liability for statements in sustainability reports relating to scope 3 emissions, scenario analysis and transition plans, in relation to sustainability reports for financial years that commence on or before three years from 1 January 2025 (the start date) (s.1707D(3)).

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



In RG 280, ASIC notes that:

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

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

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

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

B2.2 Australian Sustainability Reporting Standards



On 20 September 2024, the AASB finalised the first Australian Sustainability Reporting Standards, supporting the implementation of mandatory climate-related financial disclosures in Australia by providing the disclosure standards against which entities can report. These new standards apply to annual reporting periods beginning on or after 1 January 2025[29].

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

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

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

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

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

Applicability

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

Industry-based metrics

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

Sector neutrality

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

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

Statement of compliance

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

Transitional provisions

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

Document versions

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

AASB plans in relation to industry-based information

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

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

Entities reporting under National Greenhouse and Energy Reporting legislation



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

Under amendments to IFRS S2 issued by the ISSB in December 2025, the ISSB clarifies the jurisdictional relief under IFRS S2 so that, if an entity, in whole or in part, is required by a jurisdictional authority or exchange on which it is listed to use a method other than the GHG Protocol Corporate Standard to measure GHG emissions, the entity would be permitted to use that method instead of the GHG Protocol Corporate Standard.

This permits the jurisdictional relief to be applied to part of the entity as well as the whole of the entity and so permits an entity to use NGER for part of its emissions (where required to do so) and the GHG Protocol for the remainder. The AASB also issued equivalent amendments, AASB S2025-1 *Amendments to Greenhouse Gas Emissions Disclosures*

In April 2026 the Commonwealth Scientific and Industrial Research Organisation (CSIRO) released High-level comparison of GHG emissions reporting under AASB S2 and the NGER Scheme which provides a general comparison of key features in the NGER Scheme and the GHG Protocol Standards in the context of AASB S2, including a comparison of the general elements and the methodologies for measuring Scope 1, 2 and 3 GHG emissions.

For more information, see section B1.3.5.

B2.3 Australian regulatory perspectives

B2.3.1 Overview



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

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

B2.3.2 ASIC regulatory guide

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

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

climate-related financial information in prospectuses and product disclosure statements

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



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

Furthermore, in RG 280, ASIC:

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

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

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

B2.3.3 ASIC reporting relief

In August 2025, ASIC announced the publication of a register of sustainability reporting relief decisions to provide insights into its decision-making process over applications for relief, including any conditions imposed.

B2.3.4 Regulatory surveillance outcomes



In October 2025 ASIC shared some observations from its review of voluntary climate-related disclosures in Report REP 819 *ASIC's oversight of financial reporting and audit 2024-2025:*

- Disclosures were often repetitive, with key information about the management of climate-related risks and opportunities sometimes obscured, making it difficult for users to identify the key information
- Scenario analysis disclosures lacked detail about the underlying assumptions and dependencies relied on
- Where reporting entities had a transition plan, the related disclosures could have been more clearly linked to the entity's targets, actions and strategies
- Disclosures that incorporated forward-looking statements were predominantly qualitative in nature and lacked detail about how they translate into financial impacts for entities, their operations, prospects or assets.

In September 2026 ASIC released Report 839 which sets out ASIC's observations from review of 40 sustainability reports with December 2025 year ends and highlights key action items for reporting entities.

ASIC considers that entities generally complied with the basic statutory requirements and engaged in good faith with AASB S2. ASIC also saw evidence that the requirements are prompting entities to revisit governance and risk management processes. However, ASIC noted that practice was more mixed for forward-looking disclosures and those involving assumptions or judgement

ASIC identified **eight key actions** for entities preparing future sustainability reports which build on their earlier observations that were communicated earlier during 2026:

- **Connect sustainability and financial reporting**: Explain how information in the sustainability report connects with relevant financial statement disclosures, including cross-industry metrics and current and anticipated financial effects
- **Consider quantitative financial information:** Where material current and anticipated financial effects are disclosed qualitatively, carefully consider whether quantitative information can also be provided and, if not, clearly explain why
- **Take a broad view of climate-related risks and opportunities:** Consider past events, current and forecast conditions and direct and indirect effects throughout the value chain
- **Make judgements and uncertainty transparent:** Provide clear, effective and proximate disclosure of relevant judgements, assumptions and areas of measurement uncertainty, including those underpinning the identification of risks and opportunities and calculation of cross-industry metrics
- **Consider mandatory climate-related targets:** AASB S2's definition of climate-related targets extends to targets an entity is required to meet by law or regulation, including the Safeguard Mechanism
- **Keep material information prominent:** Additional voluntary climate information should not obscure material climate-related financial information
- **Apply the cross-referencing requirements carefully:** Cross-referenced information must, among other requirements, be available on the same terms and at the same time as the sustainability report
- **Avoid inappropriate disclaimers:** Disclaimers that conflict with the statutory reporting framework and may confuse or mislead users should not be used. ASIC considers disclaimers indicating users should not rely on information contained in the sustainability report or stating the entity took no responsibility for the accuracy or completeness of certain information to be "problematic and contrary to the legislative policy of Chapter 2M sustainability reporting".



ASIC also highlights the need to distinguish between anticipated financial effects and climate resilience. Anticipated financial effects reflect the entity's current plans and expectations for the future, while climate resilience considers how those plans would be affected under the conditions contemplated by different climate scenarios. ASIC observed instances where these distinct requirements had not been separately considered.

Reporting within corporate groups is another area requiring particular attention. ASIC found that wholly owned subsidiaries within larger groups did not always provide sufficient information to explain how broader group governance and risk management practices applied to the reporting entity. Similar issues arose with climate-related targets, where it was sometimes unclear whether a group-level target applied to the reporting entity, whether the entity was responsible for contributing to it and, if so, to what extent. ASIC encourages entities within larger corporate groups to provide sufficient information about the application of group-level governance, risk management and targets at the reporting entity level.

To assist entities in responding to ASIC's observations, the report includes examples of both better and less effective disclosure practices, which together provide insights into ASIC's expectations in various areas. For example, ASIC highlighted as better practice a reporting entity that used a diagram to illustrate the component parts of its upstream and downstream value chain, clearly showing where climate-related risk and opportunity effects may occur. By contrast, a less effective example involved an entity that disclosed an impairment relating to an investment project in its financial statements but did not describe the impairment in its sustainability report or explain the connection between the project and a related climate-related opportunity.

Overall, ASIC's review points to an encouraging start, but also to the next stage in the development of Australian sustainability reporting. As practices mature, the focus is likely to be increasingly on disclosures that clearly communicate connections, judgements and uncertainty, both within the sustainability report itself, and between the sustainability report and other parts of the reporting suite such as the financial report and the operating and financial review (OFR).

See section A4.2.3 for more information on ASIC's financial reporting and audit surveillances for FY 2025-2026.

B2.4 Treasury guidance on preparing transition plans



In August 2026, Treasury has released *Climate-related transition planning – Voluntary Guidance*, a voluntary resource intended to support organisations in developing and improving their transition planning processes.

Climate-related transition planning is considered the ongoing, internal strategic process through which organisations identify, assess and respond to climate-related risks and opportunities and deliver on any climate ambitions.

The document clearly notes that:

- Entities reporting under the mandatory sustainability reporting requirements in the *Corporations Act 2001* are not required to prepare transition plans
- An entity's transition plan does not need to align with the voluntary guidance contained in the document
- The guidance has not been developed to inform disclosures required under Chapter 2M of the *Corporations Act 2001* or any other aspect of sustainability reporting (entities should instead refer to other materials made available by the AASB or ASIC).

The voluntary resource may be useful for entities without a current transition plan that wish to develop a plan, or those wishing to improve their existing transition planning process.

The guidance outlines a transition planning cycle framework (based on a TPT framework), which is seen as a continuous cycle as follows:

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

The Guidance outlines the following:

- **An ongoing internal strategic process.** Climate-related transition planning is the ongoing, internal strategic process through which organisations identify, assess and respond to climate-related risks and opportunities and deliver on any climate ambitions. It is most effective when it is an ongoing, iterative process embedded within the organisation's broader business strategy and risk management framework
- **An approach adapted to organisational circumstances.** The most appropriate approach to transition planning, including whether and when to undertake it, will vary across organisations. The guidance illustrates approaches ranging from a focus on fundamentals to fully business-integrated and technical and target-aligned approaches, depending on climate-risk exposure and the complexity of the sector and value chain
- **Consider mitigation and adaptation.** Effective transition planning benefits from considering responses to physical climate risks through adaptation actions alongside responses to transition risks through mitigation actions. Developing

adaptation and mitigation action plans in parallel can help optimise benefits, identify trade-offs and reduce the risk of conflicting actions

- **Board approval and cross-organisation ownership.** Board, or equivalent decision-maker, approval and cross-organisational involvement are typically established before more detailed transition planning begins. Board approval supports alignment with business strategy, while financial decision-makers can help embed transition planning within organisational strategy, financial planning, capital allocation and budgeting
- **Metrics and targets to track progress.** Identifying and assessing climate-related risks and opportunities can help inform an organisation's strategic ambitions and actions, while an inventory of scope 1, 2 and 3 GHG emissions provides a baseline for tracking emissions and establishing informed strategic ambitions and targets. Scenario analysis can support an assessment of climate-related risks and opportunities. Clear and measurable metrics and targets support organisations to monitor progress and maintain accountability for strategic ambitions
- **Develop an engagement strategy.** External engagement is crucial to informing and implementing transition planning. Organisations can identify relevant stakeholders through stakeholder mapping and consider engagement with upstream and downstream value chains, investors and lenders, consumers, local communities, First Nations peoples, industry peers, and government and policymakers.

B2.5 National climate scenario guidance

In 2026, the Department of Climate Change, Energy, the Environment and Water (DCCEEW) released the National climate scenario guidance, which provides an overview of good-practice climate scenario analysis to help organisations assess physical climate risks. The voluntary guidance is intended for organisations at different levels of maturity and can be used flexibly depending on an organisation's objectives, exposure to climate risk and maturity in climate scenario analysis. It covers foundational concepts and practical approaches to climate scenario analysis, as well as more technical guidance on the selection and use of climate models, projections and datasets.

The guidance does not prescribe how reporting entities meet climate scenario analysis requirements under the Corporations Act or AASB S2, is not part of AASB S2 and does not add to or change those requirements. Reporting entities may, however, find the guidance useful in understanding the general process of climate scenario analysis.

B2.6 Educational modules on sustainability reporting

ASIC released eight educational modules to help smaller companies and other report preparers understand and apply Australia's new mandatory sustainability reporting requirements. The modules were designed in partnership with the AASB and are supported by Regulatory Guide 280 *Sustainability reporting*, which provides regulatory guidance.

ASIC educational module	Description
Module 1 **Corporations Act and climate-related disclosure requirements**	• Unit 1 sets out how the learning materials can be used • Unit 2 provides an overview of the new climate-related disclosure requirements in the Corporations Act
Module 2 **Introduction to climate change**	• Introduces climate science, greenhouse gases, the greenhouse effect and how human activity has driven global warming. • Covers the history of global climate agreements and an understanding of the Paris Agreement • Explains the global carbon budget and the remaining budget for alignment with the Paris Agreement • Introduces the concepts of climate mitigation and adaptation, including Australia's emissions reduction target and adaptation plan
Module 3 **Climate-related physical risks**	• Explains how climate change risk and impact are defined by the Intergovernmental Panel on Climate Change (IPCC) • Describes types of climate-related physical risks, explains the main categories of acute physical risks impacting entities in Australia and risk transmission across international value chains • Includes three case studies of how acute and chronic physical risks may impact Australian entities, and how a physical impact occurring overseas might disrupt an entity's value chain • Introduces sources of information for assessing physical risks
Module 4 **Climate-related transition risks**	• Explains climate-related transition risks, their possible financial and operational impacts and how different forms of risk interact with each other • Explores the policy and regulatory context at national, state and territory levels, as well as the climate commitments of Australia's major trading partners • Includes a series of case studies illustrating policy, market, legal, technology and reputational risks, and the ways these could transmit through value chains to impact entities of all sizes
Module 5 **Climate-related opportunities**	• Explains how responding to climate change through mitigation and adaptation measures can present opportunities for entities • Illustrates the concept of climate-related opportunities through two case studies
Module 6 **Emissions accounting**	• Sets out general principles for preparing an emissions inventory based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and provides insights into how to consider the boundaries of an entity's inventory • Describes Scope 1, 2 and 3 emissions and provides foundational knowledge on how to identify and calculate them • Provides foundational knowledge on financed emissions and how to calculate them
Module 7 **Scenario analysis**	• Explains the basics of climate-related scenario analysis • Introduces useful, open access sources of information for building climate scenarios
Module 8 **Governance and risk management**	• Provides an overview of how entities might integrate climate risks and opportunities into governance and risk management processes

In addition to the PDF versions of the educational materials, ASIC launched e-learning educational modules covering the same content.

B2.7 Sustainability reporting professional requirements

The Accounting Professional & Ethical Standards Board (APESB) issued APES 206 *Conformity with Sustainability Reporting Standards*, a new professional and ethical standard addressing accountants' responsibilities when preparing, presenting or compiling sustainability information, or performing sustainability assurance engagements. The standard fills a gap in the existing APES framework, providing sustainability reporting obligations analogous to those in APES 205 *Conformity with Accounting Standards*.

APES 206 requires members to take reasonable steps to ensure sustainability information complies with applicable reporting frameworks, including the Australian Sustainability Reporting Standards where relevant. The standard is effective for professional activities performed on or after 1 January 2027, with early adoption permitted.

B3 Greenwashing

B3.1 Global perspectives

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



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

B3.2 Australian regulatory perspective

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

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

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

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

The report noted four broad areas of concern:

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

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

> "Greenwashing can erode investor confidence in the market for sustainability-related products and poses a threat to a fair and efficient financial system"
>
> **ASIC Information Sheet 271**



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

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

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

Some of the recommendations in relation to listed companies include:

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

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

Further, ASIC continues to recommend that entities consider the guidance in ASIC Information Sheet INFO 271 *How to avoid greenwashing when offering or promoting sustainability-related products*[30]. Whilst focused on financial products issued by funds, ASIC acknowledges the concepts and recommendations are also relevant for other entities, such as listed entities and in relation to the issue of "green bonds". Furthermore, in *Reporting and audit update – Issue 1*, issued in August 2025, ASIC notes "[e]ntities making any kind of sustainability-related claim should consider the guidance set out in Information Sheet 271".

ASIC INFO 271 outlines the following factors to consider when preparing communications and disclosures about sustainability:

- **True to label** - Making statements that reflect the underlying reality. "No gambling fund" investing in companies with less than 30% of total revenue from gambling activities is an example of a product not true to label
- **Avoiding vague terminology** - Using broad, unsubstantiated sustainability-related statements or "jargon" without clarification, e.g. we will "contribute towards positive impact for our investors and the world" without additional disclosure about what the positive impacts are or how they will be achieved

[30] INFO 271 was updated in March 2026 to reflect the renamed RG 168 *Product Disclosure Statements: Disclosure and other obligations* (released December 2025), remove out-of-date information and align with current ASIC style and drafting practices.



- **Not making misleading headline claims** - Making "headline" statements in absolute terms which are qualified or contradicted in later detail
- **Incorporation of sustainability-related factors into decisions and stewardship** - Disclose and clearly explain which sustainability-related considerations are taken into account and how they are incorporated into investment decisions and stewardship activities
- **Investment screening criteria – including exceptions or qualifications** – This factor focuses on investors fully understanding investment screens applied by issuers using clearly explained criteria and any exceptions and qualifications to those criteria. Whilst focused on funds, sustainability related decisions are incorporated into business investment decisions by many entities, e.g. financial institutions reducing exposure to certain high-intensity emission sectors, and similar concerns may arise
- **Influence over benchmark indexes** - Specific to funds, this refers to clearly disclosing when a fund manager has a level of influence over composition of a benchmark index
- **Reasonable grounds for stated sustainability target** - Clearly explaining sustainability targets, how and when the target will be met, how progress will be measured, and any assumptions relied upon when setting targets or measuring progress.

Furthermore, ASIC notes in its Corporate Plan 2025-2026 that it will "focus on greenwashing and complaints handling by insurers following severe weather events".

Though with the introduction of mandatory sustainability reporting, greenwashing has been removed from ASIC's enforcement priorities after being included for several years, ASIC will remain alert to the risk of greenwashing. Accordingly, entities should remain cognisant of ASIC's guidance on greenwashing.

B3.3 Greenwashing and sustainability reporting are linked

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

Entities that successfully implement a sustainability reporting framework such as Australian Sustainability Reporting Standards, should thereby typically avoid the risk of greenwashing, as the frameworks provide detail that address matters expected by investors and regulators alike. For instance, AASB S2 and the IFRS Sustainability Disclosure Standards on which AASB S2 is based, focus on the four categories of governance, strategy, risk management and metrics and targets. This will help narrow the gap between green claims and green action.

B3.4 Financial reporting considerations



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

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

Example

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

Though the plan to replace the equipment may be disclosed in the entity's sustainability report as part of disclosures of strategy and targets, this intention in itself would not have immediate direct financial reporting consequences. In other words, the replacement equipment would only be recognised as an asset once purchased or as it is constructed.

However, the intention to replace the equipment might have immediate indirect financial reporting impacts, including:

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

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

B4 Other developments

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

B4.1 International standard setters

B4.1.1 Greenhouse Gas (GHG) Protocol



The Greenhouse Gas (GHG) Protocol has published a new standard on Land Sector and Removals establishing new mandatory GHG accounting requirements for agriculture and CO_2 removal technologies. The Standard is effective from 1 January 2027. Although not required to be applied under AASB S2, the new Standard may inform disclosures made in mandatory sustainability reports where relevant.

In addition, in June 2026 the GHG Protocol released the Land Sector and Removals (LSR) Guidance, providing companies practical detail on how to account for and report GHG emissions and CO_2 removals from agricultural land use and emerging CO_2 removal technologies. The LSR Guidance supports corporate implementation of the LSR Standard through worked examples, equations and calculation guidance featuring 10 corporate case studies. An overview of the content can be found in the LSR Executive Summary. In tandem with the LSR Guidance, the GHG Protocol is publishing two supplemental resources to assist corporate reporters in preparing their GHG inventory: a sample reporting template and a reporting requirements checklist. The LSR Guidance takes effect on 1 January 2027.

Earlier in October 2025 the Independent Standards Board of the GHG Protocol has released a consultation on proposed amendments to the measurement of Scope 2 greenhouse gas emissions under the GHG Protocol standards. If the proposed amendments are implemented, companies would continue to report their emissions in two ways: location-based and market-based. However, Scope 2 greenhouse gas emissions would be calculated on a much more granular basis based on a hierarchy – this could require calculation of emissions based on hourly consumption in each subregion within an electricity market (where feasible). In July 2026, the GHG Protocol published a summary of feedback received on its Scope 2 consultation. Feedback on the proposals was mixed, particularly in relation to proposed hourly matching and deliverability requirements for market-based reporting. Following consideration of stakeholder responses, the Board has requested further development of alternative market-based reporting approaches before determining the final direction of the revised standard.

In addition to the Scope 2 proposals, a consultation on consequential electricity-sector emissions impacts was issued, which focuses on consequential accounting methods for estimating the system-wide impacts of actions such as clean energy procurement or investment beyond an organisation's operational boundaries. A feedback summary released in July 2026 highlighted support for developing consequential accounting methods to assess the real-world emissions impacts of electricity-sector actions, while also identifying concerns about data requirements, complexity, comparability and the risk of double counting. The feedback will inform the ongoing work of the Actions and Market Instrument (AMI) Technical Working

Group as it develops complimentary requirements for quantifying and reporting GHG impacts from projects and market instruments outside corporate inventories[31].

Additional consultations on other aspects of the GHG Protocol are also expected.

Any revisions to the GHG Protocol standards would need to be considered by the ISSB (and AASB) before the revisions would be operative in mandatory sustainability reports under the Corporations Act and AASB S2 *Climate-related Disclosures*.

In July 2026 GHG Protocol and ISO announced plans to develop a single harmonised corporate greenhouse gas accounting standard, combining the world's most widely used carbon accounting frameworks. The move aims to simplify emissions reporting, improve consistency across jurisdictions and provide a common foundation for climate reporting globally. Under a new timeline approved by the GHG Protocol and ISO governance bodies, a consolidated public consultation is planned for Q2 2027, with the joint standard expected to be published late in 2028. Any implications of the resulting standard for the measurement requirements in IFRS S2 and AASB S2 would need to be considered by the ISSB and AASB, respectively.

B4.1.2 International assurance standards on sustainability



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

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

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

[31] On 31 March 2026, the GHG Protocol issued its *Actions and Markets (AMI) Phase 1 White Paper*, which proposes a shift to multi-statement reporting of greenhouse gas emissions, proposing three additional statements in addition to the GHG inventory of corporate emissions. The White Paper was open for comment until 31 May 2026, with an exposure draft of the full proposals expected in 2027.

B4.2 Other sustainability reporting frameworks

B4.2.1 Global Reporting Initiative (GRI)

In late January 2024, GRI announced the publication of GRI 101 *Biodiversity 2024*, providing an update to its standards on comprehensive disclosure of significant impacts by entities on biodiversity throughout their operations and value chain. GRI has also launched a guide to help companies with their biodiversity reporting. *Decoding biodiversity impacts: A practical guide to corporate reporting with the GRI Standards* combines expert insights on the use of GRI 101 *Biodiversity*, and signposts the resources and support available.

In February 2024 the GRI issued GRI 14 *Mining Sector 2024* which is effective for reports or other materials published on or after 1 January 2026, with early adoption encouraged. The Standard which is used with the GRI Universal Standards and the GRI Topic Standards, enables mining companies to use common metrics to report their impacts.

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

During 2025 and the beginning of 2026, the GRI also issued exposure draft proposals on:

- Labour
- Sector standards for financial services
- Clarity and coherence amendments across all sector standards
- Sector standards for textiles and apparel
- Pollution
- Economic impacts.

At the date of finalisation of this document (30 October 2026), finalised standards had not been made.

B4.2.2 Nature-related financial disclosures



In September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) published its final recommendations and guidance for nature-related risk management and disclosure.

The recommendations aim to help businesses start measuring, managing and disclosing their nature-related impacts, dependencies, risks and opportunities. The recommendations include a set of recommended disclosures, building on the four pillars that have been used by the TCFD, i.e. governance, strategy, risk and impact management, and metrics and targets.

In April 2025, the IFRS Foundation and TNFD announced the signing of a Memorandum of Understanding (MOU) signalling both parties' commitment to build upon the TNFD recommendations in the ongoing work of the ISSB, to enable nature-related financial disclosures for use by capital markets. Under the MOU, the ISSB committed to consider the relevance of the TNFD recommendations in meeting the needs of global capital markets. Furthermore, the ISSB and TNFD agreed to share research, knowledge and technical expertise to inform both the ISSB's biodiversity, ecosystems and ecosystem services (BEES) project and nature-related aspects of its project to enhance the SASB Standards (see also section B1.4.3).

In November 2025 the ISSB decided to undertake standard setting to introduce incremental disclosure requirements about nature-related risks and opportunities not reflected in explicit requirements in IFRS S1 and IFRS S2. For that, the ISSB will draw on the framework of the TNFD to meet primary users' common information needs about nature-related risks and opportunities, and build on the requirements in IFRS S1. In December 2025 the ISSB moved the BEES project (which was renamed to "Nature-related disclosures") from research to standard-setting stage. In October 2026 the ISSB issued the Exposure Draft of IFRS Sustainability Disclosure Practice Statement 1 *Nature-related Disclosures*. See section B1.4.3 for more information.

In November 2025 TNFD released guidance on nature-related transition plans, which breaks down the process of aligning with the goals and targets of the Kunming-Montreal Global Biodiversity Framework (GBF) into a coherent set of forward-looking strategies, actions and accountability mechanisms, built into the organisation's main business strategy. Later in November, TNFD also published eight recommendations for upgrading the nature data value chain for market participants. The recommendations illustrate how best to respond to the nature data challenges identified by companies and financial institutions around the world.

In October 2026, the TNFD released the first updates to its recommendations and LEAP assessment approach since their publication in September 2023 and reported that 836 organisations across 57 countries or areas (including 27 from Australia) had committed to reporting aligned with the TNFD recommendations. These organisations include financial institutions representing more than US$26 trillion in assets under management and listed companies representing more than US$10.5 trillion in market capitalisation. The TNFD also reported that more than 1,100 organisations are now making one or more nature-related disclosures aligned with the TNFD recommendations. The TNFD indicated that it has completed its core technical guidance development work and will now focus on supporting market adoption, capacity building and the work of standard setters drawing on the TNFD framework in the development of nature-related disclosure requirements.

The TNFD recommendations have also informed the ISSB's proposed IFRS Sustainability Disclosure Practice Statement 1 *Nature-related Disclosures.* For further information on the ISSB proposals, see section B1.4.2 Nature-related disclosures.

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

B4.3.1 New Zealand

The New Zealand External Reporting Board (XRB) has published three Aotearoa New Zealand Climate Standards, which apply to annual reporting periods beginning on or after 1 January 2023. The Standards are based on the Taskforce on Climate-Related Disclosures (TCFD) recommendations, but in some cases have been aligned with the ISSB proposals in (the then draft) IFRS S1 and IFRS S2.

In November 2024, the XRB finalised amendments that extended the transitional provisions related to the presentation and assurance of scope 3 greenhouse gas emissions under the Aotearoa New Zealand Climate Standards. In addition, in November 2025, the New Zealand Ministry of Business, Innovation, and Employment increased the mandatory climate reporting threshold for listed companies from NZD 60 million market capitalisation to NZD 1 billion. Legislation introducing the changes is expected to be passed in 2026. As at the date of finalisation of this publication (30 October 2026), no legislative changes have been made.

In November 2025 the XRB published amendments to New Zealand Climate Standard 2 (NZ CS 2) *Adoption of Aotearoa New Zealand Climate Standards* and New Zealand Standard on Assurance Engagements 1 (NZ SAE 1) *Assurance Engagements over Greenhouse Gas Emissions Disclosures*. The amendments extend the adoption provisions for an additional two years for: (i) anticipated financial impacts; (ii) scope 3 GHG emissions (and related extensions to the adoption provisions relating to comparatives for scope 3 GHG emissions and analysis of trends); and (iii) scope 3 GHG emissions assurance.

In June 2026, the XRB published a draft climate reporting roadmap, proposing a transition to a new climate standard, NZ IFRS S2 *Climate-related Disclosures*, based on IFRS S2. The draft roadmap proposes that NZ IFRS S2 would be available for early adoption for reporting periods beginning on or after 1 October 2026 and mandatory for climate reporting entities for reporting periods beginning on or after 1 January 2033, with entities permitted to continue applying the Aotearoa New Zealand Climate Standards during the transition period. The consultation closed on 30 September 2026 and the XRB is considering feedback before making decisions on the final roadmap.

B4.3.2 Europe

In December 2022, the European Commission published its Corporate Sustainability Reporting Directive (CSRD) in the Official Journal of the European Union. The CSRD came into effect on 5 January 2023 and was originally required to be transposed into European Member States' national legislation within 18 months of that date. CSRD introduced sustainability reporting requirements for entities within its scope. Entities subject to the CSRD are required to report in accordance with the European Sustainability Reporting Standards (ESRS).



The CSRD originally applied on a phased basis to a broad range of EU and non-EU entities. However, since February 2025, the European Union has pursued a package of reforms, known as the Omnibus package, aimed at simplifying sustainability reporting and due diligence requirements and reducing the number of entities within scope. The resulting changes significantly reduce the scope of the CSRD, including by generally limiting its application to entities with net turnover exceeding EUR 450 million and an average of more than 1,000 employees during the financial year. The same thresholds apply to non-EU entities listed on an EU regulated market.

Revised European Sustainability Reporting Standards

In July 2026, the European Commission adopted revised ESRS. While the fundamental architecture of the ESRS has been retained, the revised standards significantly simplify the reporting requirements. Key changes include simplification of mandatory disclosure and application requirements, a greater focus on material information, simplification of the double materiality assessment, increased flexibility in how information is presented and additional reporting reliefs. The revised ESRS also enhance interoperability with the IFRS Sustainability Disclosure Standards and the Global Reporting Initiative standards.

The revised ESRS apply for financial years beginning on or after 1 January 2027. Early adoption for the 2026 financial year will be permitted once the delegated act enters into force on 10 November 2026.

Reporting by certain non-EU entities

Separate requirements are being developed for certain groups with a non-EU parent. In July 2026, EFRAG published draft ESRS-40a, which would apply where an EU subsidiary or branch of a non-EU parent has net turnover exceeding EUR 200 million in the preceding financial year and the non-EU group generates more than EUR 450 million of revenue in the EU in each of the previous two financial years.

If finalised as proposed, from financial year 2028, entities within scope of the requirements will be required to publish sustainability information at the level of the non-EU parent group about the group's impacts on sustainability matters. Unlike the full ESRS, which require reporting on material impacts, risks and opportunities, draft ESRS-40a focuses on impacts only. The draft also includes an option, subject to specified conditions, to limit reporting to EU-related impacts for matters other than climate change. Climate change would continue to be reported on a global basis.

It is important to note that the Article 40a entity would itself be required to report on its own impacts, risks and opportunities, applying the revised ESRSs, if it has net turnover exceeding EUR 450 million and an average of more than 1,000 employees during the financial year.

If the ultimate third-country parent entity of an Article 40a entity opts to prepare a sustainability statement applying the revised ESRSs adopted as a delegated act by the EC in July 2026 or standards that are deemed equivalent, the Article 40a entity does not need to publish and make available its own ESRS 40a sustainability report, as long as the requirements for assurance and accessibility have been met for the parent's sustainability statement.

The comment period on draft ESRS-40a closed on 31 October 2026. EFRAG expects to submit its technical advice to the European Commission by January 2027, with the final standard expected to be adopted by mid-2027. The final requirements may differ from those in the exposure draft.

Australian-headed groups with significant European operations should therefore consider whether the third-country reporting requirements may apply to them. Where they are within scope, reporting may ultimately be required at the level of the Australian parent group rather than only in relation to its European operations.

Voluntary sustainability reporting standard

The European Commission has adopted a delegated act establishing a voluntary sustainability reporting standard for entities that are not subject to mandatory sustainability reporting and wish to report sustainability information voluntarily. The standard entered into force in September 2026 and is intended for entities with no more than 1,000 employees.

The voluntary standard also supports the CSRD's "value chain cap". Entities with no more than 1,000 employees cannot be required to provide information beyond specified datapoints in the voluntary standard for the purposes of another entity's CSRD reporting. The value chain cap applies to entities subject to mandatory sustainability reporting from financial year 2027.

For more information, see:

- iGAAP in Focus *European Commission publishes delegated act on simplified ESRSs*
- iGAAP in Focus *European Commission adopts voluntary standard for sustainability reporting*
- iGAAP in Focus *EFRAG publishes exposure draft on ESRSs for certain non-EU entities*
- iGAAP in Focus *Omnibus package on certain corporate sustainability reporting and due diligence requirements finalised*

B4.3.3 California



In October 2023, California enacted climate-related disclosure legislation that may impact entities with United States incorporated subsidiaries that have operations in the state of California and meet the relevant revenue thresholds.

Under bill SB-253 *Climate Corporate Data Accountability Act,* various entities incorporated under United States law doing business in California where revenue exceeds a US$1 billion threshold are required to publicly disclose their scope 1 and scope 2 emissions from 2025 and scope 3 GHG emissions from 2027. Bill SB-261 *Greenhouse gases: climate-related financial risks* applies to US entities doing business in California with annual revenue exceeding US$500 million and requires entities to prepare a climate-related financial risk report on a biennial basis from 2026. However, enforcement of SB 261 is currently stayed following an injunction issued by the US Court of Appeals for the Ninth Circuit.

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

On February 26, 2026, the California Air Resources Board (CARB) adopted the regulatory text and rulemaking materials related to SB-253 and SB-261, which establishes the administration and implementation fees under SB-253 and SB-261, as well as the first-year reporting deadline (10 August 2026) under SB-253.

On 1 September 2026, CARB issued guidance for the first reporting cycle under SB-253. The guidance reflects a revised reporting deadline of 10 November 2026 for Scope 1 and Scope 2 emissions, replacing the previously announced deadline of 10 August 2026. The guidance also explains the transitional approach CARB will apply to 2026 reporting, including that it will accept Scope 1 and Scope 2 information that entities already had, or were collecting, when its December 2024 Enforcement Notice was issued, whether or not that information has received limited assurance. Entities

that were not collecting, or planning to collect, such information at that time are not expected to submit Scope 1 and Scope 2 emissions data for the 2026 reporting cycle.

On 12 October 2026, the California Office of Administrative Law approved CARB's Initial Regulation, which took effect on the same date. The Initial Regulation formalises requirements for the first reporting cycle under SB-253. CARB is undertaking a separate rulemaking process to establish requirements for 2027 and subsequent years, including GHG accounting methodologies, deadlines, assurance requirements and reporting formats.

For more information, see:

- Sustainability Spotlight *California Climate Legislation Update — Status of CARB Rulemaking and Next Steps*
- iGAAP in Focus *California Climate Legislation—Reporting deadlines remain unchanged under new senate bill*
- iGAAP in Focus *Sustainability reporting: California Climate Legislation*
- Heads Up *#DeloitteESGNow – The Sweeping Impacts of California's Climate Legislation*.

B4.3.4 United States



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

The rules require disclosures in the financial statements (e.g. impacts due to severe weather events and other natural conditions and a roll-forward of carbon offsets and renewable energy credits) and outside of the financial statements (including scope 1 and scope 2 GHG emissions, governance and oversight of material climate-related risks, material impacts of climate risks, risk management processes and material climate targets and goals).

The new rules were due to be phased in from 2025 to 2033. On 4 April 2024, the SEC issued an order which has the effect of exercising the SEC's discretion to stay the rules pending the completion of a judicial review of various court petitions seeking review of the rules.

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

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

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

In May 2026 the SEC proposed to rescind the climate disclosure rules in their entirety because, in its view, they exceed the scope of its statutory authority. The press release states that even if the SEC had the authority to adopt such final rules, the SEC believes there are independent, compelling policy reasons to rescind them entirely. The public comment period was open till 3 August 2026. At the date of finalisation of this document (30 October 2026), there was no further update on this proposal.

For more information, see:

- iGAAP in Focus *SEC adopts rule that requires climate-related disclosures*
- Heads Up *Comprehensive analysis of the SEC's landmark climate disclosure rule*.

C. Details of new and revised pronouncements

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

Roadmap to this section

Section	What is included
C1 Overall considerations	A summary of the impacts of adopting new and revised pronouncements, and disclosing information about pronouncements not yet adopted
C2 Summary of new and amended pronouncements	An overview of new and revised accounting pronouncements, classified into those mandatory at 31 December 2026, and those that apply in future periods, grouped as follows: • Financial reporting pronouncements effective for the first-time for 31 December 2026 financial years • Financial reporting pronouncements effective for the first-time for 31 December 2026 half-years • Financial reporting pronouncements not yet effective for financial years ending 31 December 2026 • Sustainability reporting pronouncements effective for financial years ending 31 December 2026 • Sustainability reporting pronouncements not yet effective for financial years ending 31 December 2026 • IFRS Interpretations Committee agenda decisions • Transition implementation group on IFRS S1 and IFRS S2 agenda items • Legislative developments • ASIC • ASX.

The tables and other information in this section outline the new and revised pronouncements and other requirements that are to be applied for the first time at 31 December 2026 (for full and half-year financial statements), or which may be early adopted at that date and which apply to either for-profit Tier 1 and Tier 2 entities, for-profit Tier 2 entities only or not-for-profit entities only.

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

For each pronouncement, the effective date is listed, together with a summary of its applicability to annual reports and half-year reports for periods ending on 31 December 2026.

C1 Overall considerations

Impacts of Australian Sustainability Reporting Standards

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

"Group 1" entities preparing their first sustainability report should refer to the guidance in Section E. In addition, "Group 1", "Group 2" and "Group 3" entities should refer to *Considering Australian Sustainability Reporting Standards in the disclosures about Standards effective for the current year or not yet effective* on page 243.

C1.1 Impacts of adopting new and revised pronouncements

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

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

Area	Consideration
Updates to accounting policies	The terminology and substance of accounting policies may need to be updated to reflect new requirements.
Impact of transitional provisions	AASB 108 *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 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 108 (subject to any specific transitional provisions of the Standard) requires the disclosure of a number of matters, e.g. the title of the Standard, the nature of the change in accounting policy, a description of the transitional provisions, and the amount of the adjustment for each financial statement line item affected.
Third statement of financial position	AASB 101 *Presentation of Financial Statements* requires (subject to any specific transitional provisions of the relevant Accounting Standard) the presentation of a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements in a number of situations. This applies where the retrospective application of an accounting policy has a material effect on the statement of financial position at the beginning of the preceding period.
Earnings per share (EPS)	Where applicable to the entity, AASB 133 *Earnings Per Share* requires basic and diluted earnings per share (EPS) to be adjusted for the impacts of adjustments resulting from changes in accounting policies accounted for retrospectively and AASB 108 requires the disclosure of the amount of any such adjustments.

C1.2 Disclosing information about pronouncements not yet adopted

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

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

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

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



Australian-specific illustrative examples of the disclosures can be found in Appendix 3 in Note 2 (starting on page 246).

C1.3 Early adoption

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

C2 Summary of new and amended pronouncements

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

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

C2.1 Financial reporting pronouncements effective for the first-time for 31 December 2026 financial years

The table below summarises the new and amended financial reporting requirements that must be applied for the first time for financial years ending 31 December 2026.

See Appendix 4 for a summary of each pronouncement and Appendix 3 (starting on page 244) for illustrative disclosures

Pronouncement	Change
Applicable to all annual financial statements[32]	
AASB 136/AASB 137	Disclosures about uncertainties in the financial statements (AASB 2026-1) (summary)
AASB 9/AASB 7	Classification and measurement of financial instruments (AASB 2024-2) (summary)
AASB 9/AASB 7	Contracts referencing nature-dependent electricity (AASB 2025-1) (summary)
AASB 1/AASB 7/ AASB 9/AASB 10/ AASB 107	Annual improvements Volume 11 (AASB 2024-3) (summary)
AASB 1060	Classification and measurement of financial instruments: Tier 2 disclosures (AASB 2025-2) (summary)
AASB 1060	Contracts referencing nature-dependent electricity: Tier 2 disclosures (AASB 2025-3) (summary)

In addition to new pronouncements, entities should also consider the impacts of recent IFRS Interpretations Committee agenda decisions on the financial statements. A summary of recent agenda decisions can be found in section 0. All agenda decisions are available on the IFRS website.

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

C2.2 Financial reporting pronouncements effective for the first-time for 31 December 2026 half-years

The table below summarises the new and amended financial reporting requirements that must be applied for the first time for half-years ending 31 December 2026.

See Appendix 4 for a summary of each pronouncement and Appendix 3 (starting on page 244) for illustrative disclosures

Pronouncement	Change
Applicable to all half-year financial statements	
AASB 9/AASB 7	Classification and measurement of financial instruments (AASB 2024-2) (summary)
AASB 9/AASB 7	Contracts referencing nature-dependent electricity (AASB 2025-1) (summary)
AASB 1/AASB 7/ AASB 9/AASB 10/ AASB 107	Annual improvements Volume 11 (AASB 2024-3) (summary)
AASB 136/AASB 137	Disclosures about uncertainties in the financial statements (AASB 2026-1) (summary)
Applicable to half-year financial statements of Tier 2 entities	
AASB 1060	Classification and measurement of financial instruments: Tier 2 disclosures (AASB 2025-2) (summary)
AASB 1060	Contracts referencing nature-dependent electricity: Tier 2 disclosures (AASB 2025-3) (summary)
Applicable to half-year financial statements of public sector entities	
AASB 17/AASB 1050	Insurance contracts in the public sector (AASB 2022-8 and AASB 2022-9) (summary)

In addition to new pronouncements, entities should also consider the impacts of recent IFRS Interpretations Committee agenda decisions on the financial statements. A summary of recent agenda decisions can be found in section 0. All agenda decisions are available on the IFRS website.

C2.3 Financial reporting pronouncements not yet effective for financial years ending 31 December 2026

The table below summarises the new and amended financial reporting requirements that are not effective for financial years ending 31 December 2026. See Appendix 4 for a summary of each pronouncement and Appendix 3 (starting on page 246) for illustrative disclosures.

Pronouncement	Change
1 July 2026 (public sector)	
AASB 17/AASB 1050	Insurance contracts in the public sector (AASB 2022-8 and AASB 2022-9) (summary)
1 January 2027	
AASB 121/AASB 129	Translation to a hyperinflationary presentation currency (AASB 2025-4) (summary)
1 January 2027 (for-profit entities)	
AASB 18	Presentation and disclosure in financial statements (summary)
AASB 128	Fair value option for investments in associates and joint ventures (AASB 2026-3) (summary)
AASB 1039/ AASB 1054/	Application of AASB 18 and AASB 107 by superannuation and not-for-profit entities and operating cash flow reconciliation (AASB 2026-4) (summary)
1 January 2028	
AASB 10/AASB 128	Sale or contribution of assets between an Investor and its associate or joint venture (AASB 2014-10 and related amendments) (summary)
AASB 18[34]	Presentation and disclosure in financial statements (superannuation entities) (summary)
AASB 128	Fair value option for investments in associates and joint ventures (superannuation and not-for-profit entities) (AASB 2026-3) (summary)
AASB 18/ AASB 107/ AASB 1039/ AASB 1049/ AASB 1054/ AASB 1056[33]	Application of AASB 18 and AASB 107 by superannuation and not-for-profit entities and operating cash flow reconciliation (AASB 2026-4) (summary)
AASB 18[34]	Presentation and disclosure in financial statements (not-for-profit entities) (summary)
1 January 2029	
AASB 20	Regulatory Assets and Regulatory Liabilities (summary)
1 July 2029	
AASB 1061	General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities (summary)
Conceptual Framework/ AASB 1053/ AASB 1054/ various other standards	Extending the application of the Conceptual Framework and limiting the ability of not-for-profit entities to prepare special purpose financial statements (AASB 2026-2) (summary)

[33] This standard applies to superannuation and not-for-profit entities to annual reporting periods beginning on or after 1 January 2028.

[34] For not-for-profit private sector entities, not-for-profit public sector entities and superannuation entities applying AASB 1056, AASB 18 applies to Tier 1 annual reporting periods beginning on or after 1 January 2028. Earlier application is also permitted. This delayed commencement date allows the AASB to consult with stakeholders on whether AASB 18 should be amended for these entities. In August 2026, the AASB issued AASB 2026-4 (refer to the list of pronouncements in this section), which provides targeted relief and modifications for superannuation entities and certain not-for-profit public sector entities when applying AASB 18 and the related AASB 107 amendments. In addition, in June 2026 the AASB issued ED 341 *Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18* (comments closed on 24 August 2026), which proposes amendments to align the Tier 2 presentation and classification requirements with AASB 18. At the date of finalisation of this publication (30 October 2026), the AASB was considering feedback received on ED 341 with completion of the project planned for H1 2027.

C2.4 Sustainability reporting pronouncements effective for financial years ending 31 December 2026[35]

The table below summarises the new and amended sustainability reporting requirements that are effective for financial years ending 31 December 2026. See sections 34.4 in Appendix 5 and B1.1 for a summary of each pronouncement and see *Considering Australian Sustainability Reporting Standards in the disclosures about Standards effective for the current year or not yet effective* on page 243 for information about disclosures about sustainability standards in financial statements and elsewhere in the annual report.

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

C2.5 Sustainability reporting pronouncements not yet effective for financial years ending 31 December 2026

The table below summarises the new and amended sustainability reporting requirements that are not yet effective for financial years ending 31 December 2026. See sections 34.4 in Appendix 5 and B1.3.5 for a summary of the pronouncement and see *Considering Australian Sustainability Reporting Standards in the disclosures about Standards effective for the current year or not yet effective* on page 243 for information about disclosures about sustainability standards in financial statements and elsewhere in the annual report.

Pronouncement	Topic
1 January 2027	
AASB S2025-1	Amendments to greenhouse gas emissions disclosures (summary)

C2.6 IFRS Interpretations Committee agenda decisions

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

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

The table below outlines the agenda decisions published by the Committee since January 2024, grouped by the standards to which they relate. Where a decision relates to more than one standard, it is listed under each standard. Links in the table are to the IFRS Foundation website. The Interpretations Committee has also released fourteen volumes of its *Compilation of agenda decisions*, covering all agenda decisions from January 2019 to April 2026. The documents are available at www.ifrs.org.

[35] As explained in section B2.1.3, implementation of ASRS is phased with Group 1 entities with December year ends applying AASB S2 for the first time for the year ended 31 December 2025, while for Group 2 and Group 3 entities AASB S2 is not mandatory until the years ending 30 June 2027 and later periods.

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

Pronouncement	Agenda decision topic	Month finalised	More information
IFRS 3 *Business Combinations*	Payments contingent on continued employment during handover periods	April 2024	Agenda decision
IFRS 8 *Operating Segments*	Disclosure of revenues and expenses for reportable segments	July 2024	Agenda decision
IFRS 9 *Financial Instruments*	Guarantees issued on obligations of other entities	April 2025	Agenda decision
	Embedded prepayment option	February 2026	Agenda decision
	Determining and accounting for transaction costs	February 2026	Agenda decision
IFRS 15 *Revenue from Contracts with Customers*	Recognition of revenue from tuition fees	April 2025	Agenda decision
IFRS 16 *Leases*	Economic benefits from use of a battery under an offtake arrangement	April 2026	Agenda decision
IFRS 17 *Insurance Contracts*	Guarantees issued on obligations of other entities	April 2025	Agenda decision
IFRS 18 *Presentation and Disclosure in Financial Statements*	Scope of the requirement to disclose expenses by nature	April 2026	Agenda decision
	Classification of gains and losses on a derivative managing a foreign currency exposure	April 2026	Agenda decision
	Classification of a foreign exchange difference from an intragroup monetary liability (or asset)	April 2026	Agenda decision
	Assessment of a specified main business activity for the purposes of the separate financial statements of a parent	April 2026	Agenda decision
IAS 1 *Presentation of Financial Statements*	Fair presentation and compliance with IFRS Accounting Standards	April 2026	Agenda decision
IAS 7 *Statement of Cash Flows*	Classification of cash flows related to variation margin calls on 'collateralised-to-market' contracts	February 2025	Agenda decision
IAS 27 *Separate Financial Statements*	Merger between a parent and its subsidiary in separate financial statements	January 2024	Agenda decision
IAS 29 *Financial Reporting in Hyperinflationary Economies*	Assessing indicators of hyperinflationary economies	July 2025	Agenda decision
IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*	Climate-related commitments	April 2024	Agenda decision
IAS 38 *Intangible Assets*	Recognition of intangible assets from climate-related expenditure	April 2025	Agenda decision

C2.7 Transition implementation group on IFRS S1 and IFRS S2 agenda items

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

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

The table below outlines the agenda items discussed by the TIG from its first meeting to the date of finalising this publication (30 October 2026). The agenda papers and meeting summaries are available at www.ifrs.org.

Discussion topic	Meeting date	Paper reference
Application of paragraph 29(b)-(c) of IFRS S2, using ISSB Standards and related materials	15 March 2024	AP1
Revision of preceding period estimated amounts	15 March 2024	AP2
Revision of preceding period estimated amounts when estimating information from an entity in the value chain	13 June 2024	AP1
Application of the requirements on comparative information when acquiring or disposing of a subsidiary	13 June 2024	AP2
Identification of sustainability-related risks and consideration of risk mitigation activities	19 September 2024	AP2
Application of the jurisdictional relief to part of a reporting entity	19 September 2024	AP3
Scope 3 Category 15 GHG emissions related to financial activities and asset classes that are not explicitly referenced in IFRS S2	19 September 2024	AP4
Use of GWP values from the latest IPCC assessment when a jurisdictional authority mandates the use of a different GWP value	19 September 2024	AP5
Other questions submitted to the TIG that do not meet the submission criteria	19 September 2024	AP1
GHG emissions attributable to a group related to transactions between entities in the group	20 November 2025	AP2
Scope 3 GHG emissions applying IFRS S2	20 November 2025	AP3
Other questions submitted to the TIG that do not meet the submission criteria	20 November 2025	AP1
Biogenic emissions applying IFRS S2	26 March 2026	AP2
Other questions submitted to the TIG that do not meet the submission criteria	26 March 2026	AP1
Climate-related targets	23 July 2026	AP1

In addition, the IFRS Foundation has published an online log of questions presented to the TIG. The log includes questions that can be answered by applying the wording in IFRS S1 and IFRS S2, where no separate paper was prepared for TIG discussion. Entities implementing sustainability reporting may find this a useful resource for answering implementation questions.

C2.8 Legislative developments

The following amendments and regulations relevant to financial reporting have been made which impact full or half-year financial reports for the first time for at the 31 December 2026 reporting period or which are effective in future periods.

Development	When effective
Future Made in Australia (Production Tax Credits and Other Measures) Act 2025 Introduces the following tax incentives: • A hydrogen production tax offset, a refundable tax offset that is available at a rate of $2 for a kilogram of eligible hydrogen for companies that satisfy the eligibility requirements in relation to hydrogen produced in income years starting on or after 1 July 2027 and before 1 July 2040 • A critical minerals production tax incentive, in the form of a new refundable tax offset, to support the processing of critical minerals in Australia. The incentive applies to expenditure incurred in income years starting on or after 1 July 2027 and before 1 July 2040. See section A4.1 for more information.	1 July 2027
Treasury Laws Amendment (Payday Superannuation) Act 2025, Superannuation Guarantee Charge Amendment Act 2025 Amend the *Superannuation Guarantee (Administration) Act 1992* to require employers to make superannuation contributions for their employees at the same time as they pay their salary or wages and impose a superannuation guarantee charge on any superannuation guarantee shortfall of an employer for a qualifying earnings day (the employee's payday). See section A4.1 for more information.	1 July 2026
Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Act 2025 Amends the following:	
• *Corporations Act 2001* to expand beneficial ownership disclosure obligations that apply to entities listed on Australia's financial markets and broaden the Australian Securities and Investments Commission's regulatory enforcement powers	5 December 2026
• *Income Tax (Transitional Provisions) Act 1997* to extend the $20,000 instant asset write-off by 12 months until 30 June 2026. This will allow small businesses (with an aggregated annual turnover of less than $10 million) to immediately deduct the full cost of eligible depreciating assets costing less than $20,000 that are first used or installed ready for use for a taxable purpose on or before 30 June 2026	5 December 2025
• *Corporations Act 2001* to extend the modified liability provisions to voluntary sustainability reports and reports prepared under ASIC Corporations Instruments. Please see B2.1.6 for additional information.	5 December 2025

Development	When effective
Taxation (Multinational – Global and Domestic Minimum Tax) Amendment (2025 Measures No.1) Rules 2025 Amend provisions in the *Taxation (Multinational—Global and Domestic Minimum Tax) Rules 2024* (the Rules) relating to the release of the OECD's Administrative Guidance, including: • Clarifying the limited circumstances where Securitisation Entities would be liable to pay Undertaxed Profits Rules (UTPR) top-up tax • Inserting an Equity Investment Inclusion Election and the related rules on Qualified Flow-through Tax Benefits • Minor amendments to the Domestic Minimum Tax (DMT) provisions • Clarifying the Investment Entity Transparency Election for Regulated Mutual Insurance Companies. See section A3.1 for more information on the Pillar Two reform.	6 January 2026
Treasury Laws Amendment (Fuel Excise Relief) Act 2016, Excise Tariff (Fuel Duty Temporary Reduction) Determination 2026* and *Fuel Tax (Road User Charge) Amendment Determination 2026 Amends *Excise Tariff Act 1921* to: • Provide a 50% reduction in the rate of fuel excise on petrol, diesel and similar petroleum products for a three-month period 1 April 2026 to 30 June 2026 • Provide the Treasurer with the power to determine a lower percentage of fuel duty between 1 April 2026 and 30 June 2026, which was subsequently actioned through *Excise Tariff (Fuel Duty Temporary Reduction) Determination 2026* to reduce the percentage to 39.1% of the excise rate applying at 31 March 2026 (resulting in an overall 60.9% reduction in the fuel excise rate) • Providing the Transport Minister with the power to vary the rate of the road user charge for a financial year beginning 1 July 2025 or 1 July 2026, in order to allow the heavy vehicle road user charge to be set at zero for three months beginning on 1 April 2026 and the deferral of the next scheduled increase in the road user charge by six months. Subsequently, the Transport Minister made *Fuel Tax (Road User Charge) Amendment Determination 2026* giving effect to a zero-rate road user charge for the period 1 April 2026 to 30 June 2026.	1 April 2026
Treasury Laws Amendment (Fuel Excise Relief No. 2) Act 2026 Amends the *Customs Tariff Act 1995* and *Excise Tariff Act 1921* to provide further temporary reductions in the excise duty rates and excise-equivalent customs duty rates by 30.4 per cent of the full rate for fuels, including petrol and diesel and similar petroleum-based products.	1 July 2026
Treasury Laws Amendment (Tax Reform No. 2) Act 2026 Amends the following: • *Income Tax Assessment Act 1997*, *Income Tax Assessment Act 1936* and *Taxation Administration Act 1953* to enable corporate tax entities that are not significant global entities to carry back a tax loss in an income year and apply it against tax paid in either or both of the previous two income years to receive a tax offset • *Income Tax Assessment Act 1997* and *Income Tax (Transitional Provisions) Act 1997* to permanently extend the $20,000 instant asset write-off from 1 July 2026 • *Income Tax Assessment Act 1997* to provide an income tax exemption for income derived in respect of employment with the PNG Chiefs Limited.	1 July 2026

Development	When effective
Treasury Laws Amendment (Delivering an Efficient and Trusted Tax System) Act 2026 Amends the following: • *Income Tax Assessment Act 1997* to remove the requirement that a gift to a deductible gift recipient be valued at $2 or more for the donor to claim a tax deduction; • *Income Tax Assessment Act 1997* to exclude tobacco and gambling related activities from eligibility for the Research and Development Tax Incentive • *Income Tax Assessment Act 1936* to require trustees of closely held trusts to report, in the trust's income tax return, the quoted tax file numbers of beneficiaries who have an entitlement.	1 July 2026 Income years starting on or after 1 July 2025 1 July 2026
Treasury Laws Amendment (Financial Reporting System Reform) Act 2026 Amends the *Australian Securities and Investments Commission Act 2001* to merge the Financial Reporting Council, the Australian Accounting Standards Board and the Auditing and Assurance Standards Board into a single entity to be known as External Reporting Australia, with responsibility for performing core financial reporting and sustainability standard-setting functions. External Reporting Australia will have a governance council and standard-setting boards dealing with accounting standards, auditing and assurance standards and sustainability standards. This measure will effectively split the AASB into two separate standard-setting boards - one each for accounting standards and sustainability standards.	1 December 2026
Treasury Laws Amendment (Strengthening Accountability for Tax Adviser Misconduct and Other Measures) Act 2026 Includes amendments to: • *Income Tax Assessment Act 1997, International Tax Agreements Act 1953* and *Taxation Administration Act 1953* to amend the foreign resident capital gains tax (CGT) regime, including by clarifying and broadening the foreign resident CGT tax base by introducing a definition of 'real property' • *Income Tax (Transitional Provisions) Act 1997* to provide a transitional 50 per cent CGT discount for certain foreign investors disposing of Australian renewable energy assets until 30 June 2030.	1 October 2026

C2.9 ASIC

ASIC regulatory simplification

On 16 September 2026 ASIC released two Corporations Instruments, bringing together many accounting and auditing relief instruments into two consolidated instruments.

The release of the consolidated instruments is part of ASIC's regulatory simplification initiative which was originally exposed for comment in September 2025. That consultation proposed a single consolidated instrument for accounting, financial reporting, sustainability and auditing matters. However, ASIC subsequently consulted on two separate instruments dealing with financial and sustainability reporting, and auditing matters.

Together, *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* and *ASIC Corporations (Auditing) Instrument 2026/469* consolidate 17 reporting and auditing relief instruments covering financial and sustainability reporting and auditing requirements. ASIC's consolidated reporting and audit instruments resource details instruments that were consolidated and not included into consolidated instruments.

With certain exceptions, the consolidated instruments are immediately effective. Therefore, entities relying on the relief under the superseded instruments should ensure they refer to the new instruments going forward. However, under transitional provisions in the new instrument, *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* will continue to apply to financial years and half-years ending before 1 January 2027. See section A4.4 for more details.

ASIC regulatory tracker lists and includes links to all new and updated regulatory guides, information sheets, reports and consultation papers issued by ASIC. It also includes links to legislative instruments (including rules, determinations and waivers) made by ASIC. This resource allows for the easy monitoring of new developments and announcements.

The tables below outline financial reporting related ASIC instruments, regulatory guides and other guidance which have been issued, updated or effective since 1 January 2026. Links are to the ASIC website, or www.legislation.gov.au.

C2.9.1 ASIC pronouncements

Document	Effective date	Link to document
ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 Allows amounts disclosed in the directors' report, financial report or financial statements of a financial services licensee (the 'relevant report') to be rounded and for an item to be omitted from a financial report if the amount involved is nil. The rounding relief depends on the total assets of the entity and the nature of the amount being rounded (e.g. key management personnel remuneration is rounded to a higher level of precision). The relevant report must state that the relevant entity is an entity to which section 7 of the Instrument applies and that amounts have been rounded off in accordance with that section. *This Instrument was later replaced by ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468 which was issued on 16 September 2026. However, under transitional provisions in the new instrument, ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 will continue to apply to financial years and half-years ending before 1 January 2027.*	Full years and half-years ending on or after 30 June 2026 *(see note)*	ASIC-CI-2026/183

Document	Effective date	Link to document
ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468 Remakes and consolidates relief previously contained in separate legislative instruments to make the available relief and its conditions easier to access, understand and navigate. The Instrument repeals and replaces the following legislative instruments: • *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* • *ASIC Corporations (Disregarding Technical Relief) Instrument 2026/180* • *ASIC Corporations (Electronic Lodgment of Financial and Sustainability Reports) Instrument 2026/59* • *ASIC Corporations (Stapled Group Reports) Instrument 2025/439* • *ASIC Corporations (Related Scheme Reports) Instrument 2025/438* • *ASIC Corporations (Post Balance Date Reporting) Instrument 2025/437* • *ASIC Corporations (Non-Reporting Entities) Instrument 2025/436* • *ASIC Corporations (Reporting by Stapled Entities) Instrument 2023/673* • *ASIC Corporations (Parent Entity Financial Statements) Instrument 2021/195* • *ASIC Corporations (Financial Reporting: Natural Person Licensees) Instrument 2017/307* • *ASIC Corporations (Foreign-Controlled Company Reports) Instrument 2017/204* • *ASIC Corporations (Disclosing Entities) Instrument 2016/190* • *ASIC Corporations (Synchronisation of Financial Years) Instrument 2016/189* • *ASIC Corporations (Directors' Report Relief) Instrument 2016/188.*	18 September 2026, with the exception of ASIC-CI 2026/183 which continues to apply to full years and half-years ending before 1 January 2027	ASIC-CI-2026/468
ASIC Corporations (Auditing) Instrument 2026/469 Provides targeted relief from the audit requirements under Chapter 2M, provided certain requirements are met, and modifies the application of Chapter 8B. The Instrument remakes and consolidates relief and declarations previously contained in separate legislative instruments into one instrument to make them, and their conditions, easier to access, understand and navigate. The Instrument repeals and replaces the following legislative instruments: • *ASIC Corporations (CCIV Auditors) Instrument 2024/668* • *ASIC Corporations (Auditor Independence) Instrument 2021/75* • *ASIC Corporations (Audit Relief) Instrument 2016/784.*	18 September 2026	ASIC-CI-2026/469

Document	Effective date	Link to document
ASIC Corporations (Wholly-owned Companies) Instrument 2026/533 Extends existing financial reporting relief for wholly-owned companies in a corporate group from the requirements to prepare financial reports, have those reports audited and provide those reports to members where: • The wholly-owned companies are party to a deed of cross guarantee with the holding entity and certain other wholly-owned entities of the holding entity (collectively referred to as a closed group) • The holding entity has prepared consolidated financial statements covering the closed group and any other bodies which are parties to the deed of cross guarantee and which are controlled by the holding entity • The other conditions for relief in the instrument are met. The new instrument replaces *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* which was due to sunset on 1 October 2026. However, *ASIC-CI 2016/785* will continue to apply to a financial year ending before 1 January 2027. For more information, see section A4.3. *Note: As part of the 2026-27 Federal Budget, the Federal Government announced its intention to simplify group reporting relief by legislating relief without the need for deeds of cross guarantee. ASIC has noted that it will withdraw ASIC-CI 2026/533 when this process is completed. See more information in section A4.1.*	Full years and half-years ending on or after 1 January 2027	ASIC-CI-2026/533
ASIC Corporations (Amendment) Instrument 2026/772 Makes technical amendments to correct out-of-date-references in the following instruments: • *ASIC Corporations (Hardship Withdrawals Relief) Instrument 2020/778* • *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* • *ASIC Corporations (Auditing) Instrument 2026/469.* The Instrument also includes *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* in the definition of 'technical relief instrument' in *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* to ensure entities relying on *Instrument 2026/533* can continue to rely on certain disclosure concessions under Chapter 6D and Part 7.9 of the *Corporations Act.*	1 October 2026	ASIC-CI-2026/772

C2.9.2 ASIC regulatory guides

Document	Date of issue	Link to document
ASIC Regulatory Guide 108 *No-action letters* This guide is for persons (and their professional advisers) who want to ask the Australian Securities and Investments Commission (ASIC) for a no-action letter (including a class no-action position). It explains how to make an application for a no-action letter (including a class no-action position) and sets out the factors ASIC considers when dealing with such applications.	13 February 2025	RG 108

Document	Date of issue	Link to document
ASIC Regulatory Guide 51 *Applications for relief* This guide is for applicants and advisers who are making an application for relief under relevant provisions of legislation ASIC administers. It sets out ASIC's general approach to granting relief, the requirements and process for making relief applications, and how ASIC charges fees for such applications. The examples used in this guide refer to powers commonly exercised by ASIC; however, the principles apply to ASIC's discretionary powers generally.	13 February 2025	RG 51
ASIC Regulatory Guide 280 *Sustainability reporting* This guide is for entities required to prepare a sustainability report under the Corporations Act. It includes guidance on numerous matters, including: • Which entities must prepare a sustainability report under the Corporations Act, including guidance on how assets, revenues and employees are determined for the purpose of threshold tests • The required content of the sustainability report, including new guidance on statutory requirements for climate-related scenario analyses and scope 3 emissions • Sustainability-related financial information disclosed outside the sustainability report, including operating and financial reviews, prospectuses and product disclosure statements • ASIC's administration of the sustainability reporting requirements, including ASIC's approach to sustainability reporting and audit relief. For more information, see section B2.3 and section E.	31 March 2025	RG 280
ASIC Regulatory Guide 34 *Auditor obligations: Reporting to ASIC* (updated) It gives guidance on auditors' obligations to report to ASIC: • Contraventions and suspected contraventions under s.311, 601HG, 990K and 1226H of the Corporations Act and s.104 of the *National Consumer Credit Protection Act 2009* (National Credit Act) • Attempts to unduly influence, interfere, or mislead the auditor under s.311, 601HG, 990K and 1226H of the Corporations Act and s.104 of the National Credit Act • Conflict of interest situations and circumstances involving relevant relationships as part of an auditor's independence obligations under s.324CA–CC and s.324CE–CG of the Corporations Act • The auditor's own contraventions and suspected contraventions under s.311, 601HG and 1226H of the Corporations Act. This guide also provides guidance about lodging auditor notifications under these reporting obligations, how qualified privilege operates, and what happens when auditors do not meet their reporting obligations. The reissued regulatory guide consolidates and simplifies guidance on auditor breach notification and contravention reporting obligations to ASIC as well as reflecting changes to the law. Following the reissue of RG 34 ASIC also made minor changes to the following regulatory guides: RG 26 *Resignation, removal and replacement of auditors,* RG 78 *Breach reporting by AFS licensees and credit licensees,* RG 22 *Directors' solvency declaration*	18 September 2025	RG 34

Document	Date of issue	Link to document
ASIC Regulatory Guide 260 *Communicating findings from audit files to directors, audit committees or senior managers* The Australian Securities and Investments Commission Act 2001 (ASIC Act) allows ASIC to directly communicate specific financial reporting and audit quality findings identified in review of audit files to the relevant directors, audit committees or senior managers of companies, responsible entities, superannuation trustees, or disclosing entities. This guide explains which financial reporting and audit quality findings identified from ASIC's reviews of audit files would be communicated to the relevant directors, audit committees or senior managers. It also provides guidance on the process ASIC will follow and the timing of communication.	15 October 2025	RG 260
ASIC Regulatory Guide 43 *Financial reporting and audit relief* ASIC reissued a regulatory guide to streamline guidance on financial reporting and audit relief and reflect changes to legislation. RG 43 provides guidance for entities including companies, disclosing entities, registered managed investment schemes, corporate collective investment vehicles and registrable superannuation entities, their directors and auditors. It explains: • how ASIC exercises its powers to grant relief from the financial record keeping, financial reporting and audit requirements of Pts 2M.2, 2M.3 and 2M.4 (other than Div 4) of the Corporations Act • how to apply for individual relief if an entity is unable to rely on existing class relief. The changes reflect legislative reforms since the guidance was last updated, incorporate other relevant ASIC guidance, including Regulatory Guide 29 *Financial reporting by Australian entities in dual listed company arrangements* (RG 29), and simplify the existing guidance. As part of these changes, RG 29 has been withdrawn.	24 April 2026	RG 43

C2.9.3 Other ASIC information

Document	Effective date	Link to document
ASIC Regulatory Resource *Sustainability reporting* Online regulatory resource from ASIC containing information about the sustainability reporting requirements of the Corporations Act. The regulatory resource summarises the sustainability reporting requirements on sustainability reporting, but it does not cover all aspects of the sustainability reporting regime. The resource provides the following information for preparers of sustainability reports: • Who must prepare a sustainability report? • What should your sustainability report contain? • How and when to lodge your sustainability report? • Relief from sustainability reporting requirements • Modified liability settings. In addition, the resource covers the following topics: • ASIC's administration of the sustainability reporting regime • Audit and assurance of sustainability reports • Further regulatory resources and news • Historical development of climate-related financial disclosures.	N/A[36]	Regulatory resource
ASIC REP 809 *Response to submissions on CP 380 Sustainability reporting* REP 809 was released simultaneously with ASIC Regulatory Guide 280 *Sustainability Reporting* (RG 280). It provides detail about ASIC's responses to the submissions received on Consultation Paper 380 *Sustainability reporting*, including the rationale for the guidance included in RG 280.	N/A	REP 809
ASIC REP 813 *Regulatory simplification* This report explores ideas to simplify regulation and ease regulatory burden. ASIC is seeking views on how ASIC can make the information they provide simpler and more accessible and how they can make it easier to interact with them. For more information, see *ASIC regulatory simplification* on page C-10.	N/A	REP 813
ASIC REP 819 *ASIC's oversight of financial reporting and audit 2024–25* REP 819 summarises findings from ASIC's financial reporting and audit surveillances and other complementary work for FY 2024–25. It highlights areas where the quality of financial reporting and audits can be improved. See section A4.2.3 for more information on ASIC findings.	N/A	REP 819
ASIC Information Sheet 82 *Apply for relief* This guide provides information on how companies should apply to ASIC for relief from various requirements of the *Corporations Act*, *Superannuation Industry (Supervision) Act 1993*, *National Consumer Credit Protection Act 2009*, *Australian Securities and Investments Commission Act 2001* or *Insurance Act 1973*. The Information Sheet includes guidance on what information should be included in the application.	N/A	INFO 82

[36] As a regulatory resource, the guidance provided by ASIC is not authoritative.

Document	Effective date	Link to document
ASIC Information Sheet 62 *Removal of an auditor of a company* INFO 62 explains the essential steps to follow when removing an auditor of a company under the *Corporations Act*.	N/A	INFO 62
ASIC Information Sheet 145 *ASIC's compulsory information-gathering powers* INFO 145 provides information on ASIC's information-gathering powers, including why ASIC needs to gather information, ASIC's approach to the use of its information-gathering powers and the rights and responsibilities of entities in this respect.	N/A	INFO 145
ASIC Information Sheet 196 *Audit quality – The role of directors and audit committees* INFO 196 is relevant to audit committees and directors and explains why audit quality is important, the auditor's responsibilities, the roles and responsibilities of directors and audit committees, considerations relevant to the appointment of auditors and setting audit fees, how directors and audit committees can promote audit quality and the features of audit committee that support it.	N/A	INFO 196
ASIC Information Sheet 271 *How to avoid greenwashing when offering or promoting sustainability-related products* INFO 271 provides information about misrepresenting the extent to which a financial product or investment strategy is environmentally friendly, sustainable or ethical for responsible entities of managed funds, corporate directors of corporate collective investment vehicles, and trustees of registrable superannuation entities. The guide outlines what greenwashing is and why it's a concern, the current regulatory setting for communications about sustainability-related products and questions to consider when offering or promoting sustainability-related products.	N/A	INFO 271
***How to lodge a sustainability report and auditor's report* – Company portal user guide** A user guide illustrating the steps to lodging a sustainability report and auditor's report on a company portal as well as the instructions on how to submit an amendment to previously lodged sustainability report.	N/A	Company Guide
***How to lodge a sustainability report and auditor's report* – Registered agent portal user guide** A user guide illustrating the steps to lodging a sustainability report and auditor's report by a registered agent as well as the instructions on how to submit an amendment to previously lodged sustainability report.	N/A	Agent Guide
ASIC REP 829 *ASIC enforcement and regulatory update: July to December 2025* REP 829 provides an overview of ASIC's work and key matters between 1 July and 31 December 2025, including enforcement actions during the second half of 2025 and enforcement priorities for 2025.	N/A	REP 829
ASIC REP 830 *Regulatory simplification progress report* This report sets out key achievements to date in the regulatory simplification work. It also highlights the key issues that arose out of the submissions received on Report 813 *Regulatory simplification* (REP 813) and details ASIC's responses to those issues. For more information, see *ASIC regulatory simplification* on page C-10.	N/A	REP 830

Document	Effective date	Link to document
ASIC REP 839 *ASIC's review of sustainability reports lodged for 31 December 2025* This report sets out ASIC's observations from the review of sustainability reports lodged for the financial year ending 31 December 2025 and highlights key action items for reporting entities.	N/A	REP 839

C2.10 ASX

Document	Effective date	Link to document
Guidance Note 17 *Waivers and In-principle Advice* (updated) This Guidance Note assists listed entities and entities applying for admission to the official list of the ASX to understand how the ASX deals with applications for waivers of, and request for in-principle advice in relation to the ASX Listing Rules. Updates in this version include a requirement for entities to disclose (ordinarily within one business day of receiving confirmation from the ASX that a waiver has been granted) the nature and effect of any waiver that has been granted to them and the reasons for seeking the waiver. Entities receiving a waiver in relation to confidential or incomplete proposals or negotiations will not be required to disclose the waiver until the matter ceases to be confidential or incomplete.	N/A	Guidance Note 17
Amendment to Listing Rule 17.5 Listing Rule 17.5 provides that trading in a listed entity's securities will be suspended if the entity fails to lodge the annual reporting documents required under Listing Rule 4.5 by the due date. Recent amendment to the Corporations Act that requires some entities to prepare annual sustainability reports has the flow on effect that the scope of Listing Rule 17.5 is expanded to require suspension of the securities of listed entities that lodge their sustainability report after the due date (to the extent that they are required to prepare those reports under the new Corporations Act requirements). The effect of the amendment to Listing Rule 17.5 is that non-lodgement of an entity's sustainability report by the due date (three months after year end) will not result in automatic suspension of trading in an entity's securities. Listed entities are still required to lodge their sustainability reports within three months after year end under ASX Listing Rule 4.5. However, suspension of the entity's securities will not be an automatic consequence of late lodgement. Non-lodgement of the directors' report, the statutory financial report or the auditor's report on the financial report by the due date will continue to result in automatic suspension.	16 January 2026	Chapter 17 Listed@ASX Compliance Update no. 13/25 (item 1)

Document	Effective date	Link to document
ASX guidance on sustainability reporting The ASX released an update explaining the interaction of the ASX Listing Rule requirements with mandatory sustainability reporting. The update explains that entities may release their corporate governance statement and Appendix 4G at the same time as their sustainability report and audited financial statements, rather than including them in the 'glossy' annual report. The ASX accepts this practice as there may be some common content across the sustainability report and corporate governance statement. The corporate governance statement and Appendix 4G do not need to be lodged again with the annual report where they have already been lodged at the same time as the audited financial statements.	N/A	Listed@ASX Supervision Update no. 03/26 (item 3)
New Listing Rules and Guidance Notes about shareholder approvals of dilutive acquisitions and changes in admission status ASX amended its Listing Rules and Guidance Notes relating to shareholder approval of dilutive acquisitions and changes in admission status. The changes introduce a new shareholder approval framework for certain highly dilutive acquisitions undertaken through regulated takeovers and mergers by S&P/ASX 300 entities, as well as requirements relating to changes from ASX Listing to ASX Foreign Exempt Listing status and voluntary delistings.	21 October 2026	New Listing Rules and Guidance Notes about shareholder approvals of dilutive acquisitions and changes in admission status

D. Reporting deadlines

This section summarises the key reporting deadlines for various types of entities for the 31 December 2026 reporting period.

Roadmap to this section

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

D1 Entities reporting under the Corporations Act

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

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

Source	Requirement	Deadline	Date applicable for 31 December 2026 reporting periods
Annual financial and sustainability reporting[37]			
ASX 4.3A, ASX 4.3B	Lodgement of Appendix 4E with the ASX[38]	As soon as available and no later than 2 months after the end of the financial year	26 February 2027[39]
ASX 4.5, ASX 4.5.1	Lodgement of the financial report (and any concise report[40]), sustainability report, directors' report and auditor's reports with the ASX at the same time as lodged with ASIC[41] under s.319 or s.601CK	As soon as available and no later than 3 months after the end of the financial year	31 March 2027
ASX 4.7.1, ASX 4.7.2	Lodgement of the Corporations Act annual report and any concise report with the ASX as provided to security holders under s.314	First day sent to the members and the earlier of 21 days before the next AGM or 4 months after the end of the financial year (s.315)[42]	Earlier of 21 days before AGM or 30 April 2027
ASX 4.7.3, ASX 4.7.4	Lodgement of the Appendix 4G with the ASX (and corporate governance statement) (to the extent not included in the annual report)	Same time the annual report is distributed to the members	Earlier of 21 days before AGM or 30 April 2027
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members – listed public companies	Earlier of 21 days before the next AGM or 4 months after the end of the financial year	Earlier of 21 days before AGM or 30 April 2027
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Not required (Part 9 of ASIC-CI 2026/468)[43]	N/A
Annual general meetings			
s.250N	Hold the AGM	Within 5 months after the end of the financial year (if a public company)	31 May 2027

[37] Only 'Group 1' entities are required to prepare and lodge sustainability reports at 31 December 2026. For more information, see section B2.1.3.
[38] Mining exploration entities or oil and gas exploration entities are not required to provide the information set out in the Appendix 4E.
[39] Where a deadline arises under the ASX Listing Rules and that deadline falls on a Saturday, Sunday or public holiday, ASX Listing Rule 19.5 requires the deadline to be met by the preceding business day. As 28 February 2027 is a Sunday, the deadline must be met on the previous business day, being 26 February 2027.
[40] A concise report consists of a concise financial report (drawn up in accordance with AASB 1039 *Concise Financial Reports)* together with a statement by the auditor and details of any auditor's qualification, the sustainability report (and the auditor's report on it), the directors' report and a statement that the report is a concise report and that a full financial report and auditor's report will be sent to the member free of charge if the member asks for them (s.314(2)).
[41] As a result of Part 9 of ASIC-CI 2026/468, an entity need not give ASIC the annual report if it comprises only the documents already given to the ASX under ASX Listing Rule 4.5. The instrument requires the entity to keep a signed copy of the reports for a period of at least seven years.
[42] If the entity is not established in Australia but required by the law of the place of its establishment to prepare an annual report and provide it to members, this must be given to the ASX at the same time as distributed to the members (ASX 4.7.2).
[43] If the entity is not established in Australia, the annual report must be given to the ASX by the earlier of (a) the first day the entity sends the documents to security holders under the law of the place of its establishment or (b) the last day for the documents to be given to security holders under that law (see ASX Listing Rule 4.7.2).

D1.2 Listed registered schemes

Source	Requirement	Deadline	Date applicable for 31 December 2026 reporting periods
Annual financial and sustainability reporting[44]			
ASX 4.3A, ASX 4.3B	Lodgement of Appendix 4E with the ASX[45]	As soon as available and no later than 2 months after the end of the financial year	26 February 2027[46]
ASX 4.5, ASX 4.5.1	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with the ASX at the same time as lodged with ASIC[47] under s.319 or s.601CK	As soon as available and no later than 3 months after the end of the financial year	31 March 2027
ASX 4.7.1, ASX 4.7.2	Lodgement of the Corporations Act annual report and concise report with the ASX as provided to security holders under s.314	First day sent to the members and within 4 months after the end of the financial year (s.315)[48]	30 April 2027
ASX 4.7.3, ASX 4.7.4	Lodgement of the Appendix 4G with the ASX (and corporate governance statement) (to the extent not included in the annual report)	Same time the annual report is distributed to the members	30 April 2027
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Within 3 months after the end of the financial year	31 March 2027
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 3 months after the end of the financial year	31 March 2027

[44] Registered schemes cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3) and so the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2026.
[45] Mining exploration entities or oil and gas exploration entities are not required to provide the information set out in the Appendix 4E.
[46] Where a deadline arises under the ASX Listing Rules and that deadline falls on a Saturday, Sunday or public holiday, ASX Listing Rule 19.5 requires the deadline to be met by the preceding business day. As 28 February 2027 is a Sunday, the deadline must be met on the previous business day, being 26 February 2027.
[47] As a result of Part 9 of ASIC-CI 2026/468, an entity need not give ASIC the annual report if it comprises only the documents already given to the ASX under ASX Listing Rule 4.5. The instrument requires the entity to keep a signed copy of the reports for a period of at least seven years.
[48] If the entity is not established in Australia but required by the law of the place of its establishment to prepare an annual report and provide it to members, this must be given to the ASX at the same time as distributed to the members (ASX 4.7.2).

D1.3 ASX AQUA market issuers

Source	Requirement	Deadline	Date applicable for 31 December 2026 reporting periods
Annual financial and sustainability reporting[49]			
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Within 3 months after the end of the financial year	31 March 2027
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 3 months after the end of the financial year	31 March 2027
ASX Operating Rules Schedule 10A.4.1(k) ASX Operating Rules Procedures 10A.4.1	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with the ASX[50]	Within 3 months after the end of the financial year	31 March 2027

ASX Limited publishes annual market announcements reporting calendars on its website for listed entities. The calendar for the 2026 year is available on the ASX website.

[49] AQUA market issuers that are a registered scheme or a retail CCIV cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3) and so the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2026.

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

D1.4 Unlisted disclosing entities

Source	Requirement	Deadline	Date applicable for 31 December 2026 reporting periods
Annual financial and sustainability reporting[51]			
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Earlier of 21 days before the next AGM or 4 months after the end of the financial year	Earlier of 21 days before AGM or 30 April 2027
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 3 months after the end of the financial year	31 March 2027
Annual general meetings			
s.250N	Hold the AGM	Within 5 months after the end of the financial year[52]	31 May 2027

D1.5 Unlisted public companies

Source	Requirement	Deadline	Date applicable for 31 December 2026 reporting periods
Annual financial and sustainability reporting[53]			
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Earlier of 21 days before the next AGM or 4 months after the end of the financial year	Earlier of 21 days before AGM or 30 April 2027
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 4 months after the end of the financial year	30 April 2027
Annual general meetings			
s.250N	Hold the AGM	Within 5 months after the end of the financial year[54]	31 May 2027

[51] Unlisted disclosing entities that are a registered scheme or a retail CCIV cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3). Therefore, the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2026.
[52] Applies to disclosing entities which are public companies and other public companies (unless exempted, e.g. public companies with only one member).
[53] Only 'Group 1' entities are required to prepare and lodge sustainability reports at 31 December 2026. For more information, see section B2.1.3.
[54] Applies to disclosing entities which are public companies and other public companies (unless exempted, e.g. public companies with only one member).

D1.6 Proprietary companies

Source	Requirement	Deadline	Date applicable for 31 December 2026 reporting periods
Annual financial and sustainability reporting[55]			
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Within 4 months after the end of the financial year	30 April 2027
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 4 months after the end of the financial year	30 April 2027

D1.7 Unlisted registered schemes

Source	Requirement	Deadline	Date applicable for 31 December 2026 reporting periods
Annual financial and sustainability reporting[56]			
s.314 s.315	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Within 3 months after the end of the financial year	31 March 2027
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 3 months after the end of the financial year	31 March 2027

D1.8 Notified foreign passport funds

Source	Requirement	Deadline	Date applicable for 31 December 2026 reporting periods
Annual financial reporting[57]			
s.314A s.315	Sending of a copy of the report of the fund prepared in accordance with the financial reporting requirements applying to the fund under the Passport Rules for the home economy for the fund and related auditor's report to Australian members	Within 3 months after the end of the financial year	31 March 2027
s.319(1AA)	Lodgement of a copy of the report of the fund prepared in accordance with the financial reporting requirements applying to the fund under the Passport Rules for the home economy for the fund and related auditor's report with ASIC	Within 3 months after the end of the financial year	31 March 2027

[55] Only 'Group 1' entities are required to prepare and lodge sustainability reports at 31 December 2026. For more information, see section B2.1.3.
[56] Registered schemes cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3). Therefore, the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2026.
[57] Notified foreign passport funds are not required to prepare sustainability reports under the Corporations Act.

D1.9 Sub funds of retail CCIVs

Source	Requirement	Deadline	Date applicable for 31 December 2026 reporting periods
Annual financial and sustainability reporting[58]			
s.314 s.315 s.1232H	Sending of financial report, sustainability report, directors' report and auditor's reports to members	Within 3 months after the end of the financial year[59]	31 March 2027
s.319	Lodgement of the financial report (and any concise report), sustainability report, directors' report and auditor's reports with ASIC	Within 3 months after the end of the financial year	31 March 2027

[58] Retail CCIVs cannot be in 'Group 1' for sustainability reporting purposes (s.1707B(2)(b), see section B2.1.3) and so the requirements listed in relation to the sustainability report and auditor's report on the sustainability report are not applicable for these entities for annual reporting periods ending on 31 December 2026.
[59] Retail CCIVs are required to report to members in accordance with the requirements of s.314 (s.1232H). The deadline for reporting is aligned with the requirements applying to registered schemes (s.1232J). Accordingly, the timeline for lodgement is within three months of the end of the financial year (s.315(3)).

D2 Entities reporting to the ACNC

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

D2.1 Large and medium charities

The following table summarises the reporting deadlines for annual reports under the ACNC for large and medium charities [60]

Source	Requirement	Deadline	Date for 31 December 2026 financial reports/AIS
Annual financial reporting			
ACNC Governance Standard 2: Accountability to members[61]	Sending of financial report to members	Annual financial reports must be maintained and provided to members explaining the charity's financial position	n/a
ACNC Act 2012 s.60-10	Lodgement of the financial report with the ACNC[62]	Annual financial reports must be submitted as part of the Annual Information Statements within 6 months from reporting period end	30 June 2027
Annual general meetings			
ACNC Governance Standard 2: Accountability to members[63]	Hold the Annual General Meeting (AGM)[64,65]	Organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions	n/a

[60] Large charities have annual revenue of $3 million or more (ACNC Act, s.205-25, ACNC Regulations s.205.1(2)). Medium charities have annual revenue greater than $500,000 and less than $3 million (ACNC Act s.205-25, ACNC Regulations s.205.1). Financial reports of large charities must be audited (ACNC Act s.60-25), whereas financial reports of medium charities must be either reviewed or audited (ACNC Act s.60-20).
[61] If a charity meets the definition of a 'basic religious charity' under s.205-35 of the ACNC Act, it does not have to answer financial information questions in its Annual Information Statement, submit annual financial reports (regardless of its size), or comply with the ACNC Governance Standards. However, basic religious charities must still meet all other ongoing obligations, including submitting their Annual Information Statement each year.
[62] A company limited by guarantee that is a registered charity only needs to submit an Annual Information Statement to the ACNC (with a financial report, if it is medium or large). It does not have to report to ASIC as the financial reporting requirements in Chapter 2M of the Corporations Act do not apply registered charities that are bodies corporate (s.111L).
[63] ACNC Governance Standard 2 only applies to charities with members. For example, incorporated associations, companies and unincorporated associations. Other structures, such as trusts, do not have members.
[64] A company limited by guarantee that is a registered charity does not have to comply with the requirement to hold general meetings of members or annual general meetings under the Corporations Act. Instead, it must comply with the requirements of ACNC Governance Standard 2.
[65] Whilst the ACNC does not include specific requirements for holding AGMs, a common example to meet ACNC Governance Standard 2 is to organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions.

D2.2 Small charities

The following table summarises the reporting deadlines for annual reports under the ACNC for small charities[66].

Source	Requirement	Deadline	Date for 31 December 2026 financial reports/AIS
Annual financial reporting			
ACNC Governance Standard 2: Accountability to members[67]	Sending of financial report to members	Whilst annual financial reports are optional, members should be able to ask for some financial information	n/a *(Optional)*
ACNC Act 2012 s.60-10	Lodgement of the annual information statements (AIS) and financial report with the ACNC	Submission of annual financial reports are optional unless required by its own governing document. Annual information statements (AIS) however must still be submitted within 6 months from reporting period end	30 June 2027 *(Annual financial report - optional)*
Annual general meetings			
ACNC Governance Standard 2: Accountability to members[68]	Hold the Annual General Meeting (AGM)[69,70]	Organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions	n/a

[66] Small charities have annual revenue less than $500,000 (ACNC Act s.205-25, ACNC Regulations s.205.1(1)).
[67] If a charity meets the definition of a 'basic religious charity' under s.205-35 of the ACNC Act, it does not have to answer financial information questions in its Annual Information Statement, submit annual financial reports (regardless of its size), or comply with the ACNC Governance Standards. However, basic religious charities must still meet all other ongoing obligations, including submitting their Annual Information Statement each year.
[68] ACNC Governance Standard 2 only applies to charities with members. For example, incorporated associations, companies and unincorporated associations. Other structures, such as trusts, do not have members.
[69] A company limited by guarantee that is a registered charity does not have to comply with the requirement to hold general meetings of members or annual general meetings under the Corporations Act. Instead, it must comply with the requirements of ACNC Governance Standard 2.
[70] Whilst the ACNC does not include specific requirements for holding AGMs, a common example to meet ACNC Governance Standard 2 is to organise a meeting at least annually with members (such as an AGM) with opportunities for members to ask questions and vote on resolutions.

D3 Additional deadlines

D3.1 Overview

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

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

Source	Requirement	Deadline	Date applicable for 31 December 2026 reporting periods
ASIC-CI 2016/785 Clause 6(s)[71]	Preparation of consolidated financial statements under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*[72]	Within 4 months after the end of the financial year	30 April 2027

D3.3 AFS licensees

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

Source	Obligation	Deadline	Date for 31 December 2026 reporting periods
s.989D ASIC Form FS70	Lodgement of profit and loss statement and balance sheet by AFS licensees:		
	• Bodies corporate (disclosing entities)	3 months	31 March 2027
	• Other unlisted bodies corporate	4 months	30 April 2027
	• Not bodies corporate	2 months	1 March 2027[73]

[71] *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* (ASIC-CI 2026/533) replaces ASIC-CI 2016/785 for financial years ending on or after 1 January 2027. Under transitional measures of the new instrument, ASIC-CI 2026/785 will continue to apply (despite its repeal) to financial years ending before 1 January 2027. See A4.3 for additional information.

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

[73] Where a deadline under the Corporations Act falls on a Saturday, Sunday or public holiday, section 36(2) of the *Acts Interpretations Act 1901* permits the deadline to be met on the next day that is not a Saturday, Sunday, or public holiday. 28 February 2027 (which is four months after the 31 December 2026 reporting period) is a Sunday. Accordingly, the deadline will be met on the next day that is not a Saturday, Sunday, or public holiday, i.e. 30 April 2027.

E. Sustainability report



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

Contents

About the sustainability report **E-2**

Sustainability reporting requirements **E-4**

Directors' declaration **E-23**

Climate statements **E-25**

- **Governance** **E-25**
- **Strategy** **E-28**
- **Risk management** **E-47**
- **Metrics and targets** **E-48**
- **Other disclosures** **E-71**

Assurance report **E-75**

About the sustainability report

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

Important information about this section

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

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

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

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



Assurance requirements

In this section, information that is subject to mandatory assurance in an entity's first year of reporting is marked with a grey bar in the left-hand margin. For more information, see section B2.1.5 and the *Assurance report* discussion on page E-75.

Changes to the measurement of greenhouse gas emissions

In December 2025, the AASB issued AASB S2025-1 *Amendments to Greenhouse Gas Emissions Disclosures*, which amends AASB S2 *Climate-related Disclosures* to ease the application of certain greenhouse gas emissions disclosures. These amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments:

- Permit an entity to use:
    - A method for measuring greenhouse gas emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) if a jurisdictional authority or an exchange on which the entity is listed requires the use of a different measurement method for **part** of an entity
    - Global warming potential (GWP) values other than the GWP values based on a 100-year time horizon from the latest Intergovernmental Panel on Climate Change assessment available at the reporting date, if a jurisdictional authority or an exchange on which the entity is listed requires the use of different GWP values
- Permit entities to limit their disclosure of Scope 3 Category 15 greenhouse gas emissions (i.e. financed emissions) to emissions attributed to loans and investments made by the entity to an investee or counterparty. This would then exclude emissions such as those associated with derivatives, facilitated emissions and insurance-associated emissions
- Amend the requirement for entities with commercial banking or insurance activities to disclose disaggregated greenhouse gas emissions by industry to allow an entity to use an alternative industry classification system to the Global Industry Classification Standard (GICS)
- Require additional disclosures about excluded emissions and alternative industry classification systems.

We expect that early application of these amendments will be attractive for many entities. To incorporate the impacts of these amendments, we have included the requirements throughout this section using teal shading in the left-hand margin (as illustrated here).

Where the amendments are applied early:

- The directors must elect in writing to apply the amendments early under s.336A(3) of the Corporations Act. This is usually actioned by a directors' resolution to adopt the amendments early
- The sustainability report must disclose that the amendments have been applied early (AASB S2:C1B).

The affected provisions of AASB S2 applying before the amendments are mandatorily applicable are also included in this section and have been shaded by a dotted teal line in the left-hand margin (as illustrated here). Entities who choose not to apply AASB S2025-1 early should refer to these provisions instead of those indicated with a solid teal line.

Sustainability reporting requirements

Source

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

Contents of annual sustainability reports

Sustainability report

s.296A(1) The sustainability report for a financial year consists of:

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

s.296A(2) The climate statements for the year are the climate statements in relation to the entity required by the sustainability standards (ASRS).

ASIC-RG 280.34 The sustainability reporting requirements crystallise at the end of the financial year. Entities should establish adequate systems to assess whether they may be required to prepare a sustainability report, even if they do not meet the sustainability reporting thresholds at the commencement of that financial year. For example, an acquisition may complete, a corporate restructure may occur, or market or economic conditions may shift, resulting in a change to the entity's reporting status.

Notes to the sustainability report

s.296A(3) A sustainability report must include the following notes to the climate statements:

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

ASIC-RG 280.97 ASIC does not expect that reporting entities will need to include notes to climate statements in a sustainability report. This is because:

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

Source

Contents of annual sustainability reports (continued)

Climate statement disclosures

s.296D(1) The climate statements, together with the notes to the climate statements, disclose:

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

The information disclosed is that required by the sustainability standards.

s.296D(2) The question of whether there are material financial risks or opportunities relating to climate is to be worked out in accordance with the sustainability standards.

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

s.296B(1) If, for a "Group 3" entity[74] that is not registered under the *National Greenhouse and Energy Reporting Act 2007* and is not a registered scheme, registrable superannuation entity or retail CCIV with $5 billion or more in assets, in relation to a financial year, there are no material financial risks or opportunities related to climate, the climate statements for the year are:

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

s.296B(6) The question of whether there are any material financial risks or material financial opportunities for an entity is worked out in accordance with sustainability standards.

ASIC-RG 280.75 Reporting entities are to determine whether there are any "material financial risks or opportunities relating to climate" for a financial year in accordance with AASB S2: see s.296B(6). Under AASB S2, an entity must disclose material information about the climate-related risks or opportunities that could reasonably be expected to affect the entity's prospects. The information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports (AASB S2:17-19, B13-B19, [D]:B21-B37).

ASIC-RG 280.76 Where an entity lodges a climate statement for a financial year stating there are no material financial risks or opportunities relating to climate, it must:

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

ASIC-RG 280.77 Reporting entities lodging a climate statement in these circumstances should establish robust processes to ensure they meet their sustainability reporting obligations for a full climate statement for any subsequent financial year that they determine there are material financial risks and opportunities relating to climate.

[74] See section B2.1.3 for more information about the criteria for an entity to be classified as a 'Group 3' entity.

Source

General requirements for disclosure of climate-related financial information

Objective

AASB S2:1

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

AASB S2:2

AASB S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. For the purposes of AASB S2, these risks and opportunities are collectively referred to as "climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects".

Scope

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

AASB S2 applies to:

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

Conceptual foundations

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

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

Source	
	General requirements for disclosure of climate-related financial information (continued)
	Fair presentation
AASB S2:[D]11 AASB S2:[D]13	A complete set of climate-related financial disclosures presents fairly all climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects. To achieve faithful representation, an entity provides a complete, neutral and accurate depiction of those climate-related risks and opportunities.
AASB S2:[D]15	Fair presentation also requires an entity: • To disclose information that is comparable, verifiable, timely and understandable • To disclose additional information if compliance with the specifically applicable requirements in Australian Sustainability Reporting Standards is insufficient to enable users of general purpose financial reports to understand the effects of climate-related risks and opportunities on the entity's cash flows, its access to finance and cost of capital over the short, medium and long term.
AASB S2:D9	Climate-related financial information represents phenomena in words and numbers. To be useful, the information must not only represent relevant phenomena, it must also faithfully represent the substance of the phenomena that it purports to represent.
AASB S2:D10	To be a faithful representation, a depiction would be complete, neutral and accurate. The objective of general purpose financial reports is to maximise those qualities to the extent possible.
AASB S2:D11	A complete depiction of a climate-related risk or opportunity includes all material information necessary for primary users to understand that risk or opportunity.
AASB S2:D12	Climate-related financial information should be neutral. A neutral depiction is one without bias in the selection or disclosure of information. Information is neutral if it is not slanted, weighted, emphasised, de-emphasised or otherwise manipulated to make it more likely that primary users will receive that information favourably or unfavourably. Neutral information is not information without purpose or without influence on behaviour. On the contrary, relevant information is, by definition, capable of making a difference in users' decisions.
AASB S2:D13	Some climate-related financial information—for example, targets or plans—is aspirational. A neutral discussion of such matters covers both aspirations and the factors that could prevent an entity from achieving these aspirations.
AASB S2:D14	Neutrality is supported by the exercise of prudence. Prudence is the exercise of caution when making judgements under conditions of uncertainty. The exercise of prudence means that opportunities are not overstated and risks are not understated. Equally, the exercise of prudence does not allow for the understatement of opportunities or the overstatement of risks.

Source

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

Fair presentation (continued)

AASB S2:D15

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

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

AASB S2:[D]B8

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

Verifiability

AASB S2:D23

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

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

AASB S2:D24

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

Source	
	General requirements for disclosure of climate-related financial information (continued)
	Understandability
AASB S2:D26	Climate-related financial information should be clear and concise. For climate-related financial disclosures to be concise, they need to: • Avoid generic information, sometimes called "boilerplate", that is not specific to the entity • Avoid duplication of information in the general purpose financial reports, including unnecessary duplication of information also provided in the related financial statements • Use clear language and clearly structured sentences and paragraphs.
AASB S2:D27	The clearest form a disclosure can take will depend on the nature of the information and might include tables, graphs or diagrams in addition to narrative text. If graphs or diagrams are used, additional text or tables might be necessary to avoid obscuring material detail.
	Materiality
AASB S2:[D]17	An entity discloses material information about the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.
AASB S2:[D]18	In the context of climate-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and climate-related financial disclosures and which provide information about a specific reporting entity.
AASB S2:D8	In other words, materiality is an entity-specific aspect of relevance. The materiality of information is assessed in the context of an entity's climate-related financial disclosures and is based on the nature or magnitude of the item to which the information relates, or both.
AASB S2:[D]B13	Materiality of information is judged in relation to whether omitting, misstating or obscuring that information could reasonably be expected to influence decisions of primary users of general purpose financial reports, which provide information about a specific reporting entity.
AASB S2:[D]B25	An entity need not disclose information otherwise required by an Australian Sustainability Reporting Standard if the information is not material. This is the case even if the Australian Sustainability Reporting Standard contains a list of specific requirements or describes them as minimum requirements.
AASB S2:[D]B32	An entity discloses material climate-related financial information, even if law or regulation permits the entity not to disclose such information.
AASB S2:[D]B31	Law or regulation might specify requirements for an entity to disclose climate-related information in its general purpose financial reports. In such circumstances, the entity is permitted to include in its climate-related financial disclosures information to meet legal or regulatory requirements, even if that information is not material. However, such information should not obscure material information.

Source

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

Materiality (continued)

Aggregation and disaggregation

AASB S2:[D]B29 When an entity applies Australian Sustainability Reporting Standards, it considers all facts and circumstances and decides how to aggregate and disaggregate information in its climate-related financial disclosures. The entity does not reduce the understandability of its climate-related financial disclosures by obscuring material information with immaterial information or by aggregating material items of information that are dissimilar to each other.

AASB S2:[D]B30 An entity does not aggregate information if doing so would obscure information that is material. Information is aggregated if items of information have shared characteristics and are not aggregated if they do not have shared characteristics. The entity might need to disaggregate information about climate-related risks and opportunities, for example, by geographical location or in consideration of the geopolitical environment. For example, to ensure that material information is not obscured, an entity might need to disaggregate information about its use of water to distinguish between water drawn from abundant sources and water drawn from water-stressed areas.

Educational material

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

The document notes the following in relation to materiality:

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

The AASB has released an equivalent publication, *Climate-related risks and opportunities and the disclosure of material information*, focusing on climate-related aspects.

Timing of reporting

AASB S2:[D]64 An entity reports its climate-related financial disclosures at the same time as its related financial statements. The entity's climate-related financial disclosures cover the same reporting period as the related financial statements.

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

Source	
	General requirements for disclosure of climate-related financial information (continued)
	Reporting entity
AASB S2:[D]Aus20.1	An entity's climate-related financial disclosures are for the same reporting entity as the related financial statements, unless otherwise permitted by law.
AASB S2:[D]AusB38.1	Unless otherwise permitted by law, paragraph Aus20.1 requires that climate-related financial disclosures are for the same reporting entity as the related financial statements. For example, consolidated financial statements prepared in accordance with Australian Accounting Standards provide information about the parent and its subsidiaries as a single reporting entity. Consequently, that entity's climate-related financial disclosures enable users of general purpose financial reports to understand the effects of the climate-related risks and opportunities on the cash flows, access to finance and cost of capital over the short, medium and long term for the parent and its subsidiaries.
	Consolidated group provisions
s.292A(2)	If the accounting standards require an entity (the parent) to prepare financial statements for the financial year and the parent elects to prepare a sustainability report for the consolidated entity for the financial year, then: • The parent is the only entity in the consolidated entity that must prepare a sustainability report • The sustainability report must be prepared as if the consolidated entity is a single entity.
ASIC-RG 280.44	In certain circumstances, a subsidiary that is part of a consolidated entity or an entity that is part of a stapled group is not required to prepare a sustainability report. This applies when: • A parent entity elects to prepare a sustainability report for the consolidated entity for the financial year and is also required by the accounting standards to prepare financial statements for the consolidated entity for the financial year (s.292A(2)), or • A stapled entity in the stapled group prepares a sustainability report on behalf of the stapled group relying on *ASIC Corporations (Reporting by Stapled Entities) Instrument 2023/673*.
ASIC-RG 280.45	The parent entity must be a Chapter 2M entity that is required to prepare consolidated financial statements to have the option of preparing a consolidated sustainability report under s.292A(2).
ASIC-RG 280.46	For example, a foreign parent entity does not have the option of preparing a consolidated sustainability report under s.292A(2) on behalf of the consolidated entity for a financial year. Australian subsidiaries of the foreign parent that are reporting entities must still prepare an individual sustainability report under s.292A. This is because the foreign parent is not a Chapter 2M entity and is not required under the accounting standards to prepare financial statements for the consolidated entity for the financial year for the purposes of Chapter 2M.

Source	
	General requirements for disclosure of climate-related financial information (continued)
	Compliance with IFRS Sustainability Disclosure Standards
AASB S2:BC26	In accordance with IFRS S1 paragraphs 20 and B38, an entity's climate-related financial disclosures are required to be prepared for the same reporting entity as the related financial statements. That is, to comply with IFRS S2, an entity would prepare climate-related financial disclosures for its consolidated group if the related financial statements are prepared for that consolidated group.
AASB S2:BC27	The AASB observed that the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* does not require the parent entity of a consolidated group to prepare climate-related financial disclosures for its consolidated group. Under s.292A(2), as inserted by the legislative amendments, a parent entity has the choice of preparing a sustainability report for either the consolidated entity or the parent entity. Accordingly, the AASB added paragraphs Aus20.1 and AusB38.1 to Appendix D of AASB S2 to specify that an entity's climate-related financial disclosures are for the same reporting entity as the related financial statements *unless otherwise permitted by law*.
	Entities wishing their sustainability report to be compliant with IFRS Sustainability Disclosure Standards should ensure that the reporting entity for the sustainability report is the same as for the financial statements.
	Comparative information
AASB S2:[D]70	Unless another Australian Sustainability Reporting Standard permits or requires otherwise, an entity discloses comparative information in respect of the preceding period for all amounts disclosed in the reporting period. If such information would be useful for an understanding of the climate-related financial disclosures for the reporting period, the entity also discloses comparative information for narrative and descriptive climate-related financial information.
AASB S2:[D]B49	AASB S2 requires an entity to disclose comparative information in respect of the preceding period for all amounts disclosed in the reporting period.
	Transitional relief
AASB S2:C3	An entity is not required to provide the disclosures specified in AASB S2 for any period before the date of initial application. Accordingly, an entity is not required to disclose comparative information in the first annual reporting period in which it applies AASB S2.

Source

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

Comparative information (continued)

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

Greenhouse Gas Emissions educational material (Question 13)

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

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

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

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

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

Source

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

Comparative information (continued)

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

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

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

Connected information

AASB S2:[D]21

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

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

AASB S2:[D]23

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

AASB S2:[D]B42

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

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

Disclosing information about anticipated financial effects educational material

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

Presentation currency

AASB S2:[D]24

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

Source

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

Location of disclosures

AASB S2:[D]60 An entity is required to provide disclosures required by Australian Sustainability Reporting Standards as part of its general purpose financial reports.

AASB S2:[D]62 An entity may disclose information required by an Australian Sustainability Reporting Standard in the same location as information disclosed to meet other requirements, such as information required by regulators. The entity ensures that the climate-related financial disclosures are clearly identifiable and not obscured by that additional information.

Identification and distinguishing climate-related financial disclosures

AASB S2:[D]B27 An entity identifies its climate-related financial disclosures clearly and distinguishes them from other information provided by the entity. An entity does not obscure material information. Information is obscured if it is communicated in a way that would have a similar effect for primary users to omitting or misstating that information.

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

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

Cross-referencing

AASB S2:[D]63 Information required by an Australian Sustainability Reporting Standard may be included in climate-related financial disclosures by cross-reference to another report published by the entity.

AASB S2:[D]B45 Information required by an Australian Sustainability Reporting Standard might be available in another report published by the entity. For example, the required information could be disclosed in the related financial statements. Material information can be included in an entity's climate-related financial disclosures by cross-reference, provided that:

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

AASB S2:[D]B46 Information included by cross-reference becomes part of the complete set of climate-related financial disclosures and complies with the requirements of Australian Sustainability Reporting Standards. For example, it needs to be relevant, representationally faithful, comparable, verifiable, timely and understandable. The body(s) or individual(s) that authorises the general purpose financial reports takes the same responsibility for the information included by cross-reference as it does for the information included directly.

Source

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

Cross-referencing (continued)

AASB S2:[D]B47 If information required by an Australian Sustainability Reporting Standard is included by cross-reference:

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

Lodgement of cross-referenced information

ASIC-RG 280.87 If a reporting entity's sustainability report cross-references to information in another report prepared by the reporting entity, it is strongly encouraged to lodge the other report with its sustainability report (if it has not already been lodged with ASIC).

ASIC-RG 280.88 ASIC notes this is because:

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

Forward looking information

ASIC-RG 280.80 AASB S2 requires that a reporting entity "use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort" in disclosing the forward-looking climate information. This reflects that the quality and availability of data to support forward-looking climate information is expected to evolve over time and that disclosing forward-looking climate information over the medium and long term may be more uncertain than disclosing forward-looking information over the short term.

ASIC-RG 280.81 Forward-looking climate information that is required under the Corporations Act and AASB S2 is:

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

ASIC-RG 280.82
s.769C Under the Corporations Act and the Australian Securities and Investments Commission Act, some representations about future matters will be taken to be misleading unless there are reasonable grounds for making the representation.

ASIC-RG 280.83 Forward-looking information in climate statements must comply with Appendix D of AASB S2, which sets out both the fundamental and enhancing qualitative characteristics of useful climate-related financial information. These are:

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

Source

Forward looking information (continued)

ASIC-RG 280.84

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

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

ASIC-RG 280.85
s.674
s.675

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

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

Additional information in sustainability reports

ASIC-RG 280.90

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

ASIC-RG 280.91

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

ASIC-RG 280.92
AASB S2:[D]62

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

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

ASIC-RG 280.93

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

ASIC-RG 280.94

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

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

Source

Modified liability settings

Changes to the modified liability framework

On 27 November 2025 the Senate passed *Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Act 2025* which received Royal Assent on 4 December 2025 and commenced the following day. One of the measures in the Bill extended the scope of the modified liability framework to:

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

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

In ASIC Report 809 *Response to submissions on CP 380 "Sustainability reporting"*, ASIC notes that if these measures are legislated, RG 280 will be updated. At the date of finalisation of this publication (30 October 2026), RG 280 has not been updated.

Protection from liability

s.1707D(1) No action, suit or proceeding lies against a person in relation to a protected statement or a statement that is required to be made under a Commonwealth law and is the same as a protected statement or differs from a protected statement only in so far as it contains updates or corrections to the protected statement.

s.1707D(2) This limited immunity does not apply to an action, suit or proceeding if it is criminal in nature or brought by ASIC.

Meaning of "protected statement"

s.1707D(3) s.1707 For the purposes of the modified liability settings, a protected statement is a statement that is:

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

Where the statement is made about:

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

s.1707D(4) s.1707 A protected statement also includes a statement that is:

- Made in a sustainability report for a financial year commencing during the 12 months starting on 1 January 2025 for the purpose of complying with a sustainability standard, or in an auditor's report of an audit or review of a sustainability report for the purposes of complying with the Corporations Act or the auditing standards[75]
- Relates to climate
- At the time it is made, is about the future.

[75] This 12 month modified liability protection is no longer available for reports for the periods commencing on or after 1 January 2026.

Source

Modified liability settings (continued)

Voluntary reports

s.1707DA(1) The limited immunity for statements in sustainability reports also applies where a company, registered scheme, registrable superannuation entities or disclosing entity:

- Is not required to prepare a sustainability report for a particular financial year that commences during the three years starting on 1 January 2025
- Prepares a document that would be a sustainability report for the year if the company, scheme or entity were required to prepare a sustainability report for the year and that document contains a declaration that the directors intend s.1707DA to apply to the document.

s.1707DA(2) The directors' declaration made under s.1707DA(1) must:

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

s.1707DA(3) To avoid doubt, the directors' declaration made under s.1707DA is in addition to the directors' declaration on the sustainability report made under s.296A(1)(e) (see page E-23).

Reports prepared in accordance with ASIC orders

s.1707DB(5) Limited immunity for statements in sustainability reports applies to sustainability reports prepared in accordance with an ASIC order as if:

- The report were a sustainability report prepared in accordance with the Corporations Act
- References in those limited immunity provisions to complying with a sustainability standard were omitted.

s.1707DB(1)
s.342C(2),(4)(b) The limited liability provisions only apply where the ASIC order provides that the document prepared in accordance with the ASIC order is to be treated as a sustainability report for the purposes of the Corporations Act provisions (including the limited liability provisions, ASIC directions and audit of annual sustainability provisions).

s.342C(4)(c), (6) A document prepared in accordance with the ASIC order must contain a directors' declaration that the directors of the reporting entity intend the following provisions apply to the document as if it were a sustainability report that the reporting entity was required to prepare for the year:

- Section 295E (ASIC directions)
- Section 301A (audit of annual sustainability report).

s.342C(5) For these purposes, the declaration must:

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

Source

Modified liability settings (continued)

Effect of the modified liability settings

ASIC-RG 280.61 Under the modified liability settings, no legal action other than criminal action or action by ASIC can be brought against a person in relation to protected statements made in the sustainability report or the auditor's report on the sustainability report.

ASIC-RG 280.62 For example, an investor may not bring a civil action alleging that a protected statement in a sustainability report is misleading or deceptive.

Examples of protected statements

ASIC-RG 280.64
ASIC-RG 280.79 Protected statements relating to climate, that at are the time they are made are about the future, are likely to include:[76]

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

ASIC-RG 280.65 Protected statements about scope 3 greenhouse gas emissions, scenario analysis and transition plans are likely to include statements about inputs and assumptions that inform these disclosures.

Where the modified liability settings do not apply

ASIC-RG 280.66 If a reporting entity discloses sustainability-related information in the sustainability report beyond what is required under the sustainability standards, the modified liability settings will not apply to those voluntary sustainability-related disclosures[77].

ASIC-RG 280.68 Examples of when a protected statement may be *required to be made* under a Commonwealth law include protected statements:

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

[76] The modified liability protection in respect of statements relating to climate, that at the time they are made are about the future is not available for reports prepared for financial years commencing on or after 1 January 2026.
[77] The guidance noted here is focused on voluntary information more broadly (e.g. forward looking statements about non-climate related topics). This guidance was issued prior to the extension of the modified liability provisions made by *Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Act 2025*, which provides modified liability to voluntary sustainability reports prepared as though they were required by the Corporations Act. See *Voluntary reports* on page E-19 for more information.

Source

Modified liability settings (continued)

Where the modified liability settings do not apply (continued)

ASIC-RG 280.69 The modified liability settings do not extend to statements made outside of a sustainability report where:

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

Sustainability-related financial disclosures outside the sustainability report

ASIC-RG 280.113 The sustainability reporting practices of reporting entities are likely to influence non-reporting entities in the preparation of sustainability-related financial disclosures in a range of contexts. ASIC considers that, over time:

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

ASIC-RG 280.114 Accordingly:

- Reporting entities are encouraged to adopt the definitions for terms in Appendix A of AASB S1 or AASB S2, if those terms are also used in disclosure outside the sustainability report (e.g. terms such as climate resilience, scope 1, 2 and 3 greenhouse gas emissions, climate-related physical and transition risks and internal carbon price)
- Reporting entities are encouraged to apply the principles for disclosing useful sustainability-related financial information at paragraphs D4-D33 of Appendix D of AASB S1 and AASB S2 when disclosing sustainability-related financial information outside the sustainability report (*see General requirements for disclosure of climate-related financial information* on page E-6).

ASIC-RG 280.115 Non-reporting entities are also encouraged to adopt these defined terms and apply these principles in similar contexts, although they are not required to prepare a sustainability report. This is because these defined terms and principles are expected to become widely understood and prevalent, when disclosing sustainability-related financial information.

ASIC-RG 280.116 These practices facilitate the disclosure of higher quality sustainability-related financial information outside the sustainability report. For example, a reporting entity that applies these principles for disclosing useful sustainability-related financial information:

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

Source

Sustainability-related financial disclosures outside the sustainability report (continued)

ASIC-RG 280.116 (Note)

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

ASIC-RG 280.117

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

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

Comparison with TCFD recommendations

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

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

AASB S2 Knowledge Hub

The AASB has made a AASB S2 Knowledge Hub available on its website. The Hub includes:

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

Entities preparing sustainability reports may find these resources helpful.

Australian national climate risk assessment

On 15 September 2025, the Australian Government released:

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

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

Directors' declaration

Source



Possible guidance on the directors' declaration

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

At the date of finalisation of this publication (30 October 2026), no guidance has been issued and various alternative wordings are being used in practice. The illustrative example below is therefore one possible form the declaration might take. Entities should continue to monitor developments in this area and may wish to consider seeking legal advice on appropriate wording.

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

The directors declare that, in the directors' opinion, the entity has taken reasonable steps to ensure the substantive provisions[78] of the attached climate statements [and notes][79] for the financial year ended 31 December 2026 are in accordance with the *Corporations Act 2001*, including:

s.296A(6)(a)
s.296A(6)(b)
s.296D

- Complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures*[80]
- Making the climate statement disclosures required by s.296D of the *Corporations Act 2001 [including information derived from or about a scenario analysis required by s.296D(2B)]*[81]

s.296A(7)(a)

Signed in accordance with a resolution of the directors made pursuant to s.296A(7) of the *Corporations Act 2001*.

s.296A(7)(c)

(Signature)
C.J. Chambers
Director

s.296A(7)(b)

Sydney, 11 March 2027

[78] Section 9 of the *Corporations Act 2001* defines "substantive provision" of a sustainability report as meaning "anything required to be included in the sustainability report under subsection 296A(1), other than the directors' declaration mentioned in paragraph 296A(1)(e)". In other words, the substantive provisions of a sustainability report are the entire sustainability report excluding the directors' declaration. In the initial year of application, the sustainability report would only be the climate statements (and possibly notes) as there are no legislative instruments made by the Minister under s.296A(5) (as referenced in s.296A(1)(c) and (d)).

[79] The reference to "notes" is not required if there are no notes to the climate statements.

[80] Section 296A(6)(2) of the *Corporations Act 2001* requires the directors to declare the sustainability report is in accordance with s.296C. Under s.296C(1)(b) and s.296C(2), the Minister may, by legislative instrument, determine requirements in relation to the substantive provisions of a sustainability report (i.e. in addition to the sustainability standards). At the time of finalisation of this publication (30 October 2026), no such legislative instruments have been made. If any instruments are made under s.296C(2), the declaration would also reference compliance with those legislative instruments.

[81] The scenarios required by s.296D(2B) are not mandated by AASB S2 and accordingly, directors may wish to include an explicit reference to them in the declaration. However, the wording in parentheses is optional.

Source	
	Requirements for the directors' declaration
	Core requirements
s.296A(6) s.1707C(2)	The directors' declaration is a declaration by the directors as to whether, in the directors' opinion, the entity has taken reasonable steps to ensure the substantive provisions of the sustainability report are in accordance with the Corporations Act, including: • Section 296C (compliance with sustainability standards, etc) • Section 296D (climate statement disclosures).
s.296A(7)	The declaration must: • Be made in accordance with a resolution of the directors • Specify the date on which the declaration is made • Be signed by a director.
ASIC-RG 280.57 (Note 1)	The directors providing the directors' declaration are those of the entity that is required to prepare the sustainability report. For RSEs, registered schemes and retail CCIVs, these are the directors of the entity required to prepare the sustainability report on behalf of the RSE, registered scheme or retail CCIV.
	Modified statement for first three years
ASIC-RG 280.58	For the financial years commencing between 1 January 2025 and 31 December 2027, directors of reporting entities are required to declare that, in their opinion, the entity has taken reasonable steps to ensure that the sustainability report (other than the directors' declaration) is in accordance with the Corporations Act and AASB S2. This modified declaration reflects that: • The sophistication and maturity of a reporting entity's controls, policies, procedures and systems for sustainability reporting are expected to develop over time • Directors are expected to develop their understanding, experience and capabilities in relation to sustainability reporting over time.
ASIC-RG 280.59	For the financial years commencing on or after 1 January 2028, directors are required to declare whether, in the directors' opinion, the sustainability report (other than the directors' declaration) is in accordance with the Corporations Act (including s.296C and s.296D) and AASB S2.

Climate statements

For the financial year ending 31 December 2026

Source



Deloitte guidance on these requirements

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

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

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

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

Governance

Objective

AASB S2:5

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

Governance body

AASB S2:6(a)

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

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

Source

Governance (continued)

Bodies or individuals responsible for a strategic goal

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

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

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

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

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

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

Management's role

AASB S2:6(b)

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

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

Avoiding duplication

AASB S2:7

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

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

AASB S2:Aus7.1

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

Source

Governance (continued)

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

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

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

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

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

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

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

Skills, competencies and knowledge to implement a strategic goal

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

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

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

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

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

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

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

Source

Strategy

Compliance with IFRS S2



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

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

The exposure drafts propose:

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

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

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

In addition, in March 2026, the ISSB released another exposure draft covering proposed amendments to three further SASB Standards (agricultural products, meat, poultry and dairy and electric utilities and power generators) and make consequential amendments to the industry-based guidance. These proposals were open for comment until 24 July 2026.

At the date of finalisation of this publication (30 October 2026), the ISSB was redeliberating the proposals in the Exposure Drafts and was expecting to issue the first phase of amendments in the first half of 2027.

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

AASB S2:BC28

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

Source

Strategy (continued)

Compliance with IFRS S2 (continued)

AASB S2:BC30

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

IFRS S2:23

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

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

Objective

AASB S2:8

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

AASB S2:Aus23.1

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

Specific disclosures

Climate-related risks and opportunities

AASB S2:10

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

- Describes climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects
- Explains, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk
- Specifies, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur
- Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.

AASB S2:11

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

Source	
	Strategy (continued)
	Specific disclosures (continued)
	Climate-related risks and opportunities (continued)
ASIC-RG 280.80	AASB S2 requires that a reporting entity "use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort" in disclosing the forward-looking climate information. This reflects that the quality and availability of data to support forward-looking climate information is expected to evolve over time and that disclosing forward-looking climate information over the medium and long term may be more uncertain than disclosing forward-looking information over the short term.
	Time horizons
AASB S2:[D]31	Time horizons are not defined. Short-, medium- and long-term time horizons can vary between entities and depend on many factors, including industry-specific characteristics, such as cash flow, investment and business cycles, the planning horizons typically used in an entity's industry for strategic decision-making and capital allocation plans, and the time horizons over which users of general purpose financial reports conduct their assessments of entities in that industry.
	No undue cost or effort
AASB S2:[D]B10	An entity need not undertake an exhaustive search for information to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. The assessment of what constitutes undue cost or effort depends on the entity's specific circumstances and requires a balanced consideration of the costs and efforts for the entity and the benefits of the resulting information for primary users. That assessment can change over time as circumstances change.
	Exemption in respect of commercially sensitive information about climate-related opportunities
AASB S2:[D]B34	If an entity determines that information about a climate-related opportunity is commercially sensitive in the limited circumstances described below, the entity is permitted to omit that information from its climate-related financial disclosures. Such an omission is permitted even if information is otherwise required by an Australian Sustainability Reporting Standard and the information is material.
AASB S2:[D]B35	An entity qualifies for the exemption if, and only if: • Information about the climate-related opportunity is not already publicly available • Disclosure of that information could reasonably be expected to prejudice seriously the economic benefits the entity would otherwise be able to realise in pursuing the opportunity • The entity has determined that it is impossible to disclose that information in a manner—for example, at an aggregated level—that would enable the entity to meet the objectives of the disclosure requirements without prejudicing seriously the economic benefits the entity would otherwise be able to realise in pursuing the opportunity.
AASB S2:[D]B36	The entity also reassesses, at each reporting date, whether the information qualifies for the exemption.
AASB S2:[D]B37	An entity cannot use the exemption in relation to a climate-related risk or as a basis for broad non-disclosure of climate-related information.
AASB S2:[D]B36	If an entity elects to use the exemption, the entity, discloses the fact for each item of information omitted.

Source

Strategy (continued)

Specific disclosures (continued)

Climate-related risks and opportunities (continued)

Nature and social aspects of climate-related risks and opportunities

The ISSB has published *Nature and social aspects of climate-related risks and opportunities* to provide guidance to entities on considering nature and social aspects of climate-related reporting.

Nature and social aspects of climate-related risks and opportunities

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

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

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

Business model and value chain

AASB S2:13

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

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

Source

Strategy (continued)

Strategy and decision-making

AASB S2:14

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

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

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

Dependencies in the transition plan

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

Such dependencies might include:

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

Source

Strategy (continued)

Strategy and decision-making (continued)

Dependencies in the transition plan (continued)

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

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

Key assumptions used in developing the transition plan

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

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

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

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

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

Source

Strategy (continued)

Strategy and decision-making (continued)

Transition Plan Taskforce sector summary

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

The TPT Sector Summary:

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

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

Business model and value chain, mitigation and adaptation efforts

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

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

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

Source

Strategy (continued)

Strategy and decision-making (continued)

Business operations

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

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

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

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

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

Products and services

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

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

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

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

Source

Strategy (continued)

Strategy and decision-making (continued)

Policies and conditions

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

To implement its strategic goal, an entity might create, or plan to create, policies and conditions. The entity might determine that it is relevant to provide information about the policies and conditions that are expected to make an important contribution to achieving its strategic goal. These policies and conditions will differ depending on the entity's sector, business model, strategic goal and overall implementation and engagement strategies.

Examples of matters that an entity might cover include:

- Energy usage
- Phase-out of greenhouse-gas-intensive assets
- Climate-related considerations in procurement or for suppliers
- Climate-related considerations (for example, thresholds, targets or restrictions) in lending or investment activities
- Adaptation and building resilience to the changing climate
- Supplier engagement
- Portfolio engagement
- Land-use and land-management changes (for example, deforestation)
- Safeguards to mitigate potential adverse impacts on the natural environment
- Human rights
- Labour standards
- Advancement of social equity or mitigation of potential adverse social impacts (for example, on communities).

To provide appropriate context for the policies and conditions described, the entity might determine that it is relevant to disclose the objective of the policy, the nature and scope of the activities to which it relates (for example, how it is applied to specific business lines), the timeframe over which it applies, how it is overseen, and any metrics and targets the entity uses to assess the contribution of the policy to achieving its strategic goal.

Indirect mitigation and adaptation efforts— Engagement strategy

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

The development of an entity's response to transition and physical risks and climate-related opportunities involves engagement—for example with the entity's value chain. A value chain refers to the full range of interactions, resources and relationships to an entity's business model and the external environment in which it operates. Some entities might engage, or plan to engage, with a variety of parties on matters related to its transition to a lower-carbon and/or climate-resilient economy. These parties might include industry counterparts, government, regulators, public sector organisations, communities and civil society.

An entity might determine that it is relevant to disclose information about engagement activities that contribute towards achieving its strategic goal—for example, engagement to develop the entity's mitigation and adaptation efforts.

Entities' priorities related to engaging with other entities might differ depending on their strategic goal. An entity might determine that it is relevant to disclose a stakeholder map as part of its explanation of how the entity prioritises engagement activities to maximise its contribution towards achieving its strategic goal.

Source

Strategy (continued)

Strategy and decision-making (continued)

Indirect mitigation and adaptation efforts— Engagement strategy (continued)

An entity might determine that it is relevant to disclose the extent to which the entity prioritises engagement with, for example:

- Entities that account for the largest proportion of the entity's Scope 3 greenhouse gas emissions
- Entities over which it has the greatest degree of influence
- Entities that are relevant to its business-critical processes
- Entities that have control, responsibility or influence over major external factors on which achieving its strategic goal depends (for example, suppliers who are developing technologies required for responding to transition and physical risks and climate-related opportunities)
- Small suppliers or customers that require extra support.

Examples of current and planned engagement activities related to an entity's value chain that an entity might determine that it is relevant to disclose include:

- Requests for data and information from individuals and organisations along the value chain
- Initiatives to encourage suppliers to reduce their emissions or develop and implement credible strategic goals
- Work carried out with suppliers to help alleviate deforestation, land conversion or human rights issues relevant to the entity's strategic goal
- Engagement with customers to encourage more sustainable consumption choices.

External requirements, commitments, science-based targets, transition pathways, roadmaps and scenarios

Disclosing information about an entity's climate-related transition (3.2.3)

An entity's strategic goal might be informed by both bottom-up considerations drawn from its own situation and operating context and top-down considerations based on the changes necessary to limit the worst effects of rising global temperatures. In providing information about its approach to meeting its strategic goal, an entity might determine that it is relevant to refer to:

- External requirements (for example, targets that the entity is required to meet by law or regulation)
- Commitments (for example, voluntary commitments made as a member of a net-zero initiative)
- Science-based targets (for example, the Science Based Targets Initiative Criteria and Recommendations for Near-term Targets)
- Transition pathways or roadmaps (for example, the Transition Pathway Initiative Sectoral Decarbonisation Pathways or the Science Based Targets Initiative Sector Decarbonisation Pathways)
- Scenarios (for example, the International Energy Agency Net Zero Emissions by 2050 Scenario or the Network for Greening the Financial System Climate Scenarios).

Funding the implementation of a strategic goal

Disclosing information about an entity's climate-related transition (3.2.4)

An entity disclosing information about how it is resourcing activities to implement its strategic goal might determine that it is relevant to disclose:

- The planned capital expenditure arising from these activities both in absolute terms and, when possible, relative to total capital expenditure over the same time horizon
- The planned funding needs for research and development arising from these activities.

The entity might determine that it is relevant to disclose amounts in ranges or as a percentage of totals.

Source

Strategy (continued)

Strategy and decision-making (continued)

Funding the implementation of a strategic goal (continued)

For more information and industry-specific examples, see IFRS Foundation publication *Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2* (June 2025) and the equivalent AASB publication *Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with AASB S2*.



Federal Government guidance on preparing transition plans

In August 2026, Treasury released *Climate-related transition planning – Voluntary Guidance*, a voluntary resource intended to support organisations in developing and improving their transition planning processes.

Climate-related transition planning is considered the ongoing, internal strategic process through which organisations identify, assess and respond to climate-related risks and opportunities and deliver on any climate ambitions.

The document clearly notes that:

- Entities reporting under the mandatory sustainability reporting requirements in the *Corporations Act 2001* are not required to prepare transition plans
- An entity's transition plan does not need to align with the voluntary guidance contained in the document
- The guidance has not been developed to inform disclosures required under Chapter 2M of the *Corporations Act 2001* or any other aspect of sustainability reporting (entities should instead refer to other materials made available by the AASB or ASIC).

The voluntary resource may be useful for entities without a current transition plan that wish to develop a plan, or those wishing to improve their existing transition planning process.

More information about the guidance can be found in section B2.4.

Source

Strategy (continued)

Financial position, financial performance and cash flows

AASB S2:15 An entity discloses information that enables users of general purpose financial reports to understand:

- The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects)
- The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).

AASB S2:16 Specifically, an entity discloses quantitative and qualitative information about:

- How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period
- The climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements
- How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:
    - Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to
    - Its planned sources of funding to implement its strategy
- How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).

AASB S2:17 In providing quantitative information, an entity may disclose a single amount or a range.

Disclosing information about anticipated financial effects educational material

Link with strategy and decision making

As an example of the link between anticipated financial effects and disclosures about strategy and decision-making, AASB S2 requires an entity to provide information about the entity's strategy to mitigate and adapt to climate-related transition and physical risks and respond to climate-related opportunities. This information might include information that is also relevant to anticipated financial effects—for example, information about the effect of the implementation of the entity's transition plan on its financial position, financial performance and cash flows.

In this context, an entity might determine that it is relevant to provide information about:

- Anticipated effects on asset valuations and asset lives (for example, a decrease in the value of an asset as a result of a reduced market for products that are not energy efficient in a lower-carbon economy)
- Anticipated investments into infrastructure that can withstand rising sea levels or extreme weather events.

The entity might determine that this information is relevant for both the disclosure of information about anticipated financial affects and the disclosure of information about its transition planning. To avoid duplication, the entity could determine that it is appropriate to include information by cross-reference within the sustainability-related financial disclosures.

Source

Strategy (continued)

Financial position, financial performance and cash flows (continued)

Link with climate-related metrics

Disclosing information about anticipated financial effects educational material

AASB S2 requires an entity to disclose:

- The amount and percentage of assets or business activities vulnerable to climate-related transition and physical risk
- The amount and percentage of assets or business activities aligned with climate-related opportunities.

These metrics could be relevant to disclosures about current and anticipated financial effects, and thus the same information could be presented in a manner that meets more than one disclosure requirement.

For example, assets identified as being vulnerable to climate-related risks might be an example of assets whose carrying amounts are at significant risk of material adjustment within the next annual reporting period.

Effects of implementing a strategic goal on an entity's financial position

Disclosing information about an entity's climate-related transition (3.2.5)

An entity disclosing information about the effects of the implementation of its strategic goal on its financial position over the short, medium and long term might determine that it is relevant to provide information about:

- Anticipated effects on asset valuations and asset lives as a result of delivering on the strategic goal (for example, a decrease in the value of an asset as a result of a reduced market for pollutant assets in a lower-carbon economy)
- Anticipated effects on asset valuations as a result of delivering on the strategic goal (for example, an increase in the value of an investment in an entity that produces plant or equipment necessary for the climate-related transition)
- Planned financing arrangements to support business continuity as the entity develops low-greenhouse-gas-products and services
- Effects on the statement of financial position of borrowing to fund the implementation of the strategic goal.

Effects of implementing a strategic goal on an entity's financial performance

Disclosing information about an entity's climate-related transition (3.2.6)

An entity disclosing information about the effects of the implementation of its strategic goal on its financial performance over the short, medium and long term might determine that it is relevant to provide information about:

- Anticipated effects on revenues (for example, increased revenue from products and services aligned with a lower-carbon economy or anticipated consumer demand for new low-greenhouse-gas-emissions products and services)
- Anticipated effects on operating costs (for example, initial sunk costs due to implementing new low- or no-greenhouse-gas-emissions technology, losses on disposal of business units, increased commodity risk management costs due to increases in the percentage of renewable energy in the electricity mix or increased costs passed on by suppliers)
- Long-term savings from investments in renewable energy assets
- Impairments due to adverse effects triggered by the transition towards a lower-carbon economy (for example, impairments arising when assets become or are expected to become stranded)
- Anticipated effects on profit margins (for example, reflecting assumptions about the degree to which changes in costs can be passed on to consumers).

Source

Strategy (continued)

Financial position, financial performance and cash flows (continued)

Effects of implementing a strategic goal on an entity's cash flows

Disclosing information about an entity's climate-related transition (3.2.6)

Cash flows are affected by many factors affecting an entity's financial performance.

An entity needs to consider the effects of its strategic goal in its cash flow projections.

Proportionality mechanisms and exceptions

AASB S2:18

In preparing disclosures about the anticipated financial effects of a climate-related risk or opportunity, an entity:

- Uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort
- Uses an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.

AASB S2:19

An entity need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity if the entity determines that:

- Those effects are not separately identifiable, or
- The level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.

AASB S2:20

In addition, an entity need not provide quantitative information about the anticipated financial effects of a climate-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information.

Disclosure requirements

AASB S2:21

If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the above criteria, the entity:

- Explains why it has not provided quantitative information
- Provides qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity
- Provides quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.

All reasonable and supportable information

Disclosing information about anticipated financial effects educational material

In determining "all reasonable and supportable information", an entity firstly considers factors that are specific to the entity and secondly considers general conditions in the external environment.

When preparing disclosures on anticipated financial effects, all reasonable and supportable information includes information about past events, current conditions and forecasts of future conditions.

In identifying reasonable and supportable information, companies consider all information that is reasonably available to them, including information they already have.

Source

Strategy (continued)

Financial position, financial performance and cash flows (continued)

All reasonable and supportable information (continued)

Entities:

- Need only to use information that is available to them at the reporting date including historical, current or forward-looking information (such as forecasts of future conditions)
- Cannot disregard information that is known or publicly available
- Need to have an appropriate basis for using the information.

Undue cost or effort

Disclosing information about anticipated financial effects educational material

"Undue cost of effort" is the part of the mechanism that provides the parameter about the cost or effort an entity is required to incur in obtaining information to meet a specific requirement. That is, an entity assesses what constitutes undue cost or effort in obtaining information to meet that requirement.

The "undue cost or effort" mechanism does not exempt an entity from disclosing information. Entities are required to use the information that is available to them to meet disclosure requirements but only the information that is available without undue cost or effort.

The assessment of undue cost or effort:

- Depends on the entity's specific circumstances
- Requires a balanced consideration of the costs and efforts for the entity, and the benefits of the resulting information for investors.

An entity:

- Need not carry out an exhaustive search to obtain information to meet the relevant disclosure requirement
- Considers the benefits for investors and the incremental effort, or costs required to provide such additional information.

To assist companies in determining what information is considered to be available without undue cost or effort, it is noted in paragraph B9 of IFRS S1 that some information is always considered to be available to an entity without undue cost or effort. This information includes information the entity used:

- In preparing its financial statements
- In operating its business model
- In setting its strategy
- In managing its risks and opportunities.

In considering other information that is available without undue cost or effort, it is noted that an entity can carry out a less exhaustive search if the cost of obtaining particular information is proportionately higher for the entity than for other companies with more resources. The information that is available without undue cost or effort to an entity to use in its disclosures can vary depending on its circumstances.

The greater the usefulness of information about a sustainability-related risk or opportunity is to investors, the greater the effort expected of an entity in obtaining that information.

It is also important to highlight that the information that is available and the cost or effort considered undue can change over time.

Source

Strategy (continued)

Financial position, financial performance and cash flows (continued)

Meaning of "an approach commensurate with the skills, capabilities and resources available to the entity"

Disclosing information about anticipated financial effects educational material

An entity's available skills, capabilities and resources might be internal and external. They provide the context to inform the entity's consideration of the potential costs and level of effort required by a particular approach.

The ISSB noted that an entity cannot avoid providing quantitative information for anticipated financial effects because it does not have the skills or capabilities to do so, if it has the resources available to obtain or develop those skills or capabilities. In the absence of such resources, the proportionality mechanisms seek to accommodate the development of skills or capabilities over time.

In addition, although an entity's skills, capabilities and resources are referenced in the relief from providing quantitative disclosures, it is noted it is not always necessary for an entity to be well resourced or to be capable of undertaking sophisticated analysis to provide quantitative information. For example, the quantitative information provided could be information such as amount of planned investment in new energy-efficient equipment included in the entity's near-term budget.

Meaning of "not separately identifiable"

Disclosing information about anticipated financial effects educational material

In some cases, it may not be possible to separately identify the financial effects of a sustainability-related risk or opportunity. Financial effects might arise from more than one source and affect several line items in the related financial statements, and therefore isolating the effect of the particular sustainability-related risk or opportunity may not be possible.

For example, an entity has observed a trend of decreasing demand for its products which it believes is partially driven by adverse economic and market conditions, and partially driven by changing consumer demands related to climate considerations. The entity cannot isolate the decrease in demand due to the effects of climate-related risk from the effects of other causes. Notwithstanding that the effects of the climate-related risk are inseparable, the entity provides quantitative information about the combined effects of decreasing demand.

AASB guidance

The AASB has published *Proportionality Mechanisms in AASB S2*, providing a high-level overview of the proportionality mechanisms in AASB S2, including when and how they apply and considerations in their application.

Regulatory perspectives

ASIC-RG 280.110

ASIC notes that reporting entities should take particular care to ensure adequate sustainability records are kept that substantiate the reporting entity's application of the proportionality mechanisms and exceptions under AASB S2 (if applicable). Given their subjectivity, ASIC notes it may scrutinise the approach of reporting entities in this area.

Source

Strategy (continued)

Financial position, financial performance and cash flows (continued)

Disclosure prohibited by law or regulation or is commercially sensitive

Disclosing information about anticipated financial effects educational material

An entity does not need to disclose information about current and anticipated financial effects if that would require the disclosure of information that is prohibited by law or regulation or would result in the disclosure of information about opportunities that is commercially sensitive.

For example, if, in response to a climate-related opportunity, an entity has a confidential plan to dispose of a subsidiary in the medium term, it might decide the information provided be limited to describing the overall strategy to respond to the opportunity rather than providing details about the subsidiary and the planned timing of the disposal.

Alternatively, the entity might use the "commercially sensitive information exemption" because it determines that it is in fact not possible to disclose information about the anticipated financial effects of the transaction in a manner that would avoid prejudicing seriously the economic benefits it would otherwise realise from the opportunity.

Climate resilience

AASB S2:22

An entity discloses information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity uses climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range.

Specifically, the entity discloses each of the matters noted below.

Assessment of climate resilience

AASB S2:22(a)

The entity's assessment of its climate resilience as at the reporting date, which enables users of general purpose financial reports to understand:

- The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis
- The significant areas of uncertainty considered in the entity's assessment of its climate resilience
- The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including;

    - The availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities
    - The entity's ability to redeploy, repurpose, upgrade or decommission existing assets
    - The effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience.

Source

Strategy (continued)

Climate resilience (continued)

Information about climate-related scenario analysis

AASB S2:22(b) The entity discloses how and when the climate-related scenario analysis was carried out, including:

- Information about the inputs the entity used, including:
  - Which climate-related scenarios the entity used for the analysis and the sources of those scenarios
  - Whether the analysis included a diverse range of climate-related scenarios
  - Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks
  - Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change
  - Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties
  - The time horizons the entity used in the analysis
  - What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis)
- The key assumptions the entity made in the analysis, including assumptions about:
  - Climate-related policies in the jurisdictions in which the entity operates
  - Macroeconomic trends
  - National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources)
  - Energy usage and mix
  - Developments in technology
- The reporting period in which the climate-related scenario analysis was carried out.

Legislative requirements

s.296D(2B) Where required by the sustainability standards, a disclosure of scenario analysis, information derived from a scenario analysis or information about a scenario analysis must be carried out using at least both of the following scenarios:

- An increase in the global average temperature well exceeds the increase mentioned in subparagraph 3(a)(i) of the *Climate Change Act 2022* (being 2 degrees Celsius above pre-industrial levels)
- An increase in the global average temperature is limited to the increase mentioned in subparagraph 3(a)(ii) of that Act (being 1.5 degrees Celsius above pre-industrial levels).

ASIC-RG 280.99 (Note) The Revised Supplementary Explanatory Memorandum to the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* clarifies that an increase of 2.5 degrees Celsius or higher would "well exceed" 2 degrees Celsius above pre-industrial levels. Therefore, there is a risk that reporting entities do not comply with s.296D(2B)(b) if they use a climate scenario based on an increase that is less than 2.5 degrees Celsius above pre-industrial levels.

Source

Strategy (continued)

Climate resilience (continued)

Legislative requirements (continued)

ASIC-RG 280.100 The key objective of these requirements is to ensure that users have the benefit of information about the reporting entity's climate resilience and material financial risks and opportunities relating to climate that are informed by scenarios that contemplate:

- Rapid global decarbonisation in the near term (lower global warming scenario)
- More pronounced climate impacts over the medium to long term (higher global warming scenario).

ASIC-RG 280.101 These scenarios combined provide insight into the potential climate resilience and material financial risks and opportunities relating to climate of the reporting entity under both high-end physical risk and high-end transition risk.

Approach to scenario analyses

AASB S2:B12 When selecting scenarios, variables and other inputs to use in climate-related scenario analysis, an entity might, for example, use one or more climate-related scenarios—including international and regional scenarios—that are publicly and freely available from authoritative sources. The entity should have a reasonable and supportable basis for using a particular scenario or set of scenarios. For example, an entity with operations concentrated in a jurisdiction where emissions are regulated—or are likely to be regulated in the future—might determine that it is appropriate to carry out its analysis using a scenario consistent with an orderly transition to a lower-carbon economy or consistent with relevant jurisdictional commitments to the latest international agreement on climate change. Elsewhere, for example, an entity with heightened exposure to physical climate-related risks might determine that it is appropriate to carry out its analysis using a localised climate-related scenario that takes into account current policies.

AASB S2:B17 An entity might use a simpler approach to climate-related scenario analysis, such as qualitative scenario narratives, if such an approach is appropriate to the entity's circumstances. For example, if an entity does not currently have the skills, capabilities or resources to carry out quantitative climate-related scenario analysis but has a high degree of exposure to climate-related risk, the entity might initially use a simpler approach to climate-related scenario analysis, but would build its capabilities through experience and, therefore, would apply a more advanced quantitative approach to climate-related scenario analysis over time. An entity with a high degree of exposure to climate-related risks and opportunities, and with access to the necessary skills, capabilities or resources, is required to apply a more advanced quantitative approach to climate-related scenario analysis.

Frequency of scenario analysis

AASB S2:B18 Although AASB S2 requires an entity to disclose information about its climate resilience at each reporting date, the entity might carry out its climate-related scenario analysis in line with its strategic planning cycle, including a multi-year strategic planning cycle (for example, every three to five years). Therefore, in some reporting periods the entity's disclosures in accordance with AASB S2:22(b) could remain unchanged from the previous reporting period if the entity does not conduct a scenario analysis annually.

At a minimum, the entity updates its climate-related scenario analysis in line with its strategic planning cycle. However, an assessment of the entity's resilience is required to be carried out annually to reflect updated insight into the implications of climate uncertainty for the entity's business model and strategy. As such, an entity's disclosure of the results of the entity's resilience assessment is updated at each reporting period.

Source

Risk management

Objective

AASB S2:24 The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.

Disclosures

AASB S2:25 To achieve the risk management disclosure objective, an entity discloses information about:

- The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:
    - The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes)
    - Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks
    - How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria)
    - Whether and how the entity prioritises climate-related risks relative to other types of risk
    - How the entity monitors climate-related risks
    - Whether and how the entity has changed the processes it uses compared with the previous reporting period
- The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities
- The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.

Avoiding duplication

AASB S2:26 In preparing disclosures to fulfil the risk management disclosure requirements, an entity avoids unnecessary duplication. For example, although an entity provides the information required above, if oversight of sustainability-related risks and opportunities is managed on an integrated basis, the entity would avoid duplication by providing integrated risk management disclosures instead of separate disclosures for each sustainability-related risk and opportunity.

AASB S2:Aus26.1 The requirement to avoid unnecessary duplication applies particularly if an entity elects to voluntarily apply AASB S1 to disclose information about other sustainability-related risks and opportunities in addition to climate-related risks and opportunities in general purpose financial reports.

Source

Metrics and targets

Objective

AASB S2:27 The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

AASB S2:28 To achieve this objective, an entity discloses:

- Information relevant to the cross-industry metric categories
- Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.

Compliance with IFRS S2



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

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

Under the proposals, metrics in the industry-based guidance would be amended for 10 sectors (i.e. all sectors except the financials sector). In addition, a number of metrics are proposed to be deleted or added across the industry-based guidance.

In addition, in March 2026, the ISSB released another exposure draft covering proposed amendments to three further SASB Standards (agricultural products, meat, poultry and dairy and electric utilities and power generators) and make consequential amendments to the industry-based guidance.

More information about the proposals can be found in section B1.3.3. Entities wishing to be compliant with IFRS S2 should monitor these developments.

AASB S2:BC28 In finalising AASB S2, the AASB decided, as an interim measure, not to require industry-based disclosures to be provided and therefore also not to require entities to consider the applicability of disclosure topics (and the industry-based metrics associated with those disclosure topics) defined in the Sustainability Accounting Standards Board (SASB) Standards and *Industry-based Guidance on Implementing IFRS S2* issued by the ISSB.

AASB S2:BC30 Acknowledging constituent feedback, the AASB made decisions regarding the consideration and disclosure of industry-based information as an interim measure, signalling its intention to redeliberate this matter in the near future. The AASB added a project to its workplan with respect to industry-based disclosure requirements. This project will focus on determining the appropriate basis and content of the industry-based disclosures, including assessing the industry-based classification system, the applicability of the industry-based disclosure topics and the industry-based metrics defined in *the Industry-based Guidance on Implementing IFRS S2*. The Treasury Policy Position Statement *Mandatory climate-related financial disclosures* (January 2024) states that "Entities should only be required to disclose against well-established and understood industry-based metrics from 1 July 2030 onwards." Accordingly, the AASB intends to finalise mandatory requirements for industry-based disclosures by 2030.

Source

Metrics and targets (continued)

Compliance with IFRS S2 (continued)

IFRS S2:28
IFRS S2:32

If an entity wishes to be compliant with IFRS S2, in preparing disclosures to meet the metrics and targets disclosures in this section, in addition to the cross-industry metric categories (as described in AASB S2:29-31), the entity discloses industry-based metrics associated with particular business models, activities or other features that characterise participating in an industry. In determining the industry-based metrics that the entity discloses, the entity refers to and considers the applicability of the industry-based metrics associated with disclosure topics described in the *Industry-based Guidance on Implementing IFRS S2*.

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

Overriding disclosures about metrics and targets

Source of metrics

AASB S2:[D]49

If an entity discloses a metric from a source other than Australian Sustainability Reporting Standards, the entity identifies the source of the metric taken.

Entity-developed metrics

AASB S2:[D]50

If a metric has been developed by an entity, the entity discloses information about:

- How the metric is defined, including whether it is derived by adjusting a metric taken from a source other than Australian Sustainability Reporting Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source
- Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green—or RAG—status)
- Whether the metric is validated by a third party and, if so, which party
- The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.

Labels and definitions

AASB S2:[D]53

An entity labels and define metrics and targets using meaningful, clear and precise names and descriptions.

Comparative information for metrics

Transitional relief

AASB S2:C3

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

AASB S2:[D]52

The definition and calculation of metrics, including metrics used to set the entity's targets and monitor progress towards reaching them, is consistent over time.

Metrics that are estimates

AASB S2:[D]B50

In some cases, the amount disclosed for a metric is an estimate. Except as specified (see exceptions below), if an entity identifies new information in relation to the estimated amount disclosed in the preceding period and the new information provides evidence of circumstances that existed in that period, the entity:

- Discloses a revised comparative amount that reflects that new information
- Discloses the difference between the amount disclosed in the preceding period and the revised comparative amount
- Explains the reasons for revising the comparative amount.

Source

Metrics and targets (continued)

Comparative information for metrics (continued)

Exceptions

AASB S2:[D]B51 In applying the above requirement, an entity need not disclose a revised comparative amount:

- If it is impracticable to do so
- If the metric is forward-looking. Forward-looking metrics relate to possible future transactions, events and other conditions. The entity is permitted to revise a comparative amount for a forward-looking metric if doing so does not involve the use of hindsight.

New metrics

AASB S2:[D]B53 If an entity introduces a new metric in the reporting period, it discloses a comparative amount for that metric unless it is impracticable to do so.

Redefined or replaced metrics

AASB S2:[D]B52 If an entity redefines or replaces a metric in the reporting period, the entity:

- Discloses a revised comparative amount, unless it is impracticable to do so
- Explains the changes
- Explains the reasons for those changes, including why the redefined or replacement metric provides more useful information.

Impracticability exception

AASB S2:[D]B54 Sometimes, it is impracticable to revise a comparative amount to achieve comparability with the reporting period. For example, data might not have been collected in the preceding period in a way that allows retrospective application of a new definition of a metric, and it might be impracticable to recreate the data.

AASB S2:[D]B54 If it is impracticable to revise a comparative amount for the preceding period, an entity discloses that fact.

Source

Metrics and targets (continued)

Climate-related metrics

Greenhouse gases

Absolute greenhouse gas emissions

AASB S2:29(a)(i) The entity discloses its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO_2 equivalent, classified as:

- Scope 1 greenhouse gas emissions
- Scope 2 greenhouse gas emissions
- Scope 3 greenhouse gas emissions.

Possible method of presenting this information

	Greenhouse gas emissions	**31/12/2026 tonnes CO_2-e**	**31/12/2025[82] tonnes CO_2-e**
AASB S2:29(a)(i)	***Scope 1 emissions***		
AASB S2:29(a)(iv)	- Consolidated group		
AASB S2:29(a)(iv)	- Other investees		
AASB S2:29(a)(i)	***Scope 2 emissions (location-based)***		
AASB S2:29(a)(iv)	- Consolidated group		
AASB S2:29(a)(iv)	- Other investees		
	Total Scope 1 and Scope 2 emissions		
AASB S2:29(a)(i)	***Scope 3 greenhouse gas emissions (see page E-55)[83]***		
	Total greenhouse gas emissions		

Disclosure of greenhouse gas emissions generated on a gross basis

Greenhouse Gas Emissions educational material (Question 3) AASB S2 requires an entity to disclose its absolute gross greenhouse gas emissions generated during the reporting period. The use of the word 'gross' means the entity measures its greenhouse gas emissions without taking into consideration any removal efforts (for example, through the use of carbon credits). The word 'absolute' means the entity discloses the total amount of GHG emissions instead of, for example, greenhouse gas emissions intensity.

[82] Comparative information is not required in the first annual reporting period in which an entity applies AASB S2 (see AASB S2:C3)
[83] An entity is not required to disclose Scope 3 emissions in the first annual reporting periods in which an entity applies AASB S2 (AASB S2:C4(b)).

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Measurement of greenhouse gas emissions

AASB S2:29(a)(ii)-(iii) The entity:

- Measures its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions
- Discloses the approach it uses to measure its greenhouse gas emissions including:
    - The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions
    - The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions
    - Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.

Measurement approach set out in the Greenhouse Gas Protocol

AASB S2:B27 The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) includes different measurement approaches that an entity might use when measuring its greenhouse gas emissions. In disclosing information in accordance with AASB S2:29(a)(iii), the entity is required to disclose information about the measurement approach it uses. For example, when the entity discloses its greenhouse gas emissions measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the entity is required to use the equity share or control approach.

AASB S2:B27 The entity discloses:

- The approach it uses to determine its greenhouse gas emissions (for example, the equity share or control approach in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004))
- The reason, or reasons, for the entity's choice of measurement approach and how that approach relates to the disclosure objective on metrics and targets in AASB S2:27 (i.e. to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation).

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Jurisdictional authority or exchange requirements [where AASB S2025-1 has not been applied]

AASB S2:B24 An entity is required to use the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless the entity is required by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its greenhouse gas emissions. If the entity is required by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its greenhouse gas emissions, the entity is permitted to use this method rather than using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) for as long as the jurisdictional or exchange requirement applies to the entity.

AASB S2:B25 In some circumstances, an entity might be subject to a requirement in the jurisdiction in which it operates to disclose its greenhouse gas emissions for a specific part of the entity or for some of its greenhouse gas emissions (for example, only for Scope 1 and Scope 2 greenhouse gas emissions). In such circumstances, the jurisdictional requirement does not exempt the entity from applying the requirements in AASB S2 to disclose the entity's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for the entity as a whole.

Jurisdictional authority or exchange requirements [where AASB S2025-1 is applied early]

AASB S2:B24 An entity is required to use the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless the entity is required, in whole or part, by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its greenhouse gas emissions. If the entity is required, in whole or part, by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its greenhouse gas emissions, the entity is permitted to use this different method for the part of the entity to which the requirement applies, rather than using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) for as long as such jurisdictional or exchange requirement applies to that part of the entity.

AASB S2:B25[84] In some circumstances, an entity might be subject to a requirement in the jurisdiction in which it operates to disclose its greenhouse gas emissions for a specific part of the entity or for some of its greenhouse gas emissions (for example, only for Scope 1 and Scope 2 greenhouse gas emissions). In such circumstances, the jurisdictional requirement does not exempt the entity from applying the requirements in AASB S2 to disclose the entity's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for the entity as a whole.

Transitional relief

AASB S2:C4 In the first annual reporting period in which an entity applies AASB S2, if, in the annual reporting period immediately preceding the date of initial application of AASB S2, the entity used a method for measuring its greenhouse gas emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the entity is permitted to continue using that method.

AASB S2:C5 If the entity uses this transitional relief, the entity is permitted to continue to use that relief for the purposes of presenting that information as comparative information in subsequent reporting periods.

[84] AASB S2:B25 is not amended by AASB 2025-1 but is reproduced here for the convenience of readers.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Additional disclosures where other methods are used [where AASB S2025-1 has not been applied]

AASB S2:B28
AASB S2:27

When an entity discloses its greenhouse gas emissions measured in accordance with another method (i.e. due to jurisdictional authority or exchange requirements or where the transitional relief is applied), the entity discloses:

- The applicable method and measurement approach the entity users to determine its greenhouse gas emissions
- The reasons, or reasons, for the entity's choice of method and measurement approach and how that approach relates to the disclosure objective on metrics and targets in AASB S2:27 (i.e. to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation).

Additional disclosures where other methods are used [where AASB S2025-1 is applied early]

AASB S2:B28
AASB S2:27

When an entity discloses its greenhouse gas emissions measured in accordance with another method (i.e. due to jurisdictional authority or exchange requirements or where the transitional relief is applied), the entity discloses for each alternative method:

- The applicable method and measurement approach the entity users to determine its greenhouse gas emissions
- The reasons, or reasons, for the entity's choice of method and measurement approach and how that approach relates to the disclosure objective on metrics and targets in AASB S2:27 (i.e. to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation).

Emission factors

AASB S2:B29

As part of an entity's disclosure of the measurement approach, inputs and assumptions, the entity discloses information to enable users of general purpose financial reports to understand which emission factors the entity uses in its measurement of its greenhouse gas emissions.

AASB S2:B29

AASB S2 does not specify emission factors an entity is required to use in its measurement of its greenhouse gas emissions. Instead, AASB S2 requires an entity to use emission factors that best represent the entity's activity as its basis for measuring its greenhouse gas emissions.

Disaggregated Scope 1 and 2 emissions

AASB S2:29(a)(iv)

For Scope 1 and Scope 2 greenhouse gas emissions disclosed, the entity disaggregates emissions between:

- The consolidated accounting group (for example, for an entity applying Australian Accounting Standards, this group would comprise the parent and its consolidated subsidiaries)
- Other investees (for example, for an entity applying Australian Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries).

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Location-based Scope 2 emissions

AASB S2:29(a)(v) For Scope 2 greenhouse gas emissions, the entity:

- Discloses its location-based Scope 2 greenhouse gas emissions
- Provides information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.

AASB S2:B30 For the avoidance of doubt, an entity is required to disclose its Scope 2 greenhouse gas emissions using a location-based approach and is required to provide information about contractual instruments only if such instruments exist and information about them informs users' understanding of an entity's Scope 2 greenhouse gas emissions.

AASB S2:B31 Contractual instruments are any type of contract between an entity and another party for the sale and purchase of energy bundled with attributes about the energy generation or for unbundled energy attribute claims (unbundled energy attribute claims relate to the sale and purchase of energy that is separate and distinct from the greenhouse gas attribute contractual instruments). Various types of contractual instruments are available in different markets and the entity might disclose information about its market-based Scope 2 greenhouse gas emissions as part of its disclosure.

Scope 3 emissions [where AASB S2025-1 has not been applied]

AASB S2:29(a)(vi) For Scope 3 greenhouse gas emissions, the entity discloses:

- The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)
- Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see below).

Scope 3 emissions [where AASB S2025-1 is applied early]

AASB S2:29(a)(vi) For Scope 3 greenhouse gas emissions, the entity discloses:

- The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)
- Additional information about the entity's financed emissions (which are part of Category 15 greenhouse gas emissions) if its activities include asset management, commercial banking or insurance (see below).

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Scope 3 emissions (continued)

Possible method of presenting this information

AASB S2:29(a)(vi)
AASB S2:B55

Scope 3 greenhouse gas category[85]	Measurement approach, inputs and assumptions	31/12/2026 tonnes CO_2-e	31/12/2025[86] tonnes CO_2-e
Category 1 – Purchased goods and services	*[Describe]*		
Category 2 – Capital goods	*[Describe]*		
Category 3 – Fuel and energy related activities	*[Describe]*		
Category 4 – Upstream transportation and distribution	*[Describe]*		
Category 5 – Waste generated in operations	*[Describe]*		
Category 6 – Business travel	*[Describe]*		
Category 7 – Employee commuting	*[Describe]*		
Category 8 – Upstream leased assets	*[Describe]*		
Category 9 – Downstream transportation and distribution	*[Describe]*		
Category 10 – Processing of sold products	*[Describe]*		
Category 11 – Use of sold products	*[Describe]*		
Category 12 – End-of-life treatment of sold products	*[Describe]*		
Category 13 – Downstream leased assets	*[Describe]*		
Category 14 - Franchises	*[Describe]*		
Category 15 - Investments	*[Describe]*		

Transitional relief

AASB S2:C4(b)

In the first annual reporting periods in which an entity applies AASB S2, the entity is not required to disclose its Scope 3 greenhouse gas emissions, which includes, if the entity participates in asset management, commercial banking or insurance activities, the additional information about its financed emissions.

[85] An entity is not required to include line items for all 15 categories unless they are relevant sources of Scope 3 greenhouse gas emissions. For more information, see *Inclusion of all 15 categories of Scope 3 emissions* on page E-57. Furthermore, additional information is required about the entity's Scope 3 emissions (as outlined on the following pages).

[86] Comparative information is not required in the first annual reporting period in which an entity applies AASB S2 (see AASB S2:C3)

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Guidance on Scope 3 emissions

AASB S2:B32 The entity considers its entire value chain (upstream and downstream) and considers all 15 categories of Scope 3 greenhouse gas emissions, as described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). In accordance with AASB S2:29(a)(vi), the entity discloses which of these categories are included in its Scope 3 greenhouse gas emissions disclosures.

AASB S2:B33 For the avoidance of doubt, regardless of the method an entity uses to measure its greenhouse gas emissions, an entity is required to disclose the categories included within its measure of Scope 3 greenhouse gas emissions as described in AASB S2:29(a)(vi).

AASB S2:B36 To determine the scope of the value chain, which includes its breadth and composition, an entity uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.

AASB S2:B40 An entity's measurement of Scope 3 greenhouse gas emissions relies upon a range of inputs. AASB S2 does not specify the inputs the entity is required to use to measure its Scope 3 greenhouse gas emissions, but does require the entity to prioritise inputs and assumptions using these identifying characteristics (which are listed in no particular order):

- Data based on direct measurement (i.e. the direct monitoring of greenhouse gas emissions)
- Data from specific activities within the entity's value chain
- Timely data that faithfully represents the jurisdiction of, and the technology used for, the value chain activity and its greenhouse gas emissions
- Data that has been internally or externally verified (including on-site checking, reviewing calculations, or cross-checking of data against other sources).

AASB S2:B55 An entity discloses information about the measurement approach, inputs and assumptions it uses to measure its Scope 3 greenhouse gas emissions in accordance with AASB S2:29(a)(iii). This disclosure includes information about the characteristics of the data inputs as described in AASB S2:B40 (as outlined above). The purpose of this disclosure is to provide users of general purpose financial reports with information about how the entity has prioritised the highest quality data available, which faithfully represents the value chain activity and its Scope 3 greenhouse gas emissions. This disclosure also helps users of general purpose financial reports to understand why the measurement approach, inputs and assumptions the entity uses to estimate its Scope 3 greenhouse gas emissions are relevant.

AASB S2:B56 As part of the requirement to disclose the approach it uses to measure greenhouse gas emissions, and to reflect how an entity prioritises Scope 3 data in accordance with the measurement framework set out in AASB S2:B40–B54, the entity discloses information that enables users of general purpose financial reports to understand:

- The extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs from specific activities within the entity's value chain
- The extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs that are verified.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Impracticable to estimate Scope 3 emissions

AASB S2:B57 AASB S2 includes the presumption that Scope 3 greenhouse gas emissions can be estimated reliably using secondary data and industry averages.

AASB S2:B57 In those rare cases when an entity determines it is impracticable to estimate its Scope 3 greenhouse gas emissions, the entity discloses how it is managing its Scope 3 greenhouse gas emissions.

AASB S2:B57 Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.

Regulatory perspectives

ASIC-RG 280.106 ASIC notes that:

- The accuracy of estimation techniques may improve over time, as the quality and availability of data for reporting scope 3 greenhouse gas emissions (and the cost and effort in obtaining it) improves
- The extent of a reporting entity's reliance on the use of secondary data (such as industry averages) to measure its scope 3 greenhouse gas emissions may evolve over time, as the availability and quality of data (and the likely cost and effort in obtaining it) improves.

Financed emissions [where AASB S2025-1 has not been applied]

AASB S2:B59 AASB S2:29 (a)(i)(3) requires an entity to disclose its absolute gross Scope 3 greenhouse gas emissions generated during the reporting period, including upstream and downstream emissions. An entity that participates in one or more of the following financial activities is required to disclose additional and specific information about its Category 15 emissions or those emissions associated with its investments which is also known as "financed emissions":

- Asset management
- Commercial banking
- Insurance.

AASB S2:[A]8 Financed emissions are defined in AASB S2 as the portion of gross greenhouse gas emissions of an investee or counterparty attributed to the loans and investments made by an entity to the investee or counterparty. These emissions are part of Scope 3 Category 15 (investments) as defined in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Financed emissions [where AASB S2025-1 is applied early]

AASB S2:B59 AASB S2:29 (a)(i)(3) requires an entity to disclose its absolute gross Scope 3 greenhouse gas emissions generated during the reporting period, including upstream and downstream emissions. An entity that participates in one or more of the following financial activities is required to disclose additional and specific information about its financed emissions (which are part of Category 15 greenhouse gas emissions):

- Asset management
- Commercial banking
- Insurance.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Financed emissions [where AASB S2025-1 is applied early] (continued)

AASB S2:29A In preparing disclosures to meet the requirement in AASB S2:29(a)(i)(3) an entity is permitted to limit what it includes in its measure of Scope 3 Category 15 greenhouse gas emissions to only its financed emissions. That is, the entity is permitted to limit its Category 15 greenhouse gas emissions to emissions attributed to loans and investments made by the entity to investees or counterparties. 'Loans and investments' include loans, project finance, bonds, equity investments and undrawn loan commitments. For an entity that participates in asset management activities, financed emissions include greenhouse gas emissions attributed to assets under management. For the purpose of the limitation, an entity is permitted to exclude greenhouse gas emissions attributable to derivatives.

AASB S2:29B If an entity applies the limitation in AASB S2:29A, the entity:

- Explains what it has treated as a derivative to enable users of general purpose financial reports to understand how it applied the limitation. For example, the entity could explain that, in applying the limitation, it treated as derivatives items that meet the definition of a derivative in accordance with the requirements of Australian Accounting Standards or other applicable generally accepted accounting principles or practices (GAAP) used in preparing its related financial statements
- Describes the financial activities it has excluded from its measure of Scope 3 Category 15 greenhouse gas emissions as a result of applying AASB S2:29A, including activities associated with derivatives.

AASB S2:29C If an entity has included Category 15 greenhouse gas emissions in its measure of Scope 3 greenhouse gas emissions disclosed in accordance with paragraph AASB S2:29(a)(i)(3), the entity discloses the total Category 15 greenhouse gas emissions and the subtotal of financed emissions included in that total.

Asset management activities

AASB S2:B61 An entity that participates in asset management activities discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions
- For each of the disaggregated items listed in the previous bullet, the total amount of assets under management (AUM) that is included in the financed emissions disclosure, expressed in the presentation currency of the entity's financial statements
- The percentage of the entity's total AUM included in the financed emissions calculation. If the percentage is less than 100%, the entity discloses information that explains the exclusions, including types of assets and associated amount of AUM
- The methodology used to calculate the financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of investments.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Commercial banking activities [where AASB S2025-1 has not been applied]

AASB S2:B62

An entity that participates in commercial banking activities discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class. When disaggregating by:
    - Industry—the entity uses the Global Industry Classification Standard (GICS) 6-digit industry-level code for classifying counterparties, reflecting the latest version of the classification system available at the reporting date
    - Asset class—the disclosure includes loans, project finance, bonds, equity investments and undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it includes an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports
- Its gross exposure to each industry by asset class, expressed in the presentation currency of the entity's financial statements. For:
    - Funded amounts—gross exposure calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with Australian Accounting Standards or other GAAP
    - Undrawn loan commitments—the entity discloses the full amount of the commitment separately from the drawn portion of loan commitments.
- The percentage of the entity's gross exposure included in the financed emissions calculation. The entity:
    - If the percentage of the entity's gross exposure included in the financed emissions calculation is less than 100%, discloses information that explains the exclusions, including the type of assets excluded
    - For funded amounts, excludes from gross exposure all impacts of risk mitigants, if applicable.
    - Discloses separately the percentage of its undrawn loan commitments included in the financed emissions calculation
- The methodology the entity used to calculate its financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of its gross exposure.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Commercial banking activities [where AASB S2025-1 is applied early]

AASB S2:B62 An entity that participates in commercial banking activities discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class
- Its gross exposure to each industry by asset class, expressed in the presentation currency of the entity's financial statements. For:
    - Funded amounts—gross exposure calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with Australian Accounting Standards or other GAAP
    - Undrawn loan commitments—the entity discloses the full amount of the commitment separately from the drawn portion of loan commitments
- The percentage of the entity's gross exposure included in the financed emissions calculation. The entity:
    - If the percentage of the entity's gross exposure included in the financed emissions calculation is less than 100%, discloses information that explains the exclusions, including the type of assets excluded
    - For funded amounts, excludes from gross exposure all impacts of risk mitigants, if applicable.
    - Discloses separately the percentage of its undrawn loan commitments included in the financed emissions calculation
- The methodology the entity used to calculate its financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of its gross exposure.

AASB S2:B62A(a)(i) When disaggregating information by industry, an entity selects an industry-classification system that enables it to classify investees or counterparties in a manner that results in information that enables users of general purpose financial reports to understand the entity's exposure to climate-related transition risks. A system that is commonly used by other entities such as those operating in the same industry or jurisdiction (commonly used system) is more likely to support the comparability of information than a system used only by the entity (entity-specific system). If a commonly used system enables the entity to provide useful information about its exposure to climate-related transition risks—with all else being equal—the entity prioritises that system. An entity that participates in both commercial banking and insurance activities need not use the same system to classify investees or counterparties for its commercial banking and insurance activities.

AASB S2:B62A(a)(ii) When disaggregating information by industry, an entity discloses:

- The industry-classification system it used to classify investees or counterparties
- Information that enables users of general purpose financial reports to understand how the entity's selection of that system fulfils the requirements in paragraph B62A(a)(i) *(see immediately above).*

AASB S2:B62A(b) When disaggregating information by asset class, the disclosure includes loans, project finance, bonds, equity investments and undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it includes an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Financial activities associated with the insurance industry [where AASB S2025-1 has not been applied]

AASB S2:B63

An entity that participates in financial activities associated with the insurance industry discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class. When disaggregating by:
    - Industry—the entity uses the Global Industry Classification Standard (GICS) 6-digit industry-level code for classifying counterparties, reflecting the latest version of the classification system available at the reporting date
    - Asset class—the disclosure includes loans, bonds and equity investments, as well as undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it includes an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports
- The gross exposure for each industry by asset class, expressed in the presentation currency of the entity's financial statements. For:
    - Funded amounts—gross exposure calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with Australian Accounting Standards or other GAAP
    - Undrawn loan commitments—the entity discloses the full amount of the commitment separately from the drawn portion of loan commitments
- The percentage of the entity's gross exposure included in the financed emissions calculation. The entity:
    - If the percentage of the entity's gross exposure included in the financed emissions calculation is less than 100%, discloses information that explains the exclusions, including type of assets excluded.
    - Discloses separately the percentage of its undrawn loan commitments included in the financed emissions calculation
- The methodology the entity used to calculate its financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of its gross exposure.

AASB S2:AusB63.1

For the purposes of disclosing disaggregated financed emissions by industry, the latest version of the Global Industry Classification Standard (GICS) available at the reporting date means the version that incorporates amendments to August 2024.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Financial activities associated with the insurance industry [where AASB S2025-1 is applied early]

AASB S2:B63 An entity that participates in financial activities associated with the insurance industry discloses:

- Its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class.
- The gross exposure for each industry by asset class, expressed in the presentation currency of the entity's financial statements. For:
  - Funded amounts—gross exposure calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with Australian Accounting Standards or other GAAP
  - Undrawn loan commitments—the entity discloses the full amount of the commitment separately from the drawn portion of loan commitments
- The percentage of the entity's gross exposure included in the financed emissions calculation. The entity:
  - If the percentage of the entity's gross exposure included in the financed emissions calculation is less than 100%, discloses information that explains the exclusions, including type of assets excluded.
  - Discloses separately the percentage of its undrawn loan commitments included in the financed emissions calculation
- The methodology the entity used to calculate its financed emissions, including the method of allocation the entity used to attribute its share of emissions in relation to the size of its gross exposure.

AASB S2:B63A(a)(i) When disaggregating information by industry, an entity selects select an industry-classification system that enables it to classify investees or counterparties in a manner that results in information that enables users of general purpose financial reports to understand the entity's exposure to climate-related transition risks. A system that is commonly used by other entities such as those operating in the same industry or jurisdiction (commonly used system) is more likely to support the comparability of information than a system used only by the entity (entity-specific system). If a commonly used system enables the entity to provide useful information about its exposure to climate-related transition risks—with all else being equal—the entity prioritises that system. An entity that participates in both commercial banking and insurance activities need not use the same system to classify investees or counterparties for its commercial banking and insurance activities

AASB S2:B63A(a)(ii) When disaggregating information by industry, an entity discloses:

- The industry-classification system it used to classify investees or counterparties
- Information that enables users of general purpose financial reports to understand how the entity's selection of that system fulfils the requirements in paragraph B63A(a)(i) *(see immediately above).*

AASB S2:B63A(b) When disaggregating information by asset class, the disclosure includes loans, project finance, bonds, equity investments and undrawn loan commitments. If the entity calculates and discloses financed emissions for other asset classes, it includes an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Inclusion of all 15 categories of Scope 3 emissions

Greenhouse Gas Emissions educational material (Question 4)

An entity is not required to include all 15 categories in the Greenhouse Gas Protocol Corporate Value Chain Standard in its measure of its Scope 3 greenhouse gas emissions. However, an entity is required to consider all 15 categories and to determine which categories are relevant.

An entity is required to include the GHG emissions associated with each relevant category in its Scope 3 GHG emissions if this disclosure would provide primary users with material information. As a result, the categories that are included in an entity's measure of its Scope 3 GHG emissions and the particular GHG emissions within a category that are included within the measurement depend on the entity's specific facts and circumstances.

The GHG Protocol Corporate Value Chain Standard provides a list of the Scope 3 categories and describes each category (these categories are also listed in Appendix A of AASB S2). To determine which categories are relevant, an entity is required to consider its entire value chain, both upstream and downstream. Although an entity is required to consider the relevance of all 15 categories— including by considering whether information about the GHG emissions within those categories and their measurement would provide material information about an entity's exposure to transition risk—it might find that not all are relevant. In this case, the entity might exclude some categories from the measurement of its Scope 3 GHG emissions.

In considering whether GHG emissions information about those categories is material, the entity assesses whether omitting, misstating or obscuring the specific GHG emissions information related to the category could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

AASB S2 requires an entity to disclose the categories included within the entity's measure of its Scope 3 GHG emissions (AASB S2:29(a)(vi)(1)). This disclosure helps primary users understand the sources of an entity's Scope 3 GHG emissions as part of information about an entity's exposure to transition risk.

Measurement and disclosure based on minimum boundaries in the Greenhouse Gas Protocol Corporate Value Chain Standard

Greenhouse Gas Emissions educational material (Question 5)

AASB S2 requires that entities disclose material information about their Scope 3 greenhouse gas emissions considering all of the categories set out in the Greenhouse Gas Protocol Corporate Value Chain Standard. Australian Sustainability Reporting Standards also require that entities consider their entire value chain when providing information about the sustainability-related risks and opportunities that could reasonably be expected to affect their prospects. This means that an entity applying AASB S2 cannot limit its measurement and disclosure of Scope 3 GHG emissions on the basis of the minimum boundaries outlined in the Greenhouse Gas Protocol Corporate Value Chain Standard.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Greenhouse gases (continued)

Interaction of ASRS with the Greenhouse Gas Protocol Corporate Standard

Greenhouse Gas Emissions educational material (Question 2)

An entity is required to measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol Corporate Standard unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (AASB S2:29(a)(ii)). The requirements of the Greenhouse Gas Protocol Corporate Standard are applied only to the extent they do not conflict with AASB S2 (AASB S2:B23). This requirement on avoiding conflict is particularly important because AASB S2 includes some requirements related to the measurement of greenhouse gas emissions.

The Greenhouse Gas Protocol Corporate Standard includes requirements and guidance beyond the measurement of greenhouse gas emissions. However, AASB S2 does not reference the Greenhouse Gas Protocol Corporate Standard's requirements beyond measurement. For example, an entity applying AASB S2 is not required to disclose "emissions data for direct CO_2 emissions from biologically sequestered carbon (for example, CO_2 from burning biomass/ biofuels)" separately from the scopes of greenhouse gas emissions—even though this disclosure is required in the Greenhouse Gas Protocol Corporate Standard.

Greenhouse Gas Emissions educational material (Question 6)

Furthermore, there is no conflict between the concept of the reporting entity and the identification of the organisation boundary for the measurement of greenhouse gas emissions as they serve distinct purposes. The reporting entity is the entity about which information is required to be provided and is a conceptual foundation of applying Australian Sustainability Reporting Standards. This requirement ensures that there is connectivity between the entity reporting using Australian Sustainability Reporting Standards and the entity reflected in the related financial statements.

The determination of the organisational boundary—as required by the Greenhouse Gas Protocol Corporate Standard—is used in measuring the GHG emissions of the reporting entity. The organisational boundary affects which operations' direct greenhouse gas emissions are included in the measurement of a reporting entity's Scope 1 greenhouse gas emissions, and how greenhouse gas emissions of the reporting entity are classified between scopes.

AASB S2 requires an entity to use the Greenhouse Gas Protocol Corporate Standard to measure greenhouse gas emissions except in limited circumstances. In measuring greenhouse gas emissions in accordance with the Greenhous Gas Protocol Corporate Standard, AASB S2 requires an entity to select either the equity share approach or the control approach. The Greenhouse Gas Protocol Corporate Standard refers to these approaches as "consolidation approaches" and AASB S2 refers to these approaches as "measurement approaches".

Exposure to climate-related risks and opportunities

AASB S2:29(b)-(d)

The entity discloses:

- The amount and percentage of assets or business activities vulnerable to climate-related transition risks
- The amount and percentage of assets or business activities vulnerable to climate-related physical risks
- The amount and percentage of assets or business activities aligned with climate-related opportunities.

AASB S2:30

In preparing disclosures to meet these requirements, an entity uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.

Capital deployment

AASB S2:29(e)

The entity discloses the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.

Source

Metrics and targets (continued)

Climate-related metrics (continued)

Internal carbon prices

AASB S2:29(f)

The entity discloses:

- An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis)
- The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.

Remuneration

AASB S2:29(g)

The entity discloses:

- A description of whether and how climate-related considerations are factored into executive remuneration
- The percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.

Impacts of climate-related transition

Disclosing information about an entity's climate-related transition (3.1.3)

In disclosing information about the percentage of executive management remuneration linked to metrics related to a strategic goal, the approach might vary throughout the entity's executive population. In such cases, the disclosure of averages or ranges may provide relevant information in the entity's summary of practice.

In describing whether and how remuneration and incentive structures for all employees are aligned with the strategic goal, an entity might determine that it is relevant to include:

- Information about whether remuneration and incentive structures relate to the entire workforce, or only to some roles or teams
- The metric(s) used
- The proportion or number of employees whose performance-related pay is aligned with the metric(s)
- The incentive vehicle in which the metric(s) exists (for example, annual bonus and/or long-term incentive plan).

Considerations in preparing climate-related metrics

AASB S2:31
AASB S2:B64-B65

In preparing disclosures to fulfil the climate-related metrics requirements, an entity:

- Considers the time horizons over which the effects of climate-related risks and opportunities could reasonably be expected to occur, over the short, medium and long term
- Considers where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities or types of assets)
- Considers the information disclosed in accordance with AASB S2:16(a)–(b) in relation to the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period
- Consider the connections between the information disclosed to fulfil the requirements with the information disclosed in the related financial statements. These connections include consistency in the data and assumptions used—to the extent possible—and linkages between the amounts disclosed and the amounts recognised and disclosed in the financial statements. For example, an entity would consider whether the carrying amount of assets used is consistent with amounts included in the financial statements and would explain the connections between information in these disclosures and amounts in the financial statements.

Source

Metrics and targets (continued)

Climate-related targets

AASB S2:33

An entity discloses the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets.

Information about each target

AASB S2:33(a)-(h)

For each target, the entity discloses:

- The metric used to set the target
- The objectives of the target (for example, mitigation, adaptation or conformance with science-based initiatives)
- The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region)
- The period over which the target applies
- The base period from which progress is measured
- Any milestones and interim targets
- If the target is quantitative, whether it is an absolute target or an intensity target
- How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.

Targets associated with an entity's climate-related transition

Disclosing information about an entity's climate-related transition (3.3.2)

Providing details about climate-related targets associated with an entity's climate-related transition will help an entity ensure that users of its general purpose financial reports have the context required to interpret the target. In particular, information that is likely to be useful for users of general purpose financial reports includes:

- Contextual information necessary to understand what is being measured and the objective of the target
- Information about any interim milestones or targets that the entity expects to meet
- Information about how the target was informed by or aligns with any external benchmarks (for example, with the latest international agreement on climate change)
- Information about the expected trajectory for achieving the target (for example, information about whether an entity expects a linear reduction or increase towards a particular target or an s-curve trajectory, or whether an entity foresees obstacles or sudden changes, such as the planned phasing out of specific assets).

Governance, engagement, business and operational metrics and targets

Disclosing information about an entity's climate-related transition (3.3.2)

In disclosing information about targets related to governance, an entity might determine that it is relevant to disclose information about targets in areas such as:

- Remuneration (for example, the proportion of individuals with remuneration linked to progress against the entity's strategic goal)
- Skills
- Competencies
- Training (for example, the percentage of at-risk workers being offered retraining or redeployment).

In disclosing information about targets related to engagement, an entity might consider including any targets related to the nature of engagement activities (for example, the number of engagements with suppliers about their climate-related transitions and the number of engagements with clients to ensure a just transition) as well as the outcome of the engagement activities (for example, evidence of greenhouse gas emissions reductions by suppliers or evidence of social dialogue in clients' climate-related transition plans). These targets might relate to engagements with the value chain.

Source

Metrics and targets (continued)

Climate-related targets (continued)

Governance, engagement, business and operational metrics and targets (continued)

In disclosing information about any targets related to business and operations, an entity might consider including targets related to:

- Business and operations (for example, energy consumption per unit produced, the number of factories located in flood zones, the percentage of water withdrawn in areas with high water stress or the number of sustainable jobs created)
- Products and services (for example, the proportion or number of products and/or services with no- or low-greenhouse-gas emissions, support the transition towards a lower-carbon economy, or are vulnerable to transition and physical risks).

The entity might also consider including related metrics and targets related to a just transition.

Metrics and targets, relevant to an entity's business, sector and strategy

In disclosing information about targets, an entity might determine that it is relevant to include targets related to:

- Climate value at risk from physical changes in climate and the transition to a low-greenhouse-gas-emissions economy
- No- or low-greenhouse-gas-emissions capital expenditure
- No- or low-greenhouse-gas-emissions research and development investments
- Revenue from no- or low-greenhouse-gas-emissions products and services
- The proportion of financial assets that are no- or low-greenhouse-gas-emissions financial assets
- The proportion of total long-term capital assets that are no- or low-greenhouse-gas-emissions long-term capital assets
- The percentage of total fuel that is no- or low-greenhouse-gas-emissions
- Procurement from no- or low-greenhouse-gas-emissions suppliers.

Setting and reviewing targets

AASB S2:34(a)-(d)

An entity discloses information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:

- Whether the target and the methodology for setting the target has been validated by a third party
- The entity's processes for reviewing the target
- The metrics used to monitor progress towards reaching the target
- Any revisions to the target and an explanation for those revisions

Performance

AASB S2:35

An entity discloses information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.

Greenhouse gas emissions targets

AASB S2:36 (a)-(d)

For each greenhouse gas emissions target, an entity discloses:

- Which greenhouse gases are covered by the target
- Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target
- Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target
- Whether the target was derived using a sectoral decarbonisation approach.

Source	
	Metrics and targets (continued)
	Climate-related targets (continued)
	Gross and net greenhouse gas emissions targets
AASB S2:B68	If an entity has a greenhouse gas emissions target, the entity is required to specify whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. Gross greenhouse gas emissions targets reflect the total changes in greenhouse gas emissions planned within the entity's value chain. Net greenhouse gas emissions targets are the entity's targeted gross greenhouse gas emissions minus any planned offsetting efforts (for example, the entity's planned use of carbon credits to offset its greenhouse gas emissions).
AASB S2:B69	If an entity has a net greenhouse gas emissions target it is required to also disclose a gross greenhouse gas emissions target. For the avoidance of doubt, if the entity discloses a net greenhouse gas emissions target, this target cannot obscure information about its gross greenhouse gas emissions targets.
AASB S2:36(e)(i)-(iv)	An entity discloses its planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity discloses information including, • The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits • Which third-party scheme(s) will verify or certify the carbon credits • The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal • Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).
AASB S2:Aus37.1	In identifying and disclosing the metrics used to set and monitor progress towards reaching a target, an entity refers to and considers the applicability of cross-industry metrics*. ** See Compliance with IFRS S2 on page E-48 for additional information for entities seeking their sustainability report to be compliant with IFRS S2.*
	Carbon credits
AASB S2:B70	AASB S2:36(e) requires an entity to describe its planned use of carbon credits—which are transferable or tradeable instruments—to offset emissions to achieve any net greenhouse gas emissions targets the entity has set, or any it is required to meet by law or regulation. Any information about the planned use of carbon credits clearly demonstrates the extent to which these carbon credits are relied on to achieve the net greenhouse gas emissions targets.
AASB S2:B71	In accordance with paragraph 36(e), an entity is required to disclose only its planned use of carbon credits. However, as part of this disclosure, the entity might also include information about carbon credits it has already purchased that the entity is planning to use to meet its net greenhouse gas emissions target, if the information enables users of general purpose financial reports to understand the entity's greenhouse gas emissions target.
	Requirement to set greenhouse gas emissions targets
Greenhouse Gas Emissions educational material (Question 11)	AASB S2 does not require entities to set greenhouse gas emissions targets. However, AASB S2 requires an entity to disclose information about any greenhouse gas emissions targets the entity has set.

Source

Metrics and targets (continued)

Climate-related targets (continued)

Greenhouse Gas Emissions educational material (Question 12)

Specific information on net greenhouse gas emissions targets

The requirement for an entity to separately provide the associated gross greenhouse gas emissions targets when it has a net GHG emissions target enables primary users of general purpose financial reports to understand the entity's efforts to reduce its gross greenhouse gas emissions and its net greenhouse gas emissions.

If an entity sets net greenhouse gas emissions targets and plans to use carbon credits to achieve the target, the entity is required to disclose additional information about the use of carbon credits. This information is designed to provide transparency about the entity's planned use of carbon credits and information about those carbon credits.

AASB S2 also requires an entity to disclose any other factors necessary for primary users to understand the credibility and integrity of the carbon credits the entity plans to use, including, for example, information about assumptions regarding the permanence of the carbon offset. This disclosure requirement was included in response to stakeholders identifying "permanence" and "additionality" as two essential features for assessing the quality of carbon offset schemes.

"Permanence" refers to how long the greenhouse gas emissions will be safely removed from the atmosphere. "Additionality" refers to whether a particular investment has brought about any new climate benefits that would not have occurred without the investment. Although these metrics can be useful, assessing permanence and additionality is complex. Therefore, AASB S2 does not require an entity to disclose its assessment of permanence and additionality. Instead, the entity is required to disclose information about any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the credits the entity plans to use. This requirement was included to provide users with information that enables them to assess additionality and permanence.

Source

Other disclosures

Assurance requirements

ASSA 5010:10(a) For the First Year of Reporting the auditor conducts a review over the disclosures (including related general disclosures in Appendix D to AASB S2) relating to governance, strategy (specific to risks and opportunities) and Scope 1 and Scope 2 greenhouse gas emissions (as identified earlier in this document).

Accordingly, where disclosures in this section (e.g. judgements and measurement uncertainties) or elsewhere in the report are made directly in relation to items that are subject to assurance in an entity's first year of mandatory sustainability reporting, those disclosures will also be subject to assurance.

Statement of compliance

AASB S2:[D]72 An entity whose climate-related financial disclosures comply with all the requirements of AASB S2 makes an explicit and unreserved statement of compliance. An entity cannot describe climate-related financial disclosures as complying with AASB S2 unless they comply with all the requirements of AASB S2.

Early application

AASB S2:AusC1.1 An entity applies AASB S2 for annual reporting periods beginning on or after 1 January 2025*. Earlier application is permitted. If an entity applies AASB S2 earlier, it discloses that fact.

** Note: Although AASB S2 is applicable for annual reporting periods beginning on or after 1 January 2025, entities need to consider their reporting mandate under the Corporations Act when determining their specific mandatory reporting period. More information can be found in section B2.1.3 "Phased approach to implementation".*

Financial statements

AASB S2:[D]22 The entity identifies the financial statements to which the climate-related disclosures relate.

Changes in reporting period

AASB S2:[D]66 When an entity changes the end of its reporting period and provides climate-related financial disclosures for a period longer or shorter than 12 months, it discloses:

- The period covered by the climate-related financial disclosures
- The reason for using a longer or shorter period
- The fact that the amounts disclosed in the climate-related financial disclosures are not entirely comparable.

Judgements

AASB S2:[D]74 An entity discloses information to enable users of general purpose financial reports to understand the judgements, apart from those involving estimations of amounts, that the entity has made in the process of preparing its climate-related financial disclosures and that have the most significant effect on the information included in those disclosures.

AASB S2:[D]75 In the process of preparing climate-related financial disclosures, an entity makes various judgements, apart from those involving estimations, that can significantly affect the information reported in the entity's climate-related financial disclosures. For example, an entity makes judgements in:

- Identifying climate-related risks and opportunities that could be reasonably expected to affect the entity's prospects
- Determining which sources of guidance to apply
- Identifying material information to include in the climate-related financial disclosures
- Assessing whether an event or change in circumstances is significant and requires reassessment of the scope of all affected climate-related risks and opportunities throughout the entity's value chain.

Source

Other disclosures (continued)

Measurement uncertainty

AASB S2:[D]77 An entity discloses information to enable users of general purpose financial reports to understand the most significant uncertainties affecting the amounts reported in its climate-related financial disclosures.

AASB S2:[D]78 An entity:

- Identifies the amounts that it has disclosed that are subject to a high level of measurement uncertainty
- In relation to each amount identified, discloses information about:
    - The sources of measurement uncertainty—for example, the dependence of the amount on the outcome of a future event, on a measurement technique or on the availability and quality of data from the entity's value chain
    - The assumptions, approximations and judgements the entity has made in measuring the amount.

AASB S2:[D]80 The requirement for an entity to disclose information about the uncertainties affecting the amounts reported in climate-related financial disclosures relates to the estimates that require the entity's most difficult, subjective or complex judgements. As the number of variables and assumptions increases, those judgements become more subjective and complex, and the uncertainty affecting the amounts reported in the climate-related financial disclosures increases accordingly.

AASB S2:[D]81 The type and extent of the information an entity might need to disclose vary according to the nature of the amount reported in the climate-related financial disclosures—the sources of and the factors contributing to the uncertainty and other circumstances. Examples of the type of information an entity might need to disclose are:

- The nature of the assumption or other source of measurement uncertainty
- The sensitivity of the disclosed amount to the methods, assumptions and estimates underlying its calculation, including the reasons for the sensitivity
- The expected resolution of an uncertainty and the range of reasonably possible outcomes for the disclosed amount
- An explanation of changes made to past assumptions concerning the disclosed amount, if the uncertainty remains unresolved.

Subsequent events and conditions

AASB S2:[D]68 An entity discloses information about transactions, other events and conditions that occur after the end of the reporting period, but before the date on which the climate-related financial disclosures are authorised for issue, if non-disclosure of that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

AASB S2:[D]67 If, after the end of the reporting period but before the date on which the climate-related financial disclosures are authorised for issue, an entity receives information about conditions that existed at the end of the reporting period, it updates disclosures that relate to those conditions in the light of the new information.

Source

Other disclosures (continued)

Errors

AASB S2:[D]83 An entity corrects material prior period errors by restating the comparative information for the prior period(s) disclosed under it is impracticable to do so.

AASB S2:[D]B59 When it is impracticable to determine the effect of an error on all prior periods presented, the entity restates the comparative information to correct the error from the earliest date practicable.

AASB S2:[D]B58 If an entity identifies a material error in its prior period(s) climate-related financial disclosures, it discloses:

- The nature of the prior period error
- The correction, to the extent practicable, for each prior period disclosed
- If correction of the error is impracticable, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

Nature of errors

AASB S2:[D]84 Prior period errors are omissions from and misstatements in the entity's climate-related financial disclosures for one or more prior periods. Such errors arise from a failure to use, or the misuse of, reliable information that:

- Was available when the climate-related financial disclosures for that period(s) were authorised for issue
- Could reasonably be expected to have been obtained and considered in the preparation of those disclosures.

AASB S2:[D]B56 Errors include the effects of mathematical mistakes, mistakes in applying the definitions for metrics or targets, oversights or misinterpretations of facts, and fraud.

Information excluded due to legal prohibitions

AASB S2:[D]B33 An entity need not disclose information otherwise required by an Australian Sustainability Reporting Standard if law or regulation prohibits the entity from disclosing that information.

AASB S2:[D]B33 If an entity omits material information where it is prohibited by a law or regulation from disclosing that information, it identifies the type of information not disclosed and explains the source of the restriction.

Source

Transition for *Amendments to Greenhouse Gas Emissions Disclosures*

AASB S2:C1B An entity applies the amendments to AASB S2 *Climate-related Disclosures* made by AASB S2025-1 *Amendments to Greenhouse Gas Emissions Disclosures* for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

AASB S2:C1B If an entity applies AASB S2025-1 to annual reporting periods beginning before 1 January 2027, it discloses that fact.

AASB S2:C6 If the entity previously applied AASB S2, in the first annual reporting period in which the entity applies AASB S2025-1, the entity – unless it is impracticable to do so – adjusts comparative information for the preceding period as follows:

- If the entity has changed how it measures greenhouse gas emissions as a result of applying the relief in paragraphs 29(a)(ii) and B24 or paragraphs B21–B22—it adjusts the comparative information as if it had changed how it measures greenhouse gas emissions in that preceding period
- If the entity disclosed Scope 3 greenhouse gas emissions in the preceding period and the measurement of these emissions included Category 15 greenhouse gas emissions—it adjusts the comparative information to provide the total Category 15 greenhouse gas emissions and the subtotal of financed emissions included in that total as if it had applied the requirement in paragraph 29C in that preceding period
- If the entity disclosed disaggregated financed emissions information by industry in the preceding period in accordance with paragraph B62 or B63—it adjusts the comparative information to reflect the industry-classification system it selected in accordance with paragraph B62A(a) or B63A(a) as if it had used that system in that preceding period.

Additional disclosure where Australian Sustainability Reporting Standards are insufficient

AASB S2:[D]B26 An entity discloses additional information when compliance with the specifically applicable requirements in an Australian Sustainability Reporting Standard is insufficient to enable users of general purpose financial reports to understand the effects of climate-related risks and opportunities on the entity's cash flows, its access to finance and cost of capital over the short, medium and long term.

Assurance report

Source

Audit/review of information in the sustainability report

Guidance on the assurance report

On 16 September 2025, ASIC released *FAQs: Review or audit of sustainability reports*, providing guidance to:

- Auditors in understanding their obligations in respect of the sustainability report under the Corporations Act
- Preparers of sustainability reports to understand their obligations in relation to obtaining a review or audit of the sustainability report, the appointment, removal and resignation of auditors and who can conduct a review or audit of the sustainability report.

In addition, the AUASB is progressively populating its sustainability assurance implementation support pages, which include frequently asked questions and illustrative assurance reports. In January 2026, the AUASB issued Illustrative Corporations Act Sustainability Assurance Reports.

Entities should continue to monitor developments in this area as they prepare their sustainability reports.

Core requirements

ASSA 5010:6
s.301A
s.1707E(2)

The Corporations Act requires:

- Sustainability reports for financial years commencing on or after 1 July 2030 to be audited (s.301A)
- The Auditing and Assurance Standards Board (AUASB) to make auditing standards for financial years commencing 1 January 2025 to 30 June 2030 that specify the extent to which information in the sustainability report must be audited and/or reviewed (s.1707E(2)).

First year of reporting

ASSA 5010:10(a)

For an entity's first year of reporting, the auditor conducts a review over the disclosures (including related general disclosures in Appendix D to AASB S2) relating to:

- Governance in accordance with AASB S2:6
- Strategy (risks and opportunities) in accordance with AASB S2:9(a), 10(a) and 10(b)
- Scope 1 and Scope 2 greenhouse gas emissions in accordance with AASB S2:29(a)(i)(1)-(2) and AASB S2:29(a)(ii)-(v)
- Any statement (by a "Group 3" entity) that there were no material risks or opportunities relating to climate and how that applies to the entity under s.296B(1)(c)-(d) or any similar statement otherwise made in the sustainability report.

ASSA 5010:9(f)

For these purposes, "first year of reporting" is the first financial year commencing:

- For "Group 1" entities – from 1 January 2025 to 30 June 2026
- For "Group 2" entities – 1 July 2026 to 30 June 2027
- For "Group 3" entities – 1 July 2027 to 30 June 2028.

Source

ASSA 5010:Appendix (Footnote)

Audit/review of information in the sustainability report (continued)

First year of reporting (continued)

Group 1 entities with years commencing 1 January to 30 June will be subject to the Year 1 provisions twice (e.g. years commencing 1 January 2025 and 1 January 2026). Reporting of Scope 3 emissions is required for years commencing 1 January 2026 to 30 June 2026 for these Group 1 entities, but these disclosures will not be subject to assurance.

See section B2.1.5 for more information about the phasing of assurance requirements.

Core model financial statements



This section contains the core IFRS disclosures that apply to all Tier 1 financial statements. The core model financial statements reproduce the global IFRS model financial statements, and flags Australian-specific considerations arising in relation to the illustrated disclosures using icons and explanations.

Contents

About the model financial report 1

Consolidated statement of profit or loss and other comprehensive income 6

Consolidated statement of financial position 14

Consolidated statement of changes in equity 20

Consolidated statement of cash flows 22

Notes to the consolidated financial statements 27

About the model financial report

This model financial report can be used as a guide in achieving best practice outcomes in annual reports of "Tier 1" entities

Roadmap to this section

Topic	What is covered	Who does it apply to?
Purpose	Who is required to prepare Tier 1 financial statements under Australian Accounting Standards	Entities preparing GPFS
Who should use this model financial report?	Who is required, or chooses, to prepare Tier 1 financial statements	Entities preparing Tier 1 GPFS
Other considerations	Other information about using the model annual report, including the list of pronouncements and limitations	
Effective date	Effective date of this model annual report, i.e. 31 December 2026	Entities using this model annual report
How to use the core model financial statements with Appendix 3	Outlines the composition of a Tier 1 financial report prepared under the Corporations Act linking relevant information from the core model financial statements and Appendix 3 – Australian-specific disclosures	

Purpose

The Deloitte global IFRS model financial statements contained in this section illustrate the presentation and disclosure requirements of IFRS® Accounting Standards for the year ended 31 December 2026 by an entity that is not a first-time adopter of IFRS Accounting Standards and are also applicable for the year ended 31 December 2026. They comprise consolidated financial statements which illustrate the impact of the application of IFRS Accounting Standards that are mandatorily effective for the annual period beginning on 1 January 2026.

The core model financial statements, however, do not illustrate the presentation and disclosure requirements specific to financial reports prepared in Australia. Therefore, Appendix 3 has been designed by Deloitte Australia to assist users with the preparation of annual reports in Australia in accordance with:

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

Appendix 3 also includes additional considerations for Tier 1 financial reports for the year ended 31 December 2026 for Australian not-for-profit and public sector entities. Entities with differing year ends will need to ensure that they include the relevant requirements based on the date when preparing their financial reports.

Not-for-profit and public sector entities

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

Who should use this model financial report?

Overview

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

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

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

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

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

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

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

Tier 1 and Tier 2 reports

Australian Accounting Standards – Simplified Disclosures (Tier 2) comprises the recognition and measurement requirements of Tier 1 (including consolidation and the equity method of accounting) but substantially reduced disclosure requirements. Except for the presentation of a third statement of financial position under Tier 1, and the option of not presenting a statement of changes in equity (in limited circumstances), the presentation requirements under Tier 1 and Tier 2 are the same. Tier 2 disclosure requirements are set out in AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1053:9).

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

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

Other considerations

Amounts

The model financial statements are intended to illustrate the presentation and disclosure requirements of Australian Accounting Standards without the use of any numbers.

Additional disclosures

These model financial statements include line items that are not applicable to International GAAP Holdings Limited to illustrate items that are commonly encountered in practice. They also contain additional disclosures considered to be best practice, particularly where such disclosures are included in illustrative examples provided within a specific Standard. This does not mean that we have illustrated all possible disclosures, nor should it be taken to mean that entities are required to display such line items in practice.

Limitations

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

- Entities that are investment entities under AASB 10 *Consolidated Financial Statements*
- Entities where the parent company or its subsidiaries are entities whose functional currency is the currency of a hyperinflationary economy
- Not-for-profit and public sector entities (other than the information provided in Appendix 3 – Australian-specific disclosures which is highlighted by being shaded using teal colouring)
- Entities subject to the regulatory requirements of Australian Charities and Not-for-profits Commission (ACNC)
- Australian financial services (AFS) licensees
- Entities subject to the regulatory requirements of the Australian Prudential Regulation Authority (APRA)
- Stapled entities
- Notified foreign passport funds.

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

Pronouncements

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

The model financial statements do not illustrate the early adoption of any Australian Accounting Standards or Interpretations that are not mandatory as at 31 December 2026 unless otherwise noted. Furthermore, this model annual report does not illustrate the disclosure requirements of the following Australian Accounting Standards and Interpretations:

Reference	Title / comment
AASB 1	*First-time Adoption of Australian Accounting Standards*
AASB 4	*Insurance Contracts*
AASB 6	*Exploration for and Evaluation of Mineral Resources*
AASB 14	*Regulatory Deferral Accounts*
AASB 17	*Insurance Contracts*
AASB 18	*Presentation and Disclosure in Financial Statements*
AASB 20	*Regulatory Assets and Regulatory Liabilities*
AASB 129	*Financial Reporting in Hyperinflationary Economies*
AASB 134	*Interim Financial Reporting*
AASB 141	*Agriculture*
AASB 1004	*Contributions*
AASB 1023	*General Insurance Contracts*
AASB 1038	*Life Insurance Contracts*
AASB 1039	*Concise Financial Reports* (other than as noted)
AASB 1049	*Whole of Government and General Government Sector Financial Reporting*
AASB 1050	*Administered Items*
AASB 1051	*Land Under Roads*
AASB 1052	*Disaggregated Disclosures*
AASB 1053	*Application of Tiers of Australian Accounting Standards*
AASB 1055	*Budgetary Reporting*
AASB 1056	*Superannuation Entities*
AASB 1059	*Service Concession Arrangements: Grantors*
AASB 1060	*General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
AASB 1061	*General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*

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

Source references

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

Understanding source references in the core model financial statements

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

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

Icons used in the core model financial statements

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

Icon	Meaning
	Indicates that an Australian-specific consideration applies. Additional information and cross reference to the relevant section of Appendix 3 is noted.

The table in Appendix 1 gives an overview of all areas impacted by climate change and Appendix 3 provides additional and modified illustrative disclosures applicable to Tier 1 financial statements prepared by Australian entities.

Effective date

This model annual report includes reporting obligations and illustrative disclosures that are effective for financial years ending on 31 December 2026.

Unless otherwise noted, the information in this guide has been updated for developments to 30 October 2026.

How to use the core model financial statements with Appendix 3

The table below outlines the composition of a Tier 1 financial report prepared under the Corporations Act. The table lists the relevant information from both the core model financial statements and those additional or alternative requirements included in Appendix 3.

Component	Primary source	Considerations
Corporations Act requirements		
Directors' report	Appendix 3 (page 196)	Entities preparing financial reports under the Corporations Act must provide a directors' report. Listed entities must also include a Remuneration report as part of the directors' report.
Auditor's independence declaration	Appendix 3 (page 229)	Entities preparing financial reports under the Corporations Act must include an auditor's independence declaration.
Independent auditor's report	Appendix 3 (page 232)	Entities preparing financial reports under the Corporations Act must include an independent auditor's report.
Directors' declaration	Appendix 3 (page 235)	Entities preparing financial reports under the Corporations Act must include a directors' declaration.
Primary financial statements		
Consolidated statement of profit or loss and other comprehensive income - Alt 1 – Presentation as two statements, with expenses analysed by function - Alt 2 – Single statement presentation, with expenses analysed by nature	Core model financial statements	
Consolidated statement of financial position - Alt 1 – Categories for (1) total assets (ii) net current assets (iii) total liabilities (iv) net assets (v) total equity - Alt 2 – Categories for (1) assets (ii) equity and liabilities	Core model financial statements	Australian entities commonly present the order of the statement of financial position differently to entities preparing financial statement in other countries. An example of this alternate approach can be found in Appendix 3 on page 237. Where the alternate version is adopted, the ordering of the notes should be reconsidered.
Consolidated statement of changes in equity	Core model financial statements	
Consolidated statement of cash flows - Alt 1 – Indirect method of reporting cash flows from operating activities - Alt 2 – Direct method of reporting cash flows from operating activities	Core model financial statements	Australian entities commonly adopt the direct method of presentation of the statement of cash flows and in this case are additionally required to provide a reconciliation of the net cash flows from operating activities to profit or loss. An illustrative disclosure is included in Note 54 on page 268.
Notes to the consolidated financial statements (where there are Australian specific considerations)		
1 General information	Appendix 3 (page 240)	Additional information is required in relation to compliance with Australian Accounting Standards and rounding. See Note 1 on page 240.
2 Adoption of new and revised Standards	Appendix 3 (page 242)	The updated and Australian-specific version of this note should be used. See Note 2 on page 242.

Component		Primary source	Considerations
Notes to the consolidated financial statements (where there are Australian specific considerations) (continued)			
3	Accounting policies	Core model financial statements	Australian entities may need to disclose Australian specific accounting policy information e.g. mining entities applying AASB 6 *Exploration for and Evaluation of Mineral Resources* and not-for-profit and public sector entities. See illustrative Note 3 in Appendix 3 on page 252.
5	Revenue	Core model financial statements	Specific disclosure requirements apply for not-for-profit entities under AASB 1058 *Income of Not-for-Profit Entities*. See the example in Note 5 on page 256
7	Profit for the year	Core model financial statements	Specific considerations apply in relation to rounding under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* for certain share-based payment information.
8	Staff costs	Core model financial statements	Specific considerations apply in relation to rounding under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* for certain share-based payment information.
14	Dividends	Core model financial statements	Specific considerations apply in relation to rounding under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* for certain share-based payment information. Australian entities are required to provide information about imputation credits (franking credits). See the example in Note 14 on page 257.
15	Earnings per share	Core model financial statements	Specific considerations apply in relation to rounding under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* for earnings per share information.
20	Subsidiaries	Core model financial statements	Entities applying *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* or with tax-consolidated groups may need to provide additional information. See the example in Note 20 in Appendix 3 on page 259.
37	Trade and other payables	Core model financial statements	Specific considerations apply in relation to rounding under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* for certain share-based payment information.
41	Share premium account	Core model financial statements	Under the Corporations Act, Australian entities generally do not have a par value for issued shares and accordingly, this note may not be relevant.
54	Notes to the statement of cash flows	Core model financial statements	Australian entities commonly adopt the direct method of presentation of the statement of cash flows and in this case are additionally required to provide a reconciliation of the net cash flows from operating activities to profit or loss. An illustrative disclosure is included in Note 54 in Appendix 3 on page 268.
64	Related party transactions	Core model financial statements	Additional information is required for Australian entities in relation to parent entities. Example disclosures are included in Note 64 in Appendix 3 on page 269. In addition, the specific considerations apply in relation to rounding under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* for certain related party information, including remuneration of key management personnel.
66	Remuneration of auditors	Appendix 3 (page 270)	This Australian specific disclosure is required for entities applying Tier 1. An illustrative disclosure is included in Note 66 in Appendix 3 on page 270.

Component	Primary source	Considerations
Notes to the consolidated financial statements (where there are Australian specific considerations) (continued)		
67 Parent entity information	Appendix 3 (page 273)	This additional note is required where consolidated financial reports are prepared under the Corporations Act. An illustrative disclosure is included in Note 67 is available in Appendix 3 on page 273.
Other		
Appendix 4E	Appendix 3 (page 192)	Most entities listed on the ASX are required to provide a "preliminary final report" in the form of Appendix 4E to the ASX Listing Rules. See Appendix 4E in Appendix 3 on page 192.
Consolidated entity disclosure statement	Appendix 3 (page 277)	All public companies (listed and unlisted) must include a consolidated entity disclosure statement in their financial reports. An illustrative disclosure is available in Appendix 3 on page 277.
ASX disclosures	Appendix 3 (page 281)	Entities listed on the ASX are required to provide additional information in their annual reports. See ASX disclosures in Appendix 3 on page 277.
ASX Corporate Governance Statement	Appendix 3 (page 289)	Entities listed on the ASX are required to disclose the extent to which they have complied with the best practice recommendations of the ASX Corporate Governance Council during the reporting period. See ASX Corporate Governance Principles and Recommendations in Appendix 3 on page 289.
Tax transparency report	Appendix 3 (page 295)	The Tax Transparency Code (TTC) was developed by the Board of Taxation to guide medium and large businesses on public disclosure of tax information. Its adoption is voluntary and intended to complement Australia's existing tax transparency measures.

Source	International GAAP Holdings Limited			
IAS 1:51(b)-(e) IAS 1:10(b), (ea)	**Consolidated statement of profit or loss for the year ended 31 December 2026**			
IAS 1:10A			31/12/2026	31/12/2025
IAS 1:113 IAS 8:22		Note	CU	CU (Restated)*
	Continuing operations			
IAS 1:82(a) IFRS 15:113(a)	**Revenue**	5		
IAS 1:99	Cost of sales			
IAS 1:85 IAS 1:85A IAS 1:85B	**Gross profit**			
	Distribution costs			
	Administrative expenses			
	Other expenses			
IAS 1:82(ba)	Impairment losses and gains (including reversals of impairment losses) on financial assets and contract assets	7		
IAS 1:82(c)	Share of results of associates	21		
IAS 1:82(c)	Share of results of joint ventures	22		
	Finance income—interest income	9		
	Finance income—other	9		
IAS 1:82(aa) IFRS 7:20A	Gains and losses arising from the derecognition of financial assets measured at amortised cost			
IAS 1:82(ca)	Gains and losses on reclassification of financial assets from amortised cost to FVTPL			
IAS 1:82(cb)	Gains and losses on reclassification of financial assets from FVTOCI to FVTPL			
	Other gains and losses	10		
IAS 1:82(b)	Finance costs	11		
IAS 1:85 IAS 1:85A IAS 1:85B	**Profit before tax**			
IAS 1:82(d) IAS 12:77	Income tax	12		
IAS 1:85 IAS 1:85A IAS 1:85B	**Profit for the year from continuing operations**			

Source	International GAAP Holdings Limited			
	Discontinued operations			
IAS 1:82(ea) IFRS 5:33(a)	Loss for the year from discontinued operations	13		
IAS 1:81A(a)	**Profit for the year**	7		
IAS 1:81B(a)	Attributable to:			
	Owners of the parent entity			
	Non-controlling interests			
IAS 33:2-3 IAS 33:4A IAS 33:66 IAS 33:69	**Earnings per share**			
	From continuing operations:			
	Basic	15		
	Diluted	15		
	From continuing and discontinued operations:			
	Basic	15		
	Diluted	15		

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

Commentary:

The format outlined above aggregates expenses according to their function.

Source	International GAAP Holdings Limited			
IAS 1:10A IAS 1:10(b) IAS 1:10(ea)	**Consolidated statement of comprehensive income for the year ended 31 December 2026**			
			31/12/2026	31/12/2025
IAS 1:113		Note	CU	CU (Restated)*
IAS 1:10A	**Profit for the year**			
IAS 1:82A(a)(i)	**Items that will not be reclassified subsequently to profit or loss:**			
	Gains/(losses) on property revaluation	43		
	Remeasurement of net defined benefit liability	58		
IFRS 7:20(a)(vii)	Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI	43		
IFRS 7:20(a)(i) IFRS 9:B5.7.9	Fair value gain/(loss) on financial liabilities designated as at FVTPL attributable to changes in credit risk	45		
IAS 1:82A(b)(i)	Share of other comprehensive income of associates	21		
IAS 1:82A(b)(i)	Share of other comprehensive income of joint ventures	22		
IAS 1:90 IAS 1:91(b)	Income tax relating to items that will not be reclassified subsequently to profit or loss	12		
IAS 1:82A(a)(ii)	**Items that may be reclassified subsequently to profit or loss:**			
	Debt instruments measured at FVTOCI:	43		
IFRS 7:20(a)(viii)	Fair value gain/(loss) on investments in debt instruments measured at FVTOCI			
IFRS 7:20(a)(viii)	Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal			
IAS 1:82(cb)	Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL			
IFRS 7:24C(b) IFRS 7:24E(a) IFRS 9:6.5.11(d)(ii)-(iii)	Cash flow hedges:	46		
	Fair value gain/(loss) arising on hedging instruments during the period			
	Less: Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss			
	Foreign currency translation, net of investment hedges of foreign operations:	48		
IAS 21:52(b)	Foreign exchange differences on translation of foreign operations			
	Less: (Gain)/loss reclassified to profit or loss on disposal of foreign operations			

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

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

Commentary:

One statement vs. two statements

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

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

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

Source	International GAAP Holdings Limited

Commentary:

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

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

Presentation options for income tax relating to items of OCI
Furthermore, for items of OCI, additional presentation options are available as follows: the individual items of OCI may be presented net of tax in the statement of profit or loss and other comprehensive income, or they may be presented gross with a single line deduction for tax relating to those items by allocating the tax between the items that may be reclassified subsequently to the profit or loss section and those that will not be reclassified subsequently to the profit or loss section as presented in these illustrative financial statements. Whichever option is selected, the income tax relating to each item of OCI must be disclosed, either in the statement of profit or loss and other comprehensive income or in the notes (see note 12).

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

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

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

Source	International GAAP Holdings Limited			
IAS 1:10(b) IAS 1:10(ea) IAS 1:10A	**Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2026**			
IAS 1:113 IAS 8:22		Note	31/12/2026 CU	31/12/2025 CU (Restated)*
	Continuing operations			
IAS 1:82(a) IFRS 15:113(a)	**Revenue**	5		
	Finance income—interest income	9		
	Finance income—other	9		
IAS 1:99	Changes in inventories of finished goods and work in progress			
	Raw materials and consumables used			
	Depreciation and amortisation expenses			
	Employee benefits expense			
IAS 1:82(b)	Finance costs	11		
	Transport costs			
	Advertising costs			
	Impairment of property, plant and equipment			
	Impairment of goodwill			
	Other expenses			
IAS 1:82(c)	Share of results of associates	21		
IAS 1:82(c)	Share of results of joint ventures	22		
IAS 1:82(aa) IFRS 7:20A	Gains and losses arising from the derecognition of financial assets measured at amortised cost			
IAS 1:82(ca)	Gains and losses on reclassification of financial assets from amortised cost to FVTPL			
IAS 1:82(ba)	Impairment losses (including reversals of impairment losses) on financial assets and contract assets	7		
IAS 1:82(cb)	Gains and losses on reclassification of financial assets from FVTOCI to FVTPL			
	Other gains and losses	10		
IAS 1:85 IAS 1:85A IAS 1:85B	**Profit before tax**			
IAS 1:82(d) IAS 12:77	Income tax	12		
IAS 1:85 IAS 1:85A IAS 1:85B	**Profit for the year from continuing operations**			

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

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

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

Commentary:

The format outlined above aggregates expenses according to their nature.

Source	International GAAP Holdings Limited				
IAS 1:10(a) IAS 1:10(ea)	**Consolidated statement of financial position—Alt. 1** **as at 31 December 2026**				
IAS 1:113 IAS 1:10(f) IAS 1:40A IAS 8:22		Note	31/12/2026	31/12/2025	1/1/2025
			CU	CU (Restated)*	CU (Restated)*
IAS 1:60-61 IAS 1:66-68	**Non-current assets**				
IAS 1:55	Goodwill	16			
IAS 1:54(c)	Intangible assets	17			
IAS 1:54(a)	Property, plant and equipment	18			
IAS 1:55 IFRS 16:47(a)	Right-of-use assets	30			
IAS 1:54(b)	Investment property	19			
IAS 1:54(e) IAS 1:55	Investments in associates	21			
IAS 1:54(e) IAS 1:55	Interests in joint ventures	22			
IAS 1:54(d) IAS 1:55	Investments in financial assets	24			
IAS 1:54(d) IAS 1:55	Finance lease receivables	29			
IAS 1:54(d) IAS 1:55	Derivative financial instruments	34			
IAS 1:54(o) IAS 1:56	Deferred tax assets	35			
IAS 1:55 IFRS 15:105 IFRS 15:116(a)	Contract assets	27			
IAS 1:55 IFRS 15:105	Contract costs	28			
IAS 1:60-61 IAS 1:66-68	**Current assets**				
IAS 1:54(g)	Inventories	25			
IAS 1:54(d) IAS 1:55	Investments in financial assets	24			
IAS 1:55	Right to returned goods asset	26			
IAS 1:55 IFRS 15:105	Contract assets	27			
IAS 1:55 IFRS 15:105	Contract costs	28			

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

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

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

Commentary:

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

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

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

Source	International GAAP Holdings Limited				
IAS 1:10(a) IAS 1:10(ea)	**Consolidated statement of financial position—Alt. 2** **as at 31 December 2026**				
IAS 1:113		Note	31/12/2026	31/12/2025	1/1/2025
IAS 1:10(f)			CU	CU	CU
IAS 1:40A IAS 8:22				(Restated)*	(Restated)*
	Assets				
IAS 1:60-61 IAS 1:66-68	***Non-current assets***				
IAS 1:55	Goodwill	16			
IAS 1:54(c)	Intangible assets	17			
IAS 1:54(a)	Property, plant and equipment	18			
IAS 1:55 IFRS 16:47(a)	Right-of-use assets	30			
IAS 1:54(b)	Investment property	19			
IAS 1:54(e) IAS 1:55	Investments in associates	21			
IAS 1:54(e) IAS 1:55	Interests in joint ventures	22			
IAS 1:54(d) IAS 1:55	Investments in financial assets	24			
IAS 1:54(d) IAS 1:55	Finance lease receivables	29			
IAS 1:54(d) IAS 1:55	Derivative financial instruments	34			
IAS 1:54(o) IAS 1:56	Deferred tax assets	35			
IAS 1:55 IFRS 15:105 IFRS 15:116(a)	Contract assets	27			
IAS 1:55 IFRS 15:105	Contract costs	28			
IAS 1:55-55A	**Total non-current assets**				
IAS 1:60-61 IAS 1:66-68	***Current assets***				
IAS 1:54(g)	Inventories	25			
IAS 1:54(d) IAS 1:55	Investments in financial assets	24			
IAS 1:55	Right to returned goods asset	26			
IAS 1:55 IFRS 15:105	Contract assets	27			
IAS 1:55 IFRS 15:105	Contract costs	28			

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

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

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

Australian entities commonly present the statement of financial position in a different order to that presented here. An example of the common Australian presentation can be found in Appendix 3.

Source	International GAAP Holdings Limited														
IAS 1:10(c) IAS 1:10(ea) IAS 1:106 IAS 1:108	**Consolidated statement of changes in equity for the year ended 31 December 2026**														
		Equity attributable to equity holders of the parent entity													
IFRS 7:24E IAS 21:52(b) IFRS 9:6.5.14		Share capital	Share premium account	Own shares	Properties revaluation reserve	Investments revaluation reserve	Option premium on convertible notes	Financial liabilities at FVTPL credit risk reserve	Cash flow hedging reserve	Cost of hedging reserve	Foreign exchange translation reserve	Share-based payments reserve	Retained earnings	**Attributable to owners of the parent entity**	Non-controlling interest	**Total equity**
		CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU
	Balance at 1 January 2025															
IAS 1:106(b) IAS 8:49(c)	Effect of change in accounting policy for [insert as relevant]															
	Balance at 1 January 2025—As restated															
IAS 1:106(d)(i)	Profit for the year															
IAS 1:106(d)(ii) IAS 1:106A	Other comprehensive income for the year															
IAS 1:106(a)	**Total comprehensive income for the year**															
IAS 1:106(d)(iii)	Issue of share capital															
IAS 1:107	Dividends															
	Transfer of cash flow hedging (gains)/losses and cost of hedging to the initial carrying amount of hedged items															
	Transfer of credit risk reserve upon derecognition of the related financial liabilities															
	Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI															
	Own shares acquired in the year															
	Equity-settled share-based payments															
	Deferred tax on share-based payment transactions															
	Balance at 31 December 2025															

Source	International GAAP Holdings Limited	Equity attributable to equity holders of the parent entity														
IFRS 7:24E IAS 21:52(b) IFRS 9:6.5.14		Share capital	Share premium account	Own shares	Properties revaluation reserve	Investments revaluation reserve	Option premium on convertible notes	Financial liabilities at FVTPL credit risk reserve	Cash flow hedging reserve	Cost of hedging reserve	Foreign exchange translation reserve	Share-based payments reserve	Retained earnings	**Attributable to owners of the parent entity**	Non-controlling interest	**Total equity**
		CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU
	Balance at 1 January 2026 - As previously reported															
IFRS 9:7.4.2.8 IFRS 9:7.2.51	Effect of the amendments to IFRS 9 (see note 2)															
	Balance at 1 January 2026 – as adjusted															
IAS 1:106(d)(i)	Profit for the year															
IAS 1:106(d)(ii) IAS 1:106A	Other comprehensive income for the year															
IAS 1:106(a)	**Total comprehensive income for the year**															
IAS 1:106(d)(iii)	Issue of share capital															
IAS 1:107	Dividends															
	Transfer of cash flow hedging (gains)/losses and cost of hedging to the initial carrying amount of hedged items															
	Transfer of credit risk reserve upon derecognition of the related financial liabilities															
	Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI															
	Own shares acquired in the year															
	Equity-settled share-based payments															
	Deferred tax on share-based payment transactions															
	Adjustment arising from change in non-controlling interest															
	Recognition of equity component of convertible loan notes															
	Deferred tax on equity component of convertible loan notes															
	Balance at 31 December 2026															

Source	International GAAP Holdings Limited			
IAS 1:10(d) IAS 1:10(ea) IAS 7:1 IFRS 5:33(c)	**Consolidated statement of cash flows—Alt. 1** **for the year ended 31 December 2026**			
			31/12/2026	31/12/2025
IAS 1:113		Note	CU	CU
	Profit for the year			
	Adjustments for:			
	Share of profit of associates			
	Share of profit of joint ventures			
	Finance income			
	Other gains and losses			
	Finance costs			
	Income tax expense			
	Gain on disposal of discontinued operations			
	Depreciation of property, plant and equipment			
	Impairment loss on property, plant and equipment			
	Depreciation of right-of-use assets			
	Impairment losses, net of reversals, on financial assets			
	Amortisation of intangible assets			
	Impairment of goodwill			
	Share-based payment expense			
	Fair value (gain)/loss on investment property			
	Gain on disposal of property, plant and equipment			
	Increase/(decrease) in provisions			
	Fair value (gain)/loss on derivatives and other financial assets held for trading			
	Difference between pension funding contributions paid and the pension cost charge			
	Operating cash flows before movements in working capital			
	Decrease/(increase) in inventories			
	Decrease/(increase) in trade and other receivables			
	Decrease/(increase) in contract assets			
	Decrease/(increase) in contract costs			
	Decrease/(increase) in right to returned goods assets			
	Increase/(decrease) in trade and other payables			
	Increase/(decrease) in contract liabilities			
	Increase/(decrease) in refund liability			
	Increase/(decrease) in deferred income			
	Cash generated by operations			
IAS 7:35-36	Income taxes paid			
	Cash received on settlement of the derivative financial instruments held for hedging purposes			
	Cash paid on settlement of the derivative financial instruments held for hedging purposes			
	Net cash from operating activities			

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

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

Commentary:

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



Australian entities commonly adopt the direct method of presentation of the statement of cash flows and in this case are additionally required to provide a reconciliation of net cash flows from operating activities to profit or loss. An illustrative disclosure is included in Note 54 in Appendix 3.

Source	International GAAP Holdings Limited			
IAS 1:10(d) IAS 1:10(ea) IAS 7:1 IFRS 5:33(c)	**Consolidated statement of cash flows—Alt. 2** **for the year ended 31 December 2026**			
			31/12/2026	31/12/2025
IAS 1:113		Note	CU	CU
IAS 7:10 IAS 7:12-15 IAS 7:18-20	**Cash from operating activities**			
	Receipts from customers			
IFRS 16:50(c)	Payments to suppliers and employees			
	Cash generated from operations			
IAS 7:35-36	Income taxes paid			
	Cash received on settlement of the derivative financial instruments held for hedging purposes			
	Cash paid on settlement of the derivative financial instruments held for hedging purposes			
	Net cash from operating activities			
IAS 7:10 IAS 7:16 IAS 7:21-24 IFRS 9:IG.G.2	**Investing activities**			
IAS 7:31	Interest received			
IAS 7:38 IAS 24:19(d)	Dividends received from associates			
IAS 7:38 IAS 24:19(e)	Dividends received from joint ventures			
IAS 7:31	Dividends received from equity instruments designated at FVTOCI			
	Proceeds on disposal of equity instruments designated at FVTOCI			
IAS 7:39	Proceeds on disposal of subsidiary	52		
	Proceeds on disposal of property, plant and equipment			
	Purchases of property, plant and equipment			
IAS 20:28	Government grants towards purchase of equipment			
	Acquisition of investment in an associate			
	Purchases of equity instruments designated at FVTOCI			
	Purchases of patents and trademarks			

Source	International GAAP Holdings Limited			
IAS 7:39	Acquisition of subsidiaries	53		
	Cash received on settlement of the derivative financial instruments held for hedging purposes			
	Cash paid on settlement of the derivative financial instruments held for hedging purposes			
	Net cash (used in)/from investing activities			
IAS 7:10 IAS 7:17 IAS 7:21-24 IFRS 9:IG.G.2	**Financing activities**			
IAS 7:31 IAS 7:34	Dividends paid			
IAS 7:31 IFRS 16:50(b)	Interest paid			
IAS 7:21	Transaction costs related to loans and borrowings			
IAS 7:17(d)	Repayments of loans and borrowings			
IAS 7:17(c)	Proceeds from loans and borrowings			
	Repayments to a financial institution under supplier finance arrangements			
IAS 7:17(b)	Repurchase of treasury shares			
IAS 7:17(e) IFRS 16:50(a)	Repayment of lease liabilities			
IAS 7:17(c)	Proceeds on issue of convertible loan notes			
IAS 7:17(a)	Proceeds on issue of shares			
	Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control	20		
	Cash received on settlement of the derivative financial instruments used to hedge liabilities arising from financing activities			
	Cash paid on settlement of the derivative financial instruments used to hedge liabilities arising from financing activities			
	Net cash (used in)/from financing activities			
	Net increase/(decrease) in cash and cash equivalents			
	Cash and cash equivalents at beginning of year			
IAS 7:28	Effect of foreign exchange rate changes			
	Cash and cash equivalents at end of year	54		

Commentary:

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

Source	International GAAP Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2026

1. General information

IAS 24:13
IAS 1:138(a), (c)

International GAAP Holdings Limited (the parent entity) is a company limited by shares incorporated and registered in *[A Land]*. Its ultimate controlling party is *[name]*. The address of the parent entity's registered office is shown on page *[X]*.

IAS 1:138(b)

The principal activities of the parent entity and its subsidiaries (the group) and the nature of the group's operations are set out in note 6.

IAS 1:51(d)-(e)

These financial statements are presented in Currency Units (CUs) and are rounded to the nearest CU. Foreign operations are included in accordance with the policies set out in note 3.

2.Changes in accounting policies and prior period errors

IAS 8:28

New and amended IFRS Accounting Standards that are effective for the current year

IAS 8:28(a)

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*

In the current year, the group has applied the amendments to IFRS 9 and IFRS 7 titled *Amendments to the Classification and Measurement of Financial Instruments* (the May 2024 Amendments) for the first time.

IAS 8:28(c)

The amendments to IFRS 9 address:

- the derecognition of a financial liability settled through electronic transfer
- the classification of financial assets in respect of:
  - contractual terms that are consistent with a basic lending arrangement
  - financial assets with non-recourse features, and
  - contractually linked instruments.

IAS 8:28(c)

The amendments to IFRS 7:

- modify the disclosure requirements for investments in equity instruments designated at FVTOCI and
- introduce disclosure requirements for financial instruments that include contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event.

IFRS 9:7.2.48

As permitted under the transition requirements, the group has elected not to restate the comparative information to reflect the application of these amendments.

Impact of the initial application of the May 2024 amendments

IFRS 9:7.2.49

At 1 January 2026, being the date of initial application of the amendments, the group reclassified its investment in green bonds issued by [*name of entity*] from the FVTPL category to the amortised cost category.

As at 31 December 2025		As at 1 January 2026	
Measurement category	**Carrying amount CU**	**Measurement category**	**Carrying amount CU**
FVTPL		Amortised Cost	

The difference of CU__ between the carrying amount determined immediately before and after application of the May 2024 amendments was recognised as an adjustment to the opening balance of retained earnings at the date of initial application.

Source	International GAAP Holdings Limited

In the current year, the group has applied the following amendments to IFRS Accounting Standards issued by the IASB, which are mandatorily effective for annual reporting periods that begin on or after 1 January 2026. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 9 and IFRS 7 titled *Contracts Referencing Nature-dependent Electricity*	The group has adopted the amendments to IFRS 9 and IFRS 7, titled *Contracts Referencing Nature-dependent Electricity* (the December 2024 Amendments) for the first time in the current year. The adoption had no impact on the group's consolidated financial statements because the group has no contracts within the scope of these amendments.

Commentary:

An example of the type of disclosures that may be provided upon initial application of the December 2024 Amendments is illustrated in Appendix 2.

Annual Improvements to IFRS Accounting Standards—Volume 11	The group has adopted the amendments included in the *Annual Improvements to IFRS Accounting Standards—Volume 11* for the first time in the current year. The annual improvements include amendments to five standards. The annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements of the standards. ***IFRS 1 First-time Adoption of International Financial Reporting Standards—Hedge accounting by a first-time adopter*** For consistency with the requirements in IFRS 9, IFRS 1:B5-B6 were amended to refer to the 'qualifying criteria' for hedge accounting (instead of the 'conditions') and to add cross-references to IFRS 9:6.4.1 to improve the understandability of IFRS 1. ***IFRS 7 Financial Instruments: Disclosures—Gain or loss on derecognition*** The amendments remove an obsolete cross-reference in IFRS 7:B38 to a paragraph that had been deleted when IFRS 13 *Fair Value Measurement* was issued and align the wording of this paragraph with the terms used in IFRS 13. ***Guidance on implementing IFRS 7—Disclosure of deferred difference between fair value and transaction price*** The amendments update IFRS 7:IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7:IG14. ***Guidance on implementing IFRS 7—Introduction and credit risk disclosures*** The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B. ***IFRS 9 Financial Instruments—Derecognition of lease liabilities*** The amendments add a cross-reference to IFRS 9:3.3.3 in IFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore recognise any resulting gain or loss in profit or loss. ***IFRS 9 Financial Instruments—Transaction price*** The amendments replace 'their transaction price (as defined in IFRS 15)' in IFRS 9.5.1.3 with 'the amount determined by applying IFRS 15' to address inconsistency between IFRS 9.5.1.3 and the requirements of IFRS 15 *Revenue from Contracts with Customers* which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue. Additionally, the reference to 'transaction price' (as defined in IFRS 15) is deleted from Appendix A of IFRS 9.



An Australian version of the disclosures in Note 2, referencing pronouncements as issued by the AASB (rather than IFRS Accounting Standards), is available in Note 2 in Appendix 3.

Source	International GAAP Holdings Limited

IFRS 10 Consolidated Financial Statements—Determination of a 'de facto agent'

The amendments address concerns that the requirements in IFRS 10:B73-B74 might, in some situations, be contradictory. IFRS 10:B73 refers to 'de facto agents' as parties acting on the investor's behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of IFRS 10:B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf. The amendments update IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.

IAS 7 Statement of Cash Flows—Cost method

The amendment replaces the term 'cost method' with 'at cost' in IAS 7:37 in line with the removal of the definition of 'cost method' from the IFRS Accounting Standards

IAS 8:30-31

New and revised IFRS Accounting Standards in issue but not yet effective

Commentary:

Entities are required to disclose in their financial statements the potential impact of new and revised IFRS Accounting Standards that have been issued but are not yet effective. The disclosures below reflect a cut off date of 31 May 2026. The potential impact of the application of any new and revised IFRS Accounting Standard issued by the IASB after 31 May 2026 but before the financial statements are issued should also be considered and disclosed. The impact of the application of the new and revised IFRS Accounting Standards (see below) is for illustrative purposes only. Entities should analyse the impact based on their specific facts and circumstances.

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective *[and [in some cases] have not yet been adopted by the* [*relevant body*]]:

IFRS 18	*Presentation and Disclosures in Financial Statements*
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*
Amendments to IFRS 19	*Subsidiaries without Public Accountability: Disclosures*
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*
IFRS 20	*Regulatory Assets and Regulatory Liabilities*

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

IFRS 18 *Presentation and Disclosures in Financial Statements*

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 *Earnings per Share.*

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors have assessed the expected impact of applying IFRS 18 on the group's consolidated financial statements in future reporting periods *[disclose known or reasonably estimable information relevant to the group's assessment of the impact of IFRS 18. This information should be entity-specific, factual and relevant.]*

Source	International GAAP Holdings Limited

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 was amended to provide reduced disclosure requirements for new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024.

The new standard and its amendments are effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency*

The amendments require an entity translating financial statements from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy, to translate all amounts (including comparatives) using the closing rate at the date of the most recent statement of financial position.

In addition, when an entity with a functional and presentation currency that is the currency of a hyperinflationary economy translates a foreign operation, whose functional currency is that of a non-hyperinflationary economy, it restates comparative amounts of that foreign operation by applying the general price index it uses to restate corresponding figures under IAS 29 *Financial Reporting in Hyperinflationary Economies.*

The amendments require entities to disclose that they have applied the new translation method, including summarised financial information about the foreign operations translated applying the new translation method.

The amendments are effective for annual periods beginning on or after 1 January 2027, with earlier application permitted, and are applied retrospectively with certain transition provisions.

The directors do not anticipate the application of the amendments will have an impact on the group as neither the parent company nor its subsidiaries are entities whose functional currency is the currency of a hyperinflationary economy.

IFRS 20 *Regulatory Assets and Regulatory Liabilities*

The new standard specifies how to account for regulatory assets and regulatory liabilities and the resulting regulatory income and regulatory expense. Its application is intended to result in information that supplements the information provided by applying other IFRS Accounting Standards, primarily information about revenue from contracts with customers recognised applying IFRS 15. An entity is required to apply other IFRS Accounting Standards to account for rights and obligations created by a regulatory agreement before applying IFRS 20.

The new standard is effective for annual reporting periods beginning on or after 1 January 2029, with earlier application permitted.

The directors do not anticipate the application of the standard will be applicable to the group's operations.

Commentary:

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

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

Source	International GAAP Holdings Limited

IAS 8:14-15
IAS 8:28(a)-(e)

Change in accounting policy

[Describe the nature of the change in accounting policy, provide the title of the new or amended IFRS Accounting Standard (if applicable) and describe the transitional provisions (if applicable), including any transitional provisions that may have an effect on future periods].

IAS 8:28(f)

The following tables summarise the impact of the change in accounting policy on the financial statements of the group, including the impact on basic and diluted earnings per share.

	31/12/2026	31/12/2025
	CU	CU
Consolidated statement of profit or loss		
[Describe captions affected]		
Increase / (decrease) in profit for the year		

	31/12/2026	31/12/2025	1/1/2025
	CU	CU	CU
Consolidated statement of financial position			
[Describe captions affected]			
Increase / (decrease) in net assets			

	31/12/2026	31/12/2025
	CU	CU
Impact on profit for the year from continuing operations		
Basic earnings per share		
Diluted earnings per share		
Impact on profit for the year from continuing and discontinued operations		
Basic earnings per share		
Diluted earnings per share		

IAS 8:28(g)

[Describe the amount of the adjustment relating to periods before those presented (to the extent practicable).]

Source	International GAAP Holdings Limited
IAS 8:28(h)	*[If retrospective application is impracticable for a particular prior period, or for periods before those presented, describe the circumstances that led to the existence of that condition and describe how and from when the change in accounting policy has been applied].*
IAS 8:41 IAS 8:45	**Prior period errors** *[Describe the nature of the prior period error]*
IAS 8:49(a)	
IAS 8:49(b)(i)-(ii)	The following tables summarise the impact of the prior period error on the financial statements of the group, including the impact on basic and diluted earnings per share.

	31/12/2025
	CU
Consolidated statement of profit or loss	
[Describe captions affected]	
Increase / (decrease) in profit for the year	

	31/12/2025	1/1/2025
	CU	CU
Consolidated statement of financial position		
[Describe captions affected]		
Increase / (decrease) in net assets		

	31/12/2025
	CU
Impact on profit for the year from continuing operations	
Basic earnings per share	
Diluted earnings per share	
Impact on profit for the year from continuing and discontinued operations	
Basic earnings per share	
Diluted earnings per share	

IAS 8:49(d) *[If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.]*

Source	International GAAP Holdings Limited

IAS 1:112(a)

3. Accounting policies

Commentary:

Entities are required to disclose material accounting policy information. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements when considered together with other information included in the financial statements.

Accounting policy information is expected to be material if the users of the financial statements need the information to understand other material information in the financial statements. For example, accounting policy information is likely to be considered material if the information relates to material transactions, other events or conditions and the accounting policy:

- *has changed during the period resulting in a material change to the information in the financial statements*
- *was chosen from alternatives permitted by IFRS Accounting Standards*
- *was developed in accordance with IAS 8 in the absence of an IFRS Accounting Standard which specifically applies*
- *relates to an area for which the entity is required to make significant judgements or assumptions which are disclosed in accordance with IAS 1:122 and 125*
- *relates to complex accounting for which users of the financial statements would otherwise not understand the relating transactions, other events or conditions.*

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

IAS 1:117C notes that accounting policy information that is entity-specific, focusing on how the entity has applied the requirements of IFRS Accounting Standards to its own circumstances, is more useful to users of the financial statements than standardised information or information that duplicates or summarises the requirements of the relevant IFRS Accounting Standards.

If an entity chooses to disclose immaterial accounting policy information, that information should not obscure material accounting policy information. Further, if an entity concludes that accounting policy information is immaterial, that conclusion does not affect the related disclosure requirements of other IFRS Accounting Standards.

Please note that the accounting policy information included in this document is provided for illustrative purposes, without an assessment of its materiality.

IAS 1:16
IAS 1:17(b)
IAS 1:112(a)
IAS 1:117-117E

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Commentary:

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

Most jurisdictions have a mechanism for incorporating IFRS Accounting Standards into their financial reporting system. These mechanisms range from direct adoption of 'IFRS Accounting Standards as issued by the IASB', through adopting local standards that are 'equivalent to IFRS Accounting Standards', to the extensive endorsement mechanism used, for example, in the European Union and the United Kingdom.

The accounting policies adopted are set out below.



See Note 3 in Appendix 3 for illustrative accounting policy disclosures for mining entities and for not-for-profit and public sector entities.

Source	International GAAP Holdings Limited

IAS 1:25

Going concern

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent entity and entities controlled by the group made up to 31 December each year. Control is achieved when the group:

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

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

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

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

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

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

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

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

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

Source	International GAAP Holdings Limited

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

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

Business combinations

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

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

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

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

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

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

Source	International GAAP Holdings Limited

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

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

Goodwill

Goodwill is initially recognised and measured as set out above.

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

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

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

Investments in associates and joint ventures

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

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

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

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

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

Source	International GAAP Holdings Limited

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

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

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

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

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

Interests in joint operations

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

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

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

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

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

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

Source	International GAAP Holdings Limited

Non-current assets held for sale

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

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

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

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

Revenue recognition

The group recognises revenue from the following major sources:

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

IFRS 15:119 Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Sale of leisure goods

IFRS 15:119(e) The group sells sport shoes, sport equipment and outdoor play equipment both to the wholesale market and directly to customers through its own retail outlets. Sales-related warranties associated with leisure goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the group accounts for warranties in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (see note 39).

IFRS 15:125 For sales of leisure goods to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler's specific location (delivery). Following delivery, the wholesaler has
IFRS 15:108 full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the
IFRS 15:125 goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the group when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

IFRS 15:125 For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

IFRS 15:119(d) Under the group's standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund
IFRS 15:126(b) liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same
IFRS 15:126(d) time, the group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

Source	International GAAP Holdings Limited
	Sale of electronic equipment
	The group sells electronic equipment to the wholesale market and directly to customers both through its own retail outlets and through internet sales.
IFRS 15:125 IFRS 15:119(d)	For sales of electronic equipment to the wholesale market and through retail outlets and internet sales, revenue is recognised by the group at a point in time in line with the policy outlined above for the sale of leisure goods. For sales to retail customers (from both retail outlet and internet sales) there exists the same 30-day right of return and accordingly a refund liability and a right to returned goods asset are recognised in relation to electronic equipment expected to be returned.
IFRS 15:106 IFRS 15:117 IFRS 15:125	For internet sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. When the customer initially purchases the goods online the transaction price received by the group is recognised as a contract liability until the goods have been delivered to the customer.
	'Maxi-Points' customer loyalty programme
	The group operates a 'Maxi-Points' loyalty programme through which retail customers accumulate points on purchases of leisure goods and electronic equipment that entitle them to discounts on future purchases. These points provide a discount to customers that they would not receive without purchasing the leisure goods or electronic equipment (i.e. a material right). The promise to provide the discount to the customer is therefore a separate performance obligation.
IFRS 15:106 IFRS 15:117	The transaction price is allocated between the product, the maintenance services (if the product is electronic equipment, as described below) and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the group's historical experience. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.
	Maintenance relating to electronic equipment
	Included in the transaction price for the sale of electronic equipment is an after-sales service. This service relates to maintenance work that may be required to be carried out on the equipment for a three-year period after sale. This period can then be extended if the customer requires additional years of maintenance services. The renewal of services after the three-year period will be for the price at which these are sold by the group to all of its customers as at the date of renewal regardless of the existence of a renewal option. Consequently, the option to extend the renewal period does not provide customers with any advantage when they enter into the initial contract and therefore no revenue has been deferred relating to this renewal option.
IFRS 15:126(c)	The maintenance service is considered to be a distinct service as it is both regularly supplied by the group to other customers on a stand-alone basis and is available for customers from other providers in the market. A portion of the transaction price is therefore allocated to the maintenance services based on the stand-alone selling price of those services.
IFRS 15:123(a) IFRS 15:124 IFRS 15:106 IFRS 15:117	Revenue relating to the maintenance services is recognised over time. The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight-line basis over the period of service (i.e. three years when the services are purchased together with the underlying equipment).
	Installation of software services
IFRS 15:124 IFRS 15:107 IFRS 15:117	The group provides a service of installation of various software products for specialised business operations. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised for these installation services based on the stage of completion of the contract. The directors have assessed that the stage of completion determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under IFRS 15. Payment for installation of software services is not due from the customer until the installation services are complete and therefore a contract asset is recognised over the period in which the installation services are performed representing the entity's right to consideration for the services performed to date.

Source	International GAAP Holdings Limited

Construction of residential properties

IFRS 15:124 The group constructs and sells residential properties under long-term contracts with customers. Such contracts are entered into before construction of the residential properties begins. Under the terms of the contracts, the group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue from construction of residential properties is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

IFRS 15:117
IFRS 15:106
IFRS 15:107
IFRS 15:126

The group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the group recognises a contract liability for the difference. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year.

Leases

IFRS 16:51 *(a) The group as lessee*

IFRS 16:60 The group assesses whether a contract is, or contains, a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the group and the lease does not benefit from a guarantee from the group.

Lease payments included in the measurement of the lease liability comprise :

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- the amount expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Source	International GAAP Holdings Limited

The group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

The group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss (see note 30).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

IFRS 16:89

(b) The group as lessor

The group enters into lease agreements as a lessor with respect to some of its investment properties. The group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the group.

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the finance lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the group applies IFRS 15 to allocate the consideration under the contract to each component.

Foreign currencies

In preparing the financial statements of the group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Source	International GAAP Holdings Limited

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

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

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

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

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

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

Borrowing costs

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

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

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

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

IAS 20:39(a)

Government grants

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

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

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

Source	International GAAP Holdings Limited

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

Retirement and termination benefit costs

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

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

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements
- net interest expense or income
- remeasurements.

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

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

The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.
[If applicable include alternative explanation about rights to refunds: The Trust Deed provides the parent entity with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of, the plan. Based on these rights, any net surplus in the plan is recognised in full.]

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

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

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

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

Source	International GAAP Holdings Limited

Short-term and other long-term employee benefits

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

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

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

Taxation

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

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

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

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

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

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

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

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

Source	International GAAP Holdings Limited

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

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

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

IAS 16:73(a)-(c)

Property, plant and equipment

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

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

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

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

Freehold land is not depreciated.

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

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

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

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

Source	International GAAP Holdings Limited
	Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.
	Commentary: *Provide additional explanation if the group has elected to use fair value or a previous revaluation as deemed cost on transition to IFRS Accounting Standards.*
IAS 40:75(a)	**Investment property** Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.
	Commentary: *A group that elects to use the cost model for investment property (not illustrated in these illustrative financial statements) should disclose an appropriate policy and make reference, if relevant, to the use of the elections to use fair value or previous revaluations as deemed cost on transition.*
IAS 38:118(a)	**Intangible assets acquired separately** Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed in note 17. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. **Internally-generated intangible assets – research and development expenditure** Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated: • the technical feasibility of completing the intangible asset so that it will be available for use or sale • the intention to complete the intangible asset and use or sell it • the ability to use or sell the intangible asset • how the intangible asset will generate probable future economic benefits • the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset • the ability to measure reliably the expenditure attributable to the intangible asset during its development. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.
IAS 38:118(b)	Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Source	International GAAP Holdings Limited

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

IAS 38:118(b) Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Patents and trademarks

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

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

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

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

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

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

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

IAS 2:36(a)

Inventories

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

Cash and cash equivalents

In the statement of financial position, cash and cash equivalents are comprised of cash (i.e. cash on hand and on-demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Source	International GAAP Holdings Limited

Bank balances for which use by the group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 54. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

IFRS 7:21

Financial instruments

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

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

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

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

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

By default, all other financial assets are measured subsequently at FVTPL.

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

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

(i) Amortised cost and effective interest method

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

Source	International GAAP Holdings Limited

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

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

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

For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in profit or loss and is included in the 'finance income—interest income' line item (note 9).

(ii) Debt instruments classified as at FVTOCI
The corporate bonds held by the group are classified as at FVTOCI. Fair value is determined in the manner described in note 62(a)(i). The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI
On initial recognition, the group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income—other' line item (note 9) in profit or loss. The group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see note 24).

A financial asset is held for trading if either:

- it has been acquired principally for the purpose of selling it in the near term
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Source	International GAAP Holdings Limited

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above)
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item (note 10). Fair value is determined in the manner described in note 62(a)(i).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item (note 10)
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item (note 10). As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the investments revaluation reserve
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item as part of the fair value gain or loss (note 10)
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

IFRS 7:35F

Impairment of financial assets

The group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Source	International GAAP Holdings Limited
IFRS 7:35F(a)	*(i) Significant increase in credit risk*
IFRS 7:35G(b)	In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations.
IFRS 7:35F(a) IFRS 7:35G(a)(ii)	In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition: • an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating • significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost • existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations • an actual or expected significant deterioration in the operating results of the debtor • significant increases in credit risk on other financial instruments of the same debtor • an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.
	Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if: • the financial instrument has a low risk of default • the debtor has a strong capacity to meet its contractual cash flow obligations in the near term • adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.
IFRS 7:35F(a)(i)	The group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts. For financial guarantee contracts, the date that the group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the group considers the changes in the risk that the specified debtor will default on the contract. The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.
IFRS 7:35F(b)	*(ii) Definition of default* The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

Source	International GAAP Holdings Limited
	• when there is a breach of financial covenants by the debtor • information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group). Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.
IFRS 7:35F(d) IFRS 7:35G(a)(iii)	*(iii) Credit-impaired financial assets* A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events: • significant financial difficulty of the issuer or the borrower • a breach of contract, such as a default or past due event (see (ii) above) • the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider • it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation • the disappearance of an active market for that financial asset because of financial difficulties.
IFRS 7:35F(e)	*(iv) Write-off policy* The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.
IFRS 7:35G(a)	*(v) Measurement and recognition of expected credit losses* The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount of guaranteed debt that has been drawn down as at the reporting date, together with any additional guaranteed amounts expected to be drawn down by the borrower in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 *Leases*. For a financial guarantee contract, as the group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the group expects to receive from the holder, the debtor or any other party. If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used. The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Source	International GAAP Holdings Limited

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

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

Financial liabilities and equity

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

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

The repurchase of equity instruments issued by the group is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of equity instruments issued by the group.

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

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to [*share premium/other equity [describe]*]. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to [*retained earnings/other equity [describe]*]. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the group, are measured in accordance with the specific accounting policies set out below.

Source	**International GAAP Holdings Limited**

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

- it has been acquired principally for the purpose of repurchasing it in the near term
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other gains and losses' line item (note 10) in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the group that are designated by the group as at FVTPL are recognised in profit or loss.

Fair value is determined in the manner described in note 62(a)(i).

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Source	International GAAP Holdings Limited

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above)
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss (note 10) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The group generally derecognises financial liabilities on the settlement date, which is the date on which the liability is extinguished because the group's obligations are discharged, cancelled or have expired.

However, when the group is using an electronic payment system to settle a financial liability the financial liability is derecognised when the payment instructions are initiated if the following conditions are met:

- once the group initiated a payment instruction, it has no practical ability to withdraw, stop or cancel the payment and no practical ability to access the cash that will be used for settlement, and
- the settlement risk associated with the electronic payment system is insignificant.

When the group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

IFRS 7:21

Derivative financial instruments

The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in notes 34 and 62(c).

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the group has both a legally enforceable right and intention to offset. The impact of the master netting agreements on the group's financial position is disclosed in note 34. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Source	International GAAP Holdings Limited

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the group generally designates the whole hybrid contract at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

IFRS 7:21

Hedge accounting

The group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis – the group applies straight-line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Note 62(a) sets out details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are detailed in note 46.

Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the gain or loss on the hedging instrument is recognised in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVTOCI, the gain or loss on the hedging instrument remains in other comprehensive income to match that of the hedging instrument.

Where gains or losses on hedging instruments are recognised in profit or loss, they are recognised in the same line as those on the hedged item. The group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Source	International GAAP Holdings Limited

Cash flow hedges
The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Hedges of net investments in foreign operations
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the foreign currency forward contracts relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Gains and losses on the hedging instrument accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Restructurings
A restructuring provision is recognised when the group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Warranties
Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the group's obligation.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Source	International GAAP Holdings Limited

Restoration provisions
Provisions for the costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Contingent liabilities acquired in a business combination
Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less cumulative amount of income recognised in accordance with the principles of IFRS 15.

Own shares

Own shares represent the shares of the parent entity that are held in treasury or by the employee benefit trust. Own shares are measured at cost and deducted from equity.

Share-based payments

Share-based payment transactions of the parent entity
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 57.
The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Share-based payment transactions of the acquiree in a business combination
When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with IFRS 2 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with IFRS 2. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

Source	International GAAP Holdings Limited

4. Critical accounting judgements and key sources of estimation uncertainty

Commentary:

The following are examples of the types of disclosures that might be required in this area. The nature of these disclosures is specific to an individual group's particular circumstances. Although the illustrative financial statements illustrate disclosures to comply with these requirements, it is unlikely that these specific illustrative disclosures would be appropriate other than in very rare circumstances.

In applying the group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

IAS 1:122

Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

IFRS 15:123(a); IFRS 15:125

Judgements in determining the timing of satisfaction of performance obligations

Note 7 describes the expenditure required in the year for rectification work carried out on goods supplied to one of the group's major customers. These goods were delivered to the customer in the months of __ to __ 2026, 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 CU__ million in the current year, in line with the group's general policy of recognising revenue when goods are delivered, or whether it was more appropriate to defer recognition until the rectification work was complete.

In making their judgement, the directors considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the group had transferred control of the goods to the customer. Following the detailed quantification of the group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs.

Capitalisation of borrowing costs

As described in note 3, the group capitalises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. Capitalisation of the borrowing costs relating to construction of the group's premises in [*A Land*] was suspended in 2025, while the development was delayed as management reconsidered its detailed plans. Capitalisation of borrowing costs recommenced in 2026—following the finalisation of revised plans, and the resumption of the activities necessary to prepare the asset for its intended use. Although construction of the premises was not restarted until May 2026, borrowing costs have been capitalised from February 2026, at which time the technical and administrative work associated with the project recommenced.

Source	International GAAP Holdings Limited

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3). The group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The group monitors financial assets measured at amortised cost or FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the group's investment property portfolios and concluded that the group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the group has not recognised any deferred taxes on changes in fair value of investment properties as the group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

IFRS 12:7(a)

Control over Subsidiary B Limited

IFRS 12:9(b)

Note 20 describes that Subsidiary B Limited is a subsidiary of the group even though the group has only a 45 per cent ownership interest and has only 45 per cent of the voting rights in Subsidiary B Limited. Subsidiary B Limited is listed on the stock exchange of *[B Land]*. The group has held its 45 per cent ownership since June 2019 and the remaining 55 per cent of the ownership interests are held by thousands of shareholders that are unrelated to the group.

The directors of the parent entity assessed whether or not the group has control over Subsidiary B Limited based on whether the group has the practical ability to direct the relevant activities of Subsidiary B Limited unilaterally. In making their judgement, the directors considered the group's absolute size of holding in Subsidiary B Limited and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the directors concluded that the group has a sufficiently dominant voting interest to direct the relevant activities of Subsidiary B Limited and therefore the group has control over Subsidiary B Limited.

If the directors had concluded that the 45 per cent ownership interest was insufficient to give the group control, Subsidiary B Limited would instead have been classified as an associate and the group would have accounted for it using the equity method of accounting.

IFRS 12:7(b)

Significant influence over Associate B Limited

IFRS 12:9(e)

Note 21 describes that Associate B Limited is an associate of the group although the group only owns a 17 per cent ownership interest in Associate B Limited. The group has significant influence over Associate B Limited by virtue of its contractual right to appoint two out of seven directors to the board of directors of that entity.

Source	International GAAP Holdings Limited

Judgement in identifying whether a contract includes a lease – Contract for the supply of sports shoes

The group has entered into a contract with [*Manufacturer A*] for the supply of sports shoes for a three-year period. Each month the type of sports shoes and the production volume, up to a limit of [*X*] pairs, are determined by the group and are not specified in the contract.

[*Manufacturer A*] has only one factory that can meet the needs of the group and is unable to supply the sports shoes from another factory or source the sports shoes from a third party supplier. [*Manufacturer A*] makes all decisions about the operations of the factory, including the production level at which to run the factory and which customer contracts to fulfil with the output of the factory that is not used to fulfil the group's contract for that month.

The directors of the parent entity assessed whether or not the group has contracted for the rights to substantially all of the capacity of the factory and whether the contract with [*Manufacturer A*] contains a lease for the factory. After making inquiries based on forecast production volumes over the contract term the directors have established that [*Manufacturer A*] can regularly use the factory for other purposes during the course of the contract to supply other customers and therefore the group does not have the right to obtain substantially all of the economic benefits from the use of the factory. As a result the directors concluded that the group has not contracted for substantially all of the capacity of the factory, including the plant therein, and therefore the contract does not contain a lease.

IAS 1:125

Key sources of estimation uncertainty

IAS 1:128-129
IAS 1:131

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Taxation provisions

The group's current tax provision of CU__ relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with [*insert name of relevant Tax Authority*]. Uncertain tax items for which a provision of CU__ is made, relate principally to the interpretation of tax legislation regarding arrangements entered into by the group. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. Whilst a range of outcomes is reasonably possible, the extent of the reasonably possible range is from additional liabilities of up to CU__ to a reduction in liabilities of up to CU__.

Impairment testing

Following the assessment of the recoverable amount of goodwill allocated to 'Leisure goods—retail outlets', to which goodwill of CU__ is allocated, the directors consider the recoverable amount of goodwill allocated to 'Leisure goods—retail outlets' to be most sensitive to the achievement of the 2026 budget. Budgets comprise forecasts of revenue, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the board. Whilst the group is able to manage most of 'Leisure goods—retail outlets' costs, the revenue projections are inherently uncertain due to the short-term nature of the business and unstable market conditions. Revenue of the CGU is most sensitive to changes in the sectors demand for sales in retail outlets, reflecting the increased use of internet sales by rivals, a service which the group does not currently offer.

The market for 'Leisure goods—retail outlets' products has seen a significant slowdown over the past 18 months due to a decline in the customer appetite for retail sales and increases in internet sales of rivals in the sector. It is possible that further underperformance may occur in 2026 if prevailing trends continue.

The sensitivity analysis in respect of the recoverable amount of 'Leisure goods—retail outlets' goodwill is presented in note 16.

Calculation of loss allowance

When measuring ECL the group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

If the ECL rates on trade receivables between 61 and 90 days past due had been __ per cent higher (lower) as of December 2026, the loss allowance on trade receivables would have been CU__ million (2025: CU__ million) higher (lower).

Source	International GAAP Holdings Limited

If the ECL rates on trade receivables between 31 and 60 days past due had been __ per cent higher (lower) as of December 2026, the loss allowance on trade receivables would have been CU__ million (2025: CU__ million) higher (lower).

Discount rate used to determine the carrying amount of the group's defined benefit obligation

The determination of the group's defined benefit obligation depends on certain assumptions, which include selection of the discount rate. The discount rate is set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the group's financial statements within the next year. Further information on the carrying amounts of the group's defined benefit obligation and the sensitivity of those amounts to changes in discount rate are provided in note 58.

Fair value measurements and valuation processes

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

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

The valuations of private equity investments and contingent consideration in business combinations are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on the carrying amounts of these assets and the sensitivity of those amounts to changes in unobservable inputs are provided in note 62(a)(i).

Provision for restoration of contaminated land

On 15 December 2026, new legislation in [*A Land*] was enacted which resulted in the requirement for the group to clean up historically contaminated waste sites in [*A Land*] and bear the costs thereof. Consequently, a provision of CU__ million has been recognised. In estimating the provision, the directors have made assumptions regarding the interpretation of the legislation and have estimated costs based on currently available information about the likely extent of contamination and potential clean-up techniques. Due to the associated uncertainty, it is possible that estimates may need to be revised during the next year as interpretations of the legislation evolve and the extent of contamination and potential approaches to clean-up are assessed in more detail. Whilst a range of outcomes is possible, the directors believe that the reasonably possible range is an increase in provisions of up to CU__ million to a reduction in provisions of up to CU__ million. See note 39 for further details.

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

In January 2020, [*Subsidiary D Limited*], a subsidiary of the group, entered into a 10-year lease for an office building located in [*location*]. Following the acquisition of [*Acquisition A Limited*] on *[date]* 2026 and the subsequent restructuring programme, the group identified that the office space occupied by [*Subsidiary E Limited*], which is also located in [*location*], could accommodate all of the staff of [*Subsidiary D Limited*], and took the decision to relocate staff to a single office. The leased property previously occupied by [*Subsidiary D Limited*], has been marketed with a local estate agent and is expected to be sub-leased by the firm for the remainder of the lease term.

The directors have estimated that the entirety of the lease payment will be recoverable through the sub-lease of the property. This reflects the current achievable market rates for similar properties with similar lease terms and therefore no impairment has been recognised. The carrying amount of right-of-use asset in respect of the property is CU__ at 31 December 2026 (2025: CU__).

In estimating the recoverable amount of the right-of-use asset, the directors have made assumptions about the achievable market rates for similar properties with similar lease terms. Due to the associated uncertainty, it is possible that the estimates of the amount of lease payment that will be recovered through the sub-lease of the property may need to be revised during the next year. Achieving a sub-lease for only 95 per cent of the lease payment is considered reasonably possible based on recent experience in the market and would lead to an impairment charge of CU__ against the right-of-use asset in respect of the property.

Source	International GAAP Holdings Limited

IFRS 15:113(a)

5. Revenue

IFRS 15:115

The group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 *Operating Segments* (see note 6).

IFRS 15:114
IFRS 15:B87-B89

Disaggregation of revenue

	31/12/2026	31/12/2025
	CU	CU
External revenue by product line		
Electronic equipment—direct sale customers		
Electronic equipment—wholesale customers		
Electronic equipment—internet customers		
Leisure goods—wholesale customers		
Leisure goods—retail outlets		
Computer software installation		
Construction		

	31/12/2026	31/12/2025
	CU	CU
External revenue by timing of revenue		
Goods transferred at a point in time		
Goods transferred over time		
Services transferred at a point in time		
Services transferred over time		

Commentary:

IFRS 15:114 requires an entity to disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This disaggregation will depend on the entity's individual facts and circumstances.

In the illustrative financial statements the group has assessed that the disaggregation of revenue by operating segments is appropriate in meeting this disclosure requirement as this is the information regularly reviewed by the chief operating decision maker (CODM) in order to evaluate the financial performance of the entity.

If an entity discloses disaggregated revenue on a basis other than that used for revenue information disclosed for each reportable segment then the entity should disclose sufficient information to allow users of the financial statements to understand the relationship between these two disclosures.

IFRS 15:120(a)

The transaction price allocated to *[unsatisfied and/or partially unsatisfied]* obligations is CU__ million (2025: CU __ million).

IFRS 15:120(b)

Management expects that __ per cent of the transaction price allocated to the [*unsatisfied and/or partially unsatisfied*] contracts as of the year ended 2026 will be recognised as revenue during the next reporting period (CU__ million). The remaining __ per cent, CU__ million will be recognised in the 2028 financial year and CU__ million in the 2029 financial year.



See Note 5 in Appendix 3 for illustrative revenue disclosures for not-for-profit entities.

Source	International GAAP Holdings Limited

6. Operating segments

Commentary:

The following segment information is required by IFRS 8 to be presented in the consolidated financial statements of a group with a parent (and in the separate or individual financial statements of an entity):

- *whose debt or equity instruments are traded in a public market (a domestic or foreign stock exchange or an over the counter market, including local and regional markets)*
- *that files, or is in the process of filing, its (consolidated) financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.*

IFRS 8:22 requires entities to give a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining the aggregated operating segments share similar economic characteristics.

According to IFRS 8:12, two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and the segments are similar in each of the following respects:

- *the nature of the products and services*
- *the nature of the production processes*
- *the type or class of customer for their products and services*
- *the methods used to distribute their products or provide their services*
- *if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities.*

IFRS 8:22

Products and services from which reportable segments derive their revenues

Information reported to the group's Chief Executive (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance is focused on the category of customer for each type of activity. The principal categories of customer are direct sales to major customers, wholesalers and internet sales. The group's reportable segments under IFRS 8 are therefore as follows:

[Segment A]	–	Electronic equipment—direct sale customers
[Segment B]	–	Electronic equipment—wholesale customers
[Segment C]	–	Electronic equipment—internet customers
[Segment D]	–	Leisure goods—wholesale customers
[Segment E]	–	Leisure goods—retail outlets
[Segment F]	–	Computer software—installation of computer software for specialised business applications
[Segment G]	–	Construction—construction of residential properties

IFRS 8:22(aa)

The leisure goods segments supply sports shoes and equipment, as well as outdoor play equipment.

The electronic equipment (direct sales) segment includes a number of direct sales operations in various cities within [*A Land*] each of which is considered as a separate operating segment by the CODM. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- these operating segments have similar long-term gross profit margins
- the nature of the products and production processes are similar
- the methods used to distribute the products to the customers are the same
- *[other factors, please specify].*

Source	International GAAP Holdings Limited

IFRS 5:5B Two operations (*[describe operations]*) were discontinued in the current year. The segment information reported on the next pages does not include any amounts for these discontinued operations, which are described in more detail in note 13.

Other operations include [*identify other operations and their sources of revenue if any*]

Segment revenues and profits

The following is an analysis of the group's revenue and results by reportable segment in 2026:

IFRS 8:23

	Segment revenue 31/12/2026	Segment revenue 31/12/2025	Segment profit 31/12/2026	Segment profit 31/12/2025
	CU	CU	CU	CU
[*Segment A*]—Electronic equipment—direct sale customers				
[*Segment B*]—Electronic equipment—wholesale customers				
[*Segment C*]—Electronic equipment—internet customers				
[*Segment D*]—Leisure goods—wholesale customers				
[*Segment E*]—Leisure goods—retail outlets				
[*Segment F*]—Computer software—installation of computer software for specialised business applications				
[*Segment G*]—Construction—construction of residential properties				
Other				
IFRS 8:28(a) **Total**				
Central administration costs				
Share of profit of associates				
Share of profit from joint ventures				
Finance income				
Other gains and losses				
Finance costs				
IFRS 8:28(b) **Profit before tax**				

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the current year (2025: nil).

IFRS 8:27 The accounting policies of the reportable segments are the same as the group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of the share of profits of associates and joint ventures, central administration costs including directors' salaries, finance income, non-operating gains and losses in respect of financial instruments and finance costs, and income tax expense. This is the measure reported to the group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

IFRS 8:23(f) The exceptional rectification work costs of CU__ disclosed in note 7 relate to the [*identify segment*].

Source	International GAAP Holdings Limited

Commentary:

In June 2024, the IFRS Interpretations Committee published an agenda decision titled 'Disclosure of Revenues and Expenses for Reportable Segments', which considers the requirement in IFRS 8:23(f) to disclose, for each reportable segment, material items of income and expense disclosed in accordance with IAS 1:97.

The key points highlighted in the agenda decision include:

- *an entity is required to disclose the specified amounts for each reportable segment when they are:*
  - *included in the measure of segment profit or loss reviewed by the chief operating decision maker (CODM), even if they are not separately provided to or reviewed by the CODM, or*
  - *regularly provided to the CODM, even if they are not included in the measure of segment profit or loss*
- *the material items to be disclosed include, but are not limited to, the items listed in IAS 1:98 (e.g. write-downs of assets, restructuring expenses or gains/losses on disposal)*
- *an entity is not required to disclose, by reportable segment, each item of income and expense presented in its statement of profit or loss or disclosed in the notes*
- *in determining the information to disclose for each reportable segment, an entity applies judgement and considers:*
  - *the principles of materiality and aggregation in IAS 1, and*
  - *the core principle of IFRS 8, which requires an entity to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.*

IFRS 8:27

Segment assets

	31/12/2026	31/12/2025
	CU	CU
[*Segment A*]—Electronic equipment—direct sale customers		
[*Segment B*]—Electronic equipment—wholesale customers		
[*Segment C*]—Electronic equipment—internet customers		
[*Segment D*]—Leisure goods—wholesale customers		
[*Segment E*]—Leisure goods—retail outlets		
[*Segment F*]—Computer software—installation of computer software for specialised business applications		
[*Segment G*]—Construction—construction of residential properties		
Other		
Total segment assets		
Non-current assets held for sale		
Unallocated assets		
Consolidated total assets		

IFRS 8:28(c)

IFRS 8:27(c)

For the purposes of monitoring segment performance and allocating resources between segments the group's Chief Executive monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of investments in associates and joint ventures, other financial assets (except for trade and other receivables) (see note 31) and tax assets. Goodwill has been allocated to reportable segments as described in note 16. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

Source	International GAAP Holdings Limited

Other segment information

IFRS 8:23(e)
IFRS 8:24(b)

	Depreciation and amortisation		Additions to non-current assets*	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU
[*Segment A*]—Electronic equipment—direct sale customers				
[*Segment B*]—Electronic equipment—wholesale customers				
[*Segment C*]—Electronic equipment—internet customers				
[*Segment D*]—Leisure goods—wholesale customers				
[*Segment E*]—Leisure goods—retail outlets				
[*Segment F*]—Computer software—installation of computer software for specialised business applications				
[*Segment G*]—Construction—construction of residential properties				
Other				

* The amounts exclude additions to financial instruments, deferred tax assets and net defined benefit assets.

IFRS 8:23(i)
IAS 36:129

In addition to the depreciation and amortisation reported above, impairment losses of CU__ (2025: CU__) and CU__ (2025: CU__) were recognised in respect of property, plant and equipment, and goodwill, respectively. These impairment losses were attributable to the following reportable segments:

	31/12/2026	31/12/2025
	CU	CU
[*Segment A*]—Electronic equipment—direct sale customers		
[*Segment E*]—Leisure goods—retail outlets		

IFRS 8:32

Revenues from major products and services

The group's revenues from its major products and services are disclosed in note 5.

Geographical information

The group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

IFRS 8:33(a)-(b)

	Revenue from external customers		Non-current assets*		
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	1/1/2025
	CU	CU	CU	CU	CU
[*A Land*]					
[*B Land*]					
[*C Land*]					
[*D Land*]					
Other					

* Non-current assets exclude those relating to discontinued operations and non-current assets held for sale.

IFRS 8:34

Information about major customers

Included in revenues arising from [*Segment A*] are revenues of approximately CU__ million (2025: CU__ million) which arose from sales to the group's largest customer. No other single customers contributed 10 per cent or more to the group's revenue in either 2026 or 2025.

Source	International GAAP Holdings Limited		
IAS 1:104	**7. Profit for the year**		
	Profit for the year has been determined charging/(crediting):		
		31/12/2026	31/12/2025
		CU	CU
IAS 21:52(a)	Net foreign exchange losses/(gains)		
IAS 38:126	Research and development costs		
IAS 20:20	Government grant for the purpose of immediate financial support		
IAS 20:39(b)	Government grants towards training costs		
	Amortisation of government grants towards purchase of property, plant and equipment		
IAS 1:104	Depreciation of property, plant and equipment		
IAS 36:126(a)	Impairment of property, plant and equipment		
IAS 1:97-98	Gain/(loss) on disposal of property, plant and equipment		
IFRS 16:53(a) IFRS 16:49	Depreciation of right-of-use assets		
IAS 38:118(d)	Amortisation of intangible assets		
IAS 36:126(a)	Impairment of goodwill		
IAS 2:36(d)	Cost of inventories recognised as expense		
IAS 2:36(e)	Write downs of inventories recognised as an expense		
IAS 2:36(f)	Reversal of write downs of inventories recognised in the year		
IAS 1:104	Employee benefit expense (note 8)		
IFRS 7:20(a)(vi)	Loss allowance on trade receivables (note 31)		
IFRS 7:20(a)(vi)	Loss allowance on other financial assets measured at amortised cost (note 24)		
IFRS 7:20(a)(viii)	Loss allowance on debt investments measured at FVTOCI (note 43)		
	Loss allowance on amounts due from contract assets (note 27)		

There was no loss allowance on financial guarantee contracts (note 38).

IAS 1:97-98 Costs of CU__ have been recognised during the year in respect of rectification work to be carried out on goods supplied to one of the group's major customers, which have been included in [*specify caption*].

IAS 38:118(d) Amortisation of intangible assets has been included in profit or loss in the *[other expenses/cost of sales]* line item

IAS 2:36(g) [*Describe circumstances or events that led to any reversal of any write-down of inventories*]

IAS 20:20 IAS 20:39(b) In 2026, government grants of CU__ were received as part of a government initiative to provide immediate financial support as a result of [*describe event that led to receipt of grants and the effect the grants have on the results*]. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year. Government grants towards training costs and purchase of property, plant and equipment are described in note 59.

In [*month*] 2026, the group disposed of [*name of subsidiary*] (see note 52). Certain of the non-core assets of the [____] division were retained by the group. In addition, the [____] operations of the [____] division were segregated from the manufacturing operations and retained by the group. The assets retained were scrapped, and an impairment loss recognised in respect of their previous carrying amount. To the extent that employees could not be redeployed, redundancy terms were agreed.

IAS 1:97-98 The restructuring costs charged to profit or loss consist of an impairment loss recognised in respect of assets of CU__ and redundancy costs of CU__.

Source	International GAAP Holdings Limited		
	8. Staff costs		
		31/12/2026	31/12/2025
		CU	CU
	Post-employment benefits (note 58)		
IAS 19:53	Defined contribution plans		
IAS 19:135(b)	Defined benefit plans		
IFRS 2:50	Share-based payments (note 57)		
IFRS 2:51(a)	Equity-settled share-based payments		
IFRS 2:51(a)	Cash-settled share-based payments		
IAS 1:104	Termination benefits		
	Other employee benefits		
IAS 1:104	**Total employee benefit expense**		
	9. Finance income		
		31/12/2026	31/12/2025
		CU	CU
IFRS 7:20(b)	Interest income:		
	Financial instruments measured at amortised cost:		
	Bank deposits		
	Other financial assets measured at amortised cost (see note 24)		
	Investment in debt instruments measured at FVTOCI (see note 24)		
	Other:		
IFRS 7:11A(d)	Dividends received from equity investments designated as at FVTOCI (see note 24):		
	Relating to investments derecognised during the year		
	Relating to investments held at the end of the reporting period		
	Total finance income		

Source	International GAAP Holdings Limited		
	10. Other gains and losses		
		31/12/2026	31/12/2025
		CU	CU
IFRS 7:20(a)(i)	Net gain/(loss) arising on financial liabilities designated as at FVTPL (i)		
IFRS 7:20(a)(i)	Net gain/(loss) arising on financial assets mandatorily measured at FVTPL (ii)		
IFRS 7:20(a)(i)	Net gain/(loss) arising on financial liabilities mandatorily measured at FVTPL (iii)		
IFRS 7:20(a)(viii)	Reclassification of net gain/(loss) on debt investments classified as at FVTOCI from equity to profit or loss upon disposal		
IFRS 7:20(a)(v)	Net gain/(loss) arising on derecognition of financial liabilities measured at amortised cost		
IFRS 7:20(a)(v) IFRS 7:20A	Net gain/(loss) arising on modification of financial instruments measured at amortised cost that were not derecognised		
IAS 40:76(d)	Gain/(loss) on remeasurement of investment property		
IFRS 7:24C(a)(ii) IFRS 9:6.5.8(a)	Loss/(gain) arising on derivatives designated as hedging instruments in fair value hedges		
IFRS 9:6.5.8(b)	(Gain)/loss arising on adjustment for the hedged item attributable to the hedged risk in a designated fair value hedge accounting relationship (iv)		
IFRS 7:24C(b)(vi), IFRS 9:6.5.12(b)	(Gain)/loss arising on forward foreign exchange contracts designated as hedging instruments in cash flow hedges of forecast transactions that are no longer expected to occur reclassified from equity to profit or loss		
IFRS 7:24A(c) IFRS 7:24C(b)(ii)	Hedge ineffectiveness on cash flow hedges		
IFRS 7:24A(c) IFRS 7:24C(b)(ii)	Hedge ineffectiveness on net investment hedges		
IFRIC 19:11	(Gain)/loss on debt for equity swap (v)		
	Net foreign exchange gain/(loss) (vi)		

(i) The net loss on the redeemable preference shares designated as at FVTPL includes a gain of CU__ resulting from the decrease in fair value of the liabilities other than changes in the fair value of the liabilities attributable to the liabilities' credit risk, offset by dividends of CU__ paid during the year (note 11).

(ii) The amount represents a net gain on investments in listed equity shares (see note 24) and comprises an increase in fair value of CU__ (2025: CU__), including dividends of CU__ received during the year (2025: CU__).

(iii) The amount represents a net loss arising on an interest rate swap that economically hedges the fair value of the redeemable cumulative preference shares, but for which hedge accounting is not applied (see note 34). The net loss on the interest rate swap comprises an increase in fair value of CU__ of the swap, including interest of CU__ paid during the year.

IAS 1:97 (iv) The (gain)/loss arising on adjustment for the hedged item in a designated fair value hedge accounting relationship relates to the fixed rate bank loan, details of which are disclosed in note 32.

(v) During the year the entity extinguished some of its borrowing by issuing equity instruments and recognised a (gain)/loss in accordance with IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*.

(vi) The foreign exchange (gain)/loss arose on the unhedged monetary items denominated in foreign currencies. The amount predominantly consists of retranslation of bank loans of CU__ (2025: CU__).

Source	International GAAP Holdings Limited		
	11. Finance costs		
		31/12/2026	31/12/2025
		CU	CU
	Interest on bank overdrafts and loans		
	Interest on convertible loan notes		
IFRS 16:49 IFRS 16:53(b)	Interest on lease liabilities		
IFRS 7:20(b)	Total interest expense for financial liabilities not classified as at FVTPL		
IAS 23:26(a)	Less: amounts included in the cost of qualifying assets		
IFRS 7:24C(b)(iv); IFRS 9:6.5.11(d)(ii)	(Gain)/loss arising on interest rate swaps as designated hedging instruments in cash flow hedges of floating rate debt reclassified from equity to profit or loss		
	Unwinding of discount on provisions		
IAS 19:134	Net interest expense on defined benefit obligation		
	Other finance costs		
IAS 23:26(b)	Borrowing costs included in the cost of qualifying assets during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of __ per cent (2025: __ per cent) to expenditure on such assets.		

Source	International GAAP Holdings Limited		
	12. Income tax		
		31/12/2026	31/12/2025
		CU	CU
IAS 12:79-80	Corporation income tax:		
	Current tax expense/(income)		
	Adjustments in respect of prior years		
IAS 12:79-80	Deferred tax (see note 35)		
	Origination and reversal of temporary differences		
	Effect of changes in tax rates		
	Write-down of previously recognised deferred tax assets		
	Other [*describe*]		
	The standard rate of corporation tax applied to reported profit is __ per cent (2025: __ per cent).		
IAS 12:85	***Commentary:*** *The applicable rate used in the tax reconciliation should provide the most meaningful information to users of the financial statements. When profits are earned across a number of jurisdictions default to the tax rate in the country of domicile may not provide the most meaningful information. It may be more appropriate to use a weighted average applicable rate for the year, reflecting the applicable rates for the countries in which the group earned profits.*		
IAS 12:81(d)	The applicable rate has changed following [*describe the impact of any changes in the tax authorities' tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period*].		
	Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.		
IAS 12:81(h)	No tax charge or credit arose on the disposal of [*name of subsidiary*].		
IAS 12:88A	The group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.		
IAS 12:88B	The group's current tax expense/(income) related to Pillar Two income taxes is CU__ (2025: CU__).		

Source	International GAAP Holdings Limited
	Commentary: *Many countries have now enacted Pillar Two-related laws. For entities incorporated in jurisdictions where Pillar Two income taxes legislation is not yet effective, additional disclosure should be provided in line with IAS 12:88C-88D.*
IAS 12:81(c)	The charge for the year can be reconciled to the profit before tax as follows:

	31/12/2026 CU	31/12/2025 CU
Profit before tax on continuing operations		
Tax at the [*A Land*] corporation tax rate of __ per cent (2025: __ per cent)		
Tax effect of share of results of associates		
Tax effect of expenses that are not deductible in determining taxable profit		
Tax effect of income not taxable in determining taxable profit		
Tax effect of utilisation of tax losses not previously recognised		
Change in unrecognised deferred tax assets		
Effect of different tax rates of subsidiaries operating in other jurisdictions		
Tax expense for the year		

IAS 12:84	***Commentary:*** *The reconciliation should enable users of financial statements to understand whether the relationship between tax expense (income) and accounting profit is unusual and to understand the significant factors that could affect that relationship in the future. Distinguishing between recurring and non-recurring items may assist with this. It is also informative to state the effective tax rate. The relationship between tax expense (income) and accounting profit may be affected by such factors as revenue that is exempt from taxation, expenses that are not deductible in determining taxable profit (tax loss), the effect of tax losses and the effect of foreign tax rates and it is useful to explain these items.*

Source	International GAAP Holdings Limited		
IAS 12:81(ab)	In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised in other comprehensive income:		
		31/12/2026	31/12/2025
		CU	CU
	Current tax		
	[describe items and split between those items that will not be reclassified subsequently to profit or loss and those items that may be reclassified subsequently to profit or loss]		
	Deferred tax		
	Items that will not be reclassified subsequently to profit or loss:		
	Gains/(losses) on property revaluation		
	Remeasurement of net defined benefit liability		
	Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		
	Fair value gain/(loss) on financial liabilities designated as at FVTPL attributable to changes in credit risk		
	Items that may be reclassified subsequently to profit or loss:		
	Debt instruments measured at FVTOCI:		
	Fair value gain/(loss) on investments in debt instruments measured at FVTOCI		
	Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal		
	Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL		
	Cash flow hedges:		
	Fair value gain/(loss) arising on hedging instruments during the period		
	Less: Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss		
	Cost of hedging:		
	Changes in the fair value during the period in relation to transaction-related hedged items		
	Changes in the fair value during the period in relation to time-period related hedged items		
	Less: Cumulative (gain)/loss arising on changes in the fair value in relation to transaction-related hedged items reclassified to profit or loss		
	Less: Amortisation to profit or loss of cumulative (gain)/loss arising on changes in the fair value in relation to time-period related hedged item		
	Exchange differences on translation of foreign operations		
	Gains/(losses) on net investment hedge		
IAS 12:81(a)	**Total income tax recognised in other comprehensive income**		

Source	International GAAP Holdings Limited		
	In addition to the amount charged to profit or loss and other comprehensive income, the following amounts relating to tax have been recognised directly in equity:		
		31/12/2026	31/12/2025
		CU	CU
	Current tax		
	Excess tax deductions related to share-based payments on exercised options		
	Deferred tax		
	Initial recognition of the equity component on issue of convertible loan notes		
	Change in estimated excess tax deductions related to share-based payments		
IAS 12:81(a)	**Total income tax recognised directly in equity**		

IFRS 5:30-32 **13. Discontinued operations**

On [*date*] 2026, the group entered into a sale agreement to dispose of [*name of subsidiary*], which carried out all of the group's *[describe]* operations. The disposal was effected in order to generate cash flows for the expansion of the group's other businesses. The disposal was completed on [*date*] 2026, on which date control of [*name of subsidiary*] passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in note 52.

IFRS 5:33(b) IFRS 5:34 The results of the discontinued operations, which have been included in the profit for the year, were as follows:

		Period ended [*date*] 2026	Year ended 31/12/2025
		CU	CU
IFRS 5:33(b)(i)	Revenue		
IFRS 5:33(b)(i)	Expenses		
IFRS 5:33(b)(i)	Profit before tax		
IFRS 5:33(b)(ii) IAS 12:81(h)	Attributable tax expense		
	Loss for the year from discontinued operations		
IFRS 5:33(b)(iii)	Loss on disposal of discontinued operations		
IFRS 5:33(b)(iv) IAS 12:81(h)	Attributable tax expense		
IFRS 5:33(d)	Net loss attributable to discontinued operations (attributable to owners of the parent entity)		

Cash flows from discontinued operations

	31/12/2026	31/12/2025
	CU	CU
Net cash from operating activities		
Net cash inflow/(outflow) from investing activities		
Net cash inflow/(outflow) from financing activities		

IFRS 5:33(c) A loss of CU__ million arose on the disposal of [*name of subsidiary*], being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets and attributable goodwill.

Source	International GAAP Holdings Limited

IFRS 5:41
IFRS 5:38

In addition, on [*date*] the board resolved to dispose of the group's [*specify*] operations and negotiations with several interested parties have subsequently taken place. The disposal is consistent with the group's long-term policy to focus its activities on the group's other businesses. These operations, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and presented separately in the statement of financial position. The proceeds of disposal are expected to substantially exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale. The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	31/12/2026
	CU
Goodwill	
Property, plant and equipment	
Inventories	
Trade and other receivables	
Cash and cash equivalents	
Total assets classified as held for sale	
Trade and other payables	
Tax liabilities	
Bank overdrafts and loans	
Total liabilities associated with assets classified as held for sale	
Net assets of disposal group	

14. Dividends

	31/12/2026	31/12/2025
	CU	CU
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2025 of CU__ (2024: CU__) per share		
Interim dividend for the year ended 31 December 2026 of CU__ (2025: CU__) per share		

IAS 1:107

Proposed final dividend for the year ended 31 December 2026 of CU__ (2025: CU__) per share		

IAS 1:137(a)
IAS 10:13

The proposed final dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the register of members on [*insert date*]. The total estimated dividend to be paid is CU__ per share. The payment of this dividend will not have any tax consequences for the group.

Under an arrangement dated [*date*], [*name*] who holds [*number*] ordinary shares representing __ per cent of the parent entity's called up share capital, has agreed to waive all dividends due to [*him/her*] for a period of [*specify*].



Australian entities are required to provide additional information about franking credits. See Note 14 in Appendix 3 for an illustrative example.

Source	International GAAP Holdings Limited

IAS 33:2-3

15. Earnings per share

Commentary:

IAS 33 requires that earnings per share (EPS) information be presented in the consolidated financial statements of a group with a parent (and in the separate or individual financial statements of an entity):

- *whose ordinary shares or potential ordinary shares are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets), or*
- *that files, or is in the process of filing, its (consolidated) financial statements with a securities commission or other regulatory organisation for the purpose of issuing ordinary shares in a public market.*

If other entities choose to disclose EPS information voluntarily in their financial statements that comply with IFRS Accounting Standards, the disclosures in relation to the EPS information should comply fully with the requirements set out in IAS 33.

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following data:

	31/12/2026	31/12/2025
	CU	CU
IAS 33:70(a) Earnings		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the parent entity		
Effect of dilutive potential ordinary shares:		
Interest on convertible loan notes (net of tax)		
Earnings for the purposes of diluted earnings per share		

	31/12/2026	31/12/2025
Number of shares		
IAS 33:70(b) Weighted average number of ordinary shares for the purposes of basic earnings per share		
IAS 33:70(c) Effect of dilutive potential ordinary shares		
Share options		
Convertible loan notes		
Weighted average number of ordinary shares for the purposes of diluted earnings per share		

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect the capitalisation issue in 2026.

Source	International GAAP Holdings Limited		
IAS 33 :70(c)	The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.		
		31/12/2026	31/12/2025
	Number of shares		
	[*Describe*]		
	From continuing operations		
		31/12/2026	31/12/2025
		CU	CU
IAS 33:70(a)	**Earnings**		
	Net profit attributable to equity holders of the parent		
	Adjustments to exclude loss for the year from discontinued operations		
	Earnings from continuing operations for the purpose of basic earnings per share excluding discontinued operations		
	Effect of dilutive potential ordinary shares:		
	Interest on convertible loan notes (net of tax)		
	Earnings from continuing operations for the purpose of diluted earnings per share excluding discontinued operations		
	The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.		
IAS 33:68-69	**From discontinued operations**		
		31/12/2026	31/12/2025
		CU	CU
	Basic		
	Diluted		

Source	International GAAP Holdings Limited	
	16. Goodwill	
		CU
	Cost	
	At 1 January 2025	
	Exchange differences	
	Recognised on acquisition of subsidiaries	
	Derecognised on disposal of a subsidiary	
	Classified as held for sale	
	Other changes	
IFRS 3:B67(d)	At 31 December 2025	
	Exchange differences	
	Recognised on acquisition of subsidiaries	
	Derecognised on disposal of a subsidiary	
	Classified as held for sale	
	Other changes	
IFRS 3:B67(d)	At 31 December 2026	
	Accumulated impairment losses	
	At 1 January 2025	
	Exchange differences	
IAS 36:126	Impairment losses for the year	
	Eliminated on disposal of a subsidiary	
IFRS 3:B67(d)	At 31 December 2025	
	Exchange differences	
IAS 36:126	Impairment losses for the year	
	Eliminated on disposal of a subsidiary	
IFRS 3:B67(d)	At 31 December 2026	
IFRS 3:B67(d)	**Carrying amount**	
	At 31 December 2026	
	At 31 December 2025	
	At 1 January 2025	

Source	International GAAP Holdings Limited

IAS 36:134-135

The carrying amount of goodwill has been allocated to CGUs as follows:

	31/12/2026	31/12/2025
	CU	CU
[*Segment C*]—Electronic equipment—internet sales		
[*Segment E*]—Leisure goods—retail outlets		
[*Segment G*]—Construction—Alpha Construction		
[*Segment G*]—Construction—other		

The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Electronic equipment—internet sales

The recoverable amount of the 'electronic equipment—internet sales' segment as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period and a pre-tax discount rate of __ per cent per annum (2025: __ per cent per annum) calculated by [*describe method used to determine the discount rate*].

The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

Forecast sales growth rates

Forecast sales growth rates are based on past experience adjusted for [*discuss reasons for adjusting the historic measures, for example, sales/market trends and the strategic decisions made in respect of the cash-generating unit*].

Operating profits

Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of [*describe reasons for adjusting the historical measures, for example, changes to product costs and cost saving initiatives*].

Cash conversion

Cash conversion is the ratio of operating cash flows to operating profit. Management forecasts cash conversion rates based on historical experience.

Cash flows beyond that five-year period have been extrapolated using a steady __ per cent (2025: __ per cent) per annum growth rate. This growth rate exceeds by __ percentage points the long-term average growth rate for the international electronic equipment market. However, among other factors, the internet sales cash-generating unit benefits from the protection of a 20-year patent on the Series Z electronic equipment, granted in 2020, which is still acknowledged as one of the top models in the market.

The steady growth rate of __ per cent is estimated by the directors of the parent entity based on past performance of the cash-generating unit and their expectations of market development. The directors estimate that a decrease in growth rate by __ per cent to __ per cent would reduce the headroom in the cash-generating unit to nil but would not result in an impairment charge.

Leisure goods—retail outlets

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a pre-tax discount rate of __ per cent per annum (2025: __ per cent per annum) calculated by [*describe method used to determine the discount rate*].

The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

Forecast sales growth rates

Forecast sales growth rates are based on past experience adjusted for [*discuss reasons for adjusting the historic measures, for example, sales/market trends and the strategic decisions made in respect of the cash-generating unit*].

Operating profits

Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of [*describe reasons for adjusting the historical measures, for example, changes to product costs and cost saving initiatives*].

International GAAP Holdings Limited

Cash conversion
Cash conversion is the ratio of operating cash flows to operating profit. Management forecasts cash conversion rates based on historical experience.

Cash flow projections during the budget period are based on the same expected gross margins and inventory price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady __ per cent (2025:__ per cent) per annum growth rate which is the projected long-term average growth rate for the international leisure goods market.

Construction—Alpha Construction
The goodwill associated with Alpha Construction arose when that business was acquired by the group in 2018. The business has continued to operate on a satisfactory basis, but without achieving any significant increase in market share.

During the year, the government of [*A Land*] introduced new regulations requiring registration and certification of builders for government contracts. In the light of the decision to focus the group's construction activities through the other operating units in Subsidiary C Limited, the directors have decided not to register Alpha Construction for this purpose, which means that it has no prospects of obtaining future contracts. The directors have consequently determined to write off the goodwill directly related to Alpha Construction amounting to CU__. No other write-down of the assets of Alpha Construction is considered necessary. Contracts in progress at the end of the year will be completed without loss to the group. The recoverable amount of the Alpha Construction cash-generating unit amounted to CU__ as at 31 December 2026.

The impairment loss has been included in profit or loss in the [*other expenses/cost of sales*] line item.

Construction—other
The recoverable amount of the group's remaining construction operations has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a pre-tax discount rate of __ per cent per annum (2025: __ per cent per annum) calculated by [*describe method used to determine the discount rate*].
The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

Forecast sales growth rates
Forecast sales growth rates are based on past experience adjusted for [*discuss reasons for adjusting the historic measures, for example, sales/market trends and the strategic decisions made in respect of the cash-generating unit*].

Operating profits
Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of [*describe reasons for adjusting the historical measures, for example, changes to product costs and cost saving initiatives*].

Cash conversion
Cash conversion is the ratio of operating cash flows to operating profit. Management forecasts cash conversion rates based on historical experience.

Cash flows beyond that five-year period have been extrapolated using a steady __ per cent (2025: __ per cent) per annum growth rate. This growth rate does not exceed the long-term average growth rate for the construction market in [*A Land*].

Sensitivity analysis
The group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of 'Electronic equipment—internet sales' and 'Construction—other' is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

At the beginning of the financial year the recoverable amount of 'Leisure goods—retail outlets' was substantially in excess of its carrying amount. Due to current market conditions at the year-end, as discussed in note 4, the recoverable amount exceeds the carrying amount by CU__.

A __ per cent underperformance against forecast sales growth rates for 'Leisure goods—retail outlets' is considered reasonably possible based on recent experience and would lead to an impairment charge of CU__.

A __ per cent underperformance against forecast sales growth rates would reduce the headroom in 'Leisure goods—retail outlets' to nil but would not result in an impairment charge.

Source	International GAAP Holdings Limited			
	17. Intangible assets			
		Capitalised development costs	Patents and trademarks	Total
		CU	CU	CU
IAS 38:118(c) IAS 38:118(e)	**Cost**			
	At 1 January 2025			
	Exchange differences			
	Additions from internal development			
	At 31 December 2025			
	Exchange differences			
	Additions from internal development			
	Additions from separate acquisitions			
	Acquired on acquisition of subsidiaries			
	At 31 December 2026			
IAS 38:118(c) IAS 38:118(e)	**Amortisation**			
	At 1 January 2025			
	Exchange differences			
	Charge for the year			
	At 31 December 2025			
	Exchange differences			
	Charge for the year			
	At 31 December 2026			
	Carrying amount			
	At 31 December 2026			
	At 31 December 2025			
	At 1 January 2025			
IAS 38:122(b)	The amortisation period for development costs incurred on the group's [*specify*] development is [*number*] years.			
	Patents and trademarks are amortised over their estimated useful lives, which is on average [*number*] years.			
	The group holds a patent for the manufacture of its Z Series Electronic Equipment. The carrying amount of the patent of CU__ million (2025: CU__ million) will be fully amortised in __ years (2025: __ years).			

Source	International GAAP Holdings Limited				
	18. Property, plant and equipment				
		Land and buildings	Plant and machinery	Fixtures and fittings	Total
		CU	CU	CU	CU
	Cost or valuation				
	At 1 January 2025				
	Additions				
	Acquisition of subsidiaries				
	Exchange differences				
	Disposals				
	Revaluation increase				
IAS 16:73(d)-(e)	At 31 December 2025				
	Additions				
	Acquisition of subsidiaries				
	Exchange differences				
	Reclassified as held for sale				
	Revaluation increase				
	Transferred to investment property				
IAS 16:73(d)-(e)	**At 31 December 2026**				
	Comprising:				
	At cost				
	At valuation 2026				

Source	International GAAP Holdings Limited				
		Land and buildings	Plant and machinery	Fixtures and fittings	Total
		CU	CU	CU	CU
	Accumulated depreciation and impairment				
	At 1 January 2025				
	Charge for the year				
	Impairment loss				
	Exchange differences				
	Eliminated on disposals				
	Eliminated on revaluation				
IAS 16:73(d)-(e)	At 31 December 2025				
	Charge for the year				
IAS 36:126	Impairment loss				
	Exchange differences				
	On assets reclassified as held for sale				
	Eliminated on revaluation				
	Transferred to investment property				
IAS 16:73(d)-(e)	**At 31 December 2026**				
	Carrying amount:				
	At 31 December 2026				
	At 31 December 2025				
	At 1 January 2025				

IFRS 16:95

Commentary:

Although not illustrated in these illustrative financial statements, for items of property, plant and equipment which are subject to an operating lease, a lessor should apply the disclosure requirements of IAS 16.

For this purpose, each class of property, plant and equipment should be segregated into assets subject to operating leases and assets not subject to operating leases (i.e. the disclosures required by IAS 16 should be provided separately for assets subject to an operating lease (by class of underlying asset) and owned assets held and used by the lessor.

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

The group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the group's freehold land and buildings as at 31 December 2026 and 31 December 2025 were performed by [*name of valuers*], independent valuers not related to the group. [*Name of valuers*] are members of the Institute of Valuers of [*A Land*], and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties/other methods *[Describe the valuation techniques and the inputs used in determining the fair value].*

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

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

Source	International GAAP Holdings Limited

IFRS 13:93(a)-(b)

Details of the group's freehold land and buildings and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Level 2	Level 3	Fair value as at 31/12/2026
	CU	CU	CU
A manufacturing plant in [*A Land*] contains:			
Freehold land			
Buildings			

	Level 2	Level 3	Fair value as at 31/12/2025
	CU	CU	CU
A manufacturing plant in [*A Land*] contains:			
Freehold land			
Buildings			

Commentary:

The categorisation of fair value measurements into the different levels of the fair value hierarchy depends on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. The above categorisations are for illustrative purpose only. It is worth noting the following points:

- *the classification into the 3-level hierarchy is not an accounting policy choice. For land and buildings, given their unique nature, it is extremely rare that the fair value measurement would be identified as a Level 1 measurement. Whether the fair value measurement in its entirety should be classified into Level 2 or Level 3 would depend on the extent to which the inputs and assumptions used in arriving at the fair value are observable. In many situations where valuation techniques (with significant unobservable inputs) are used in estimating the fair value of the real estate properties, the fair value measurement as a whole would be classified as Level 3*
- *the level within which the fair value measurement is categorised bears no relation to the quality of the valuation. For example, the fact that a real estate property is classified as a Level 3 fair value measurement does not mean that the property valuation is not reliable—it merely indicates that significant unobservable inputs have been used and significant judgement was required in arriving at the fair value.*

IFRS 13:95

Commentary:

Where there had been a transfer between different levels of the fair value hierarchy, the group should disclose the reasons for the transfer and the group's policy for determining when transfers between levels are deemed to have occurred (for example, at the beginning or end of the reporting period or at the date of the event that caused the transfer).

Source	International GAAP Holdings Limited

IAS 16:77(e)

Had the group's freehold land and buildings (other than land and buildings classified as held for sale or included in a disposal group) been measured on a historical cost basis, their carrying amount would have been as follows:

	As at 31/12/2026	As at 31/12/2025
	CU	CU
Freehold land		
Buildings		

The revaluation surplus is disclosed in note 43. The revaluation surplus arises in a subsidiary and cannot be distributed to the parent due to legal restrictions in the country of incorporation.

At 31 December 2026, the group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to CU__ million (2025: CU__ million).

Impairment losses recognised in the year

During the year, as the result of the unexpected poor performance of a manufacturing plant, the group carried out a review of the recoverable amount of that manufacturing plant and the related equipment. The poor performance of the plant can be attributed to [*insert description of reasons for poor performance, for example, this could include whether the impairment loss was prompted by external data or changes in the parent entity's own estimates*].

These assets are used in the group's [*name segment*] reportable segment. The review led to the recognition of an impairment loss of CU__, which has been recognised in profit or loss. The group also estimated the fair value less costs of disposal of the manufacturing plant and the related equipment, which is based on the recent market prices of assets with similar age and obsolescence. The fair value less costs of disposal is less than the value in use and hence the recoverable amount of the relevant assets has been determined on the basis of their value in use. The manufacturing plant and the related equipment were impaired to their recoverable amount based on value in use of CU__, which is their carrying value at year end.

IAS 36:130(a)-(g)

The discount rate used in measuring value in use was __ per cent per annum. No impairment assessment of the manufacturing plant was performed in 2025 as there was no indication of impairment.

IAS 36:131
IAS 36:126(a)

Additional impairment losses recognised in respect of plant and machinery in the year amounted to CU__ million. These losses are attributable to greater than anticipated wear and tear. Those assets have been impaired in full and they belong to the group's [*name segment*] reportable segment.

The impairment losses have been included in the profit and loss in the [*other expenses/cost of sales*] line item.

The impairment loss on fixtures and equipment arose in connection with the restructuring following the disposal of [*specify/provide cross-reference*].

IAS 16:74(a)

Assets pledged as security

Freehold land and buildings with a carrying amount of CU__ million (2025: CU__ million) have been pledged to secure borrowings of the group (see note 32). The group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Source	International GAAP Holdings Limited	
IFRS 16:96	**19. Investment property**	
		CU
	Fair value	
	At 1 January 2025	
	Additions	
	Exchange differences	
	Disposals	
	Increase in fair value during the year	
IAS 40:76	At 31 December 2025	
	Additions	
	Exchange differences	
	Disposals	
	Increase in fair value during the year	
	Transferred from property, plant and equipment	
IAS 40:76	**At 31 December 2026**	

IAS 40:75(e) The fair value of the group's investment property at 31 December 2026 has been arrived at on the basis of a valuation carried out at that date by [*name of valuers*], independent valuers not connected with the group. The valuation conforms to International Valuation Standards. The fair value was determined [*based on the market comparable approach that reflects recent transaction prices for similar properties/other methods [describe]*].

IFRS 13:91(a) IFRS 13:93(d) In estimating the fair value of the properties, the highest and best use of the properties is their current use. [*Describe the valuation technique and inputs used in the fair value measurement*].

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

IFRS 13:93(b) Details of the group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Level 2	Level 3	Fair value as at 31/12/2026
	CU	CU	CU
Commercial units located in [*A Land*] – *[B City]*			
Office units located in [*A Land*] – [*C City*]			
Residential units located in [*A Land*] – [*D City*]			

	Level 2	Level 3	Fair value as at 31/12/2025
	CU	CU	CU
Commercial units located in [*A Land*] – [*B City*]			
Office units located in [*A Land*] – [*C City*]			
Residential units located in [*A Land*] – [*D City*]			

Source	International GAAP Holdings Limited
IFRS 13:93(c)	***Commentary:*** *Where there had been a transfer between the different levels of the fair value hierarchy, the group should disclose the reasons for the transfer and the group's policy for determining when transfers between levels are deemed to have occurred (for example, at the beginning or end of the reporting period or at the date of the event that caused the transfer).* *The group should transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change in use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.*
	Commentary: ***Fair value hierarchy*** *The categorisation of fair value measurements into the different levels of the fair value hierarchy depends on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. The above categorisations are for illustrative purposes only. It is worth noting the following points:* • *the classification into the 3-level hierarchy is not an accounting policy choice. For land and buildings, given their unique nature, it is extremely rare that the fair value measurement would be identified as a Level 1 measurement. Whether the fair value measurement in its entirety should be classified into Level 2 or Level 3 would depend on the extent to which the inputs and assumptions used in arriving at the fair value are observable. In many situations where valuation techniques (with significant unobservable inputs) are used in estimating the fair value of the real estate properties, the fair value measurement as a whole would be classified as Level 3* • *the level within which the fair value measurement is categorised bears no relation to the quality of the valuation. For example, the fact that a real estate property is classified as a Level 3 fair value measurement does not mean that the property valuation is not reliable—it merely indicates that significant unobservable inputs have been used and significant judgement was required in arriving at the fair value.* ***Fair value disclosures for investment properties measured using the cost model*** *For investment properties that are measured using the cost model, paragraph 79(e) of IAS 40 'Investment Property' requires the fair value of the properties to be disclosed in the notes to the financial statements. In that case, the fair value of the properties (for disclosure purpose) should be measured in accordance with IFRS 13. In addition, IFRS 13:97 requires the following disclosures:* • *the level in which fair value measurement is categorised (i.e. Level 1, 2 or 3)* • *when the fair value measurement is categorised within Level 2 or Level 3, a description of the valuation technique(s) and the inputs used in the fair value measurement* • *the highest and best use of the properties (if different from their current use) and the reasons why the properties are being used in a manner that is different from their highest and best use.*

Source	International GAAP Holdings Limited			
IFRS 13:93(d) IFRS 13:93(h)(i)		**Valuation technique(s)**	**Significant input(s)**	**Sensitivity**
	Property units located in [*A Land*] – [*C City*]	Income Capitalisation Approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of __ per cent - __ per cent (2025: __ per cent - __ per cent). Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property, at an average of CU__ (2025: CU__) per square metre ("sqm") per month.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa. A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.

Commentary:

As illustrated above, for fair value measurements categorised within Level 3 of the fair value hierarchy, an entity provides quantitative information about the significant unobservable inputs used in the fair value measurement. An entity is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the entity when measuring fair value (e.g. when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity.

The group has pledged all of its investment property to secure general banking facilities granted to the group.

IAS 40:75(f) The property rental income earned by the group from its investment property, all of which is leased out under operating leases, amounted to CU__ million (2025: CU__ million). Direct operating expenses arising on the investment property, all of which generated rental income in the year, amounted to CU__ million (2025: CU__ million).

IAS 40:75(h) The group has entered into a contract for the maintenance of its investment property for the next five years, which will give rise to an annual charge of CU__ million.

20. Subsidiaries

Commentary:

IFRS Accounting Standards do not require an entity to disclose a list of its subsidiaries in the consolidated financial statements. Nevertheless, local laws or regulations may require an entity to make such a disclosure. The disclosure below is for information only and may have to be modified to comply with the additional local requirements.



Australian entities that take advantage of the relief in *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* or *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* are required to provide additional information about subsidiaries in the notes to the financial statements. See Note 20 in Appendix 3 for an illustrative example.

Source	International GAAP Holdings Limited

IFRS 12:10(a)(i)
IFRS 12:4
IFRS 12:B4(a)
IFRS 12:B5-B6

Information about the composition of the group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		31/12/2026	31/12/2025
[*Insert Activity X*]	[*A Land*]		
[*Insert Activity Y*]	[*B Land*]		

Principal activity	Place of incorporation and operation	Number of non-wholly-owned subsidiaries	
		31/12/2026	31/12/2025
[*Insert Activity X*]	[*A Land*]		
[*Insert Activity Y*]	[*B Land*]		

IFRS 12:10(a)(ii)

The table below shows details of non-wholly owned subsidiaries of the group that have material non-controlling interests.

IFRS 12:12(a)-(f)
IFRS 12:B11

Commentary:

For illustrative purposes, the following non-wholly owned subsidiaries are assumed to have non-controlling interests that are material to the group. The amounts disclosed should not reflect the elimination of intragroup transactions.

Name of subsidiary	Principal place of business and place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests for the year		Non-controlling interests	
		31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
		%	%	CU	CU	CU	CU
Subsidiary A Limited (i)	[*A Land*]						
Subsidiary B Limited (i)	[*B Land*]						
Individually immaterial subsidiaries with non-controlling interests							

IFRS 12:9(b)

(i) The group owns __ per cent of the equity shares of Subsidiary A Limited. However, based on the contractual arrangements between the group and other investors, the group has the power to appoint and remove the majority of the board of directors of Subsidiary A Limited. The relevant activities of Subsidiary A Limited are determined by the board of directors of Subsidiary A Limited based on simple majority votes. Therefore, the directors of the group concluded that the group has control over Subsidiary A Limited and Subsidiary A Limited is consolidated in these financial statements.

(ii) Subsidiary B Limited is listed on the stock exchange of [*B Land*]. Although the group has only __ per cent ownership in Subsidiary B Limited, the directors concluded that the group has a sufficiently dominant voting interest to direct the relevant activities of Subsidiary B Limited on the basis of the group's absolute size of shareholding and the relative size of and dispersion of the shareholdings owned by other shareholders. The __ per cent ownership interests in Subsidiary B Limited are owned by thousands of shareholders that are unrelated to the group, none individually holding more than __ per cent.

The reconciliation of non-controlling interests in note 51 includes an analysis of the profit or loss allocated to non-controlling interests of each subsidiary where the non-controlling interest is material.

IFRS 12:13

There are no significant restrictions on the ability of the group to access or use assets and settle liabilities.

Source	International GAAP Holdings Limited
IFRS 12:18	During the year, the group disposed of a __ per cent of its interest in [*name of subsidiary*]. The proceeds on disposal of CU__ million were received in cash. An amount of CU__ million (being the proportion share of the carrying amount of net assets in [*name of subsidiary*] has been transferred to non-controlling interests (see note 51). The gain on disposal of [*name of subsidiary*] is disclosed in note 52. No investment was retained in the former subsidiary. The gain on disposal is included in the loss on discontinued operations, which is analysed in note 15.
IFRS 12:14-17	***Commentary:*** *When the group provides financial support to a consolidated structured entity, the nature and risks (including the type and amount of support provided) should be disclosed in the financial statements. Please see paragraph 15 of IFRS 12 'Disclosure of Interests in Other Entities' for details.*

21. Associates

IFRS 12:21(a)

Details of material associates

Details of each of the group's material associates at the end of the reporting period are as follows:

Commentary:

For illustrative purposes, the following associates are assumed to be material to the group.

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group	
			31/12/2026	31/12/2025
Associate A Limited (i) & (ii)	[*insert Activity X*]	[*A Land*]		
Associate B Limited (iii)	[*insert Activity Y*]	[*B Land*]		

IFRS 12:21(b)(i) All of the above associates are accounted for using the equity method in these consolidated financial statements as set out in the group's accounting policies in note 3.

IFRS 12:21(a)(iv) (i) Pursuant to a shareholder agreement, the parent entity has the right to cast __ per cent of the votes at shareholder meetings of Associate A Limited.

IFRS 12:22(b) IFRS 12:21(b)(iii) IFRS 13:97 (ii) The financial year end date of Associate A Limited is 31 October. This was the reporting date established when that entity was incorporated, and a change of reporting date is not permitted in [*A Land*]. For the purposes of applying the equity method of accounting, the financial statements of Associate A Limited for the year ended 31 October 2026 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2026. As at 31 December 2026, the fair value of the group's interest in Associate A Limited, which is listed on the stock exchange of [*A Land*], was CU__ million (2025: CU__ million) based on the quoted market price available on the stock exchange of [*A Land*], which is a Level 1 input in terms of IFRS 13.

IFRS 12:9(e) (iii) Although the group holds less than 20 per cent of the equity shares of Associate B Limited, and it has less than 20 per cent of the voting power at shareholder meetings, the group exercises significant influence by virtue of its contractual right to appoint two out of seven directors to the board of directors of that entity.

Source	International GAAP Holdings Limited

Dividends received from associates below represent the actual amounts attributable and hence received by the group. The other summary information that precedes the reconciliation to the group's carrying amount represents amounts included in the IFRS financial statements of the associate, not the entity's share of these amounts, although they are adjusted to reflect fair value adjustments upon acquisition or accounting policy alignments.

IFRS 12:21(b)(ii)
IFRS 12:B12
IFRS 12:B14(a)

Summarised financial information in respect of each of the group's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS Accounting Standards [*adjusted by the group for equity accounting purposes*].

	Associate A Limited		Associate B Limited	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU
Current assets				
Non-current assets				
Current liabilities				
Non-current liabilities				
Equity attributable to owners of the parent entity				
Non-controlling interest				
Revenue				
Profit or loss from continuing operations				
Post-tax profit/(loss) from discontinued operations				
Profit/(loss) for the year				
Other comprehensive income attributable to the owners of the parent entity				
Total comprehensive income				
Dividends received from the associate during the year				

IFRS 12:B14(b)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Associate A Limited and Associate B Limited recognised in the consolidated financial statements:

	Associate A Limited		Associate B Limited	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU
Net assets of associate				
Proportion of the group's ownership interest in the associate				
Goodwill				
Other adjustments [*please specify*]				
Carrying amount of the group's interest in the associate				

Source	International GAAP Holdings Limited

IFRS 12:21(c)(ii)
IFRS 12:B16

Aggregate information of associates that are not individually material

	31/12/2026	31/12/2025
	CU	CU
The group's share of profit/(loss) from continuing operations		
The group's share of post-tax profit/(loss) from discontinued operations		
The group's share of other comprehensive income		
The group's share of total comprehensive income		
Aggregate carrying amount of the group's interests in these associates		

Unrecognised share of losses of an associate

	31/12/2026	31/12/2025
	CU	CU
IFRS 12:22(c) The unrecognised share of loss of an associate for the year		
Cumulative share of loss of an associate		

IAS 28:22

Change in the group's ownership interest in an associate

In the prior year, the group held a __ per cent interest in Associate C Limited and accounted for the investment as an associate. In December 2026, the group disposed of a __ per cent interest in Associate C Limited to a third party for proceeds of CU__ million (received in January 2027). The group has accounted for the remaining __ per cent interest as a financial asset at FVTOCI whose fair value at the date of disposal was CU__, which was determined using a discounted cash flow model [*describe key factors and assumptions used in determining the fair value*]. This transaction has resulted in the recognition of a gain in profit or loss, calculated as follows:

	CU
Proceeds of disposal	
Plus: fair value of investment retained (__ per cent)	
Less: carrying amount of investment on the date of loss of significant influence	
Gain recognised	

The gain recognised in the current year comprises a realised profit of CU__ (being the proceeds of CU__ less CU__ carrying amount of the interest disposed of) and an unrealised profit of CU__ (being the fair value less the carrying amount of the __ per cent interest retained). A current tax expense of CU__ arose on the gain realised in the current year, and a deferred tax expense of CU__ has been recognised in respect of the portion of the profit recognised that is not taxable until the remaining interest is disposed of.

Source	International GAAP Holdings Limited

IFRS 12:22(a)

Significant restriction

Commentary:

When there are significant restrictions on the ability of associates to transfer funds to the group in form of cash dividends, or to repay loans or advances made by the group, the group should disclose the nature and extent of significant restrictions in the financial statements.

22. Joint ventures

IFRS 12:21(a)

Details of material joint venture

Details of the group's material joint venture at the end of the reporting period is as follows:

Commentary:

For illustrative purposes, the following joint venture is assumed to be material to the group.

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group	
			31/12/2026	31/12/2025
JV A Limited	[*insert Activity X*]	[*A Land*]		

IFRS 12:21(b)(i)

The above joint venture is accounted for using the equity method in these consolidated financial statements as set out in the group's accounting policies in note 3.

IFRS 12:21(b)(ii)
IFRS 12:B12
IFRS 12:B14(a)

Summarised financial information in respect of the group's material joint venture is set out below. The summarised financial information below represents amounts in the joint venture financial statements prepared in accordance with IFRS Accounting Standards [*adjusted by the group for equity accounting purposes*].

	JV A Limited	
	31/12/2026	31/12/2025
	CU	CU
Current assets		
Non-current assets		
Current liabilities		
Non-current liabilities		

IFRS 12:B13

The above amounts of assets and liabilities include the following:

Cash and cash equivalents		
Current financial liabilities (excluding trade and other payables and provisions)		
Non-current financial liabilities (excluding trade and other payables and provisions)		

Source	International GAAP Holdings Limited		
		JV A Limited	
		31/12/2026	31/12/2025
		CU	CU
	Revenue		
	Profit or loss from continuing operations		
	Post-tax profit/(loss) from discontinued operations		
	Profit/(loss) for the year		
	Other comprehensive income attributable to the owners of the parent entity		
	Total comprehensive income		
	Dividends received from the joint ventures during the year		
IFRS 12:B12	The above profit (loss) for the year include the following:		
	Depreciation and amortisation		
	Interest income		
	Interest expense		
	Income tax expense (income)		
IFRS 12:B14(b)	Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:		
		JV A Limited	
		31/12/2026	31/12/2025
		CU	CU
	Net assets of joint venture		
	Proportion of the group's ownership interest in the joint venture		
	Goodwill		
	Other adjustments [*please specify*]		
	Carrying amount of the group's interest in the joint venture		

Source	International GAAP Holdings Limited

IFRS 12:21(c)(ii)
IFRS 12:B16

Aggregate information of joint ventures that are not individually material

	31/12/2026	31/12/2025
	CU	CU
The group's share of profit/(loss) from continuing operations		
The group's share of post-tax profit/(loss) from discontinued operations		
The group's share of other comprehensive income		
The group's share of total comprehensive income		
Aggregate carrying amount of the group's interests in these joint ventures		

Unrecognised share of losses of a joint venture

	31/12/2026	31/12/2025
	CU	CU
IFRS 12:22(c) The unrecognised share of loss of a joint venture for the year		
Cumulative share of loss of a joint venture		

IFRS 12:22(a)

Significant restriction

Commentary:

When there are significant restrictions on the ability of joint ventures to transfer funds to the group in form of cash dividends, or to repay loans or advances made by the group, the group should disclose the nature and extent of significant restrictions in the financial statements.

IFRS 12:21(a)

23. Joint operations

The group has a material joint operation, Project ABC. The group has a __ per cent share in the ownership of a property located in [*E District*] – [*B City*]. The property upon completion will be held for leasing purposes. The group is entitled to a proportionate share of the rental income received and bears a proportionate share of the joint operation's expenses.

Source	International GAAP Holdings Limited				
	24. Investments in financial assets				
		Current		Non-current	
		31/12/2026	31/12/2025	31/12/2026	31/12/2025
		CU	CU	CU	CU
IFRS 7:8(h)	**Investments in debt instruments classified as at FVTOCI (i)**				
	Corporate bonds				
IFRS 7:8(h)	**Investments in equity instruments designated as at FVTOCI (ii)**				
IFRS 7:11A(a)-(c)	Shares				
IFRS 7:8(a)	**Financial assets mandatorily measured at FVTPL (iii)**				
	Green bonds				
	Shares				
IFRS 7:8(f)	**Financial assets measured at amortised cost (iv)**				
	Bills of exchange				
	Debentures				
	Redeemable notes				
	Green bonds				
	Loans to associates				
	Loan to joint venture				
	Loans to other entities				
	Loss allowance	**( )**	**( )**	**( )**	**( )**
	Total investments				

(i) The investments in listed corporate bond issued by [*name of entity*] carry __ per cent of interest per annum and the bonds will mature on [*insert date*]. At maturity the group will receive nominal amount of CU__. The contractual cash flows on bonds are solely payments of principal and interest on the principal amount outstanding. The corporate bonds are held by the group within a business model whose objective is both to collect their contractual cash flows and to sell these financial assets. Hence the corporate bonds are classified as at FVTOCI. See below for impairment assessment.

(ii) The group holds __ per cent of the ordinary share capital of Rocket Corp Limited, an entity involved in the refining and distribution of fuel products. The directors of the parent entity do not consider that the group is able to exercise significant influence over Rocket Corp Limited as [*explain the reasons why there is no significant influence over the investee].*

At 31 December 2026, the group also continues to hold a __ per cent interest in Associate C Limited, a former associate.

IFRS 7:11A(a)-(b)

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the parent entity have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Source	International GAAP Holdings Limited
IFRS 7:11B	In addition to the disposal of __ per cent of Associate C Limited as disclosed in note 21 on 30 June 2025, the group disposed its investment in Crystal Group Plc for CU__ because [*explain the reason for the disposal*]. The cumulative gain of CU__ relating to this investment was transferred from the investment revaluation reserve to retained earnings upon disposal of the investment. No other shares have been disposed of during the current reporting period.
IFRS 7:11A(c)	At 31 December 2026, the fair value of all investments in equity instruments designated as at FVTOCI is CU__ (2025: CU__).
IFRS 7:11A(d)	The dividends received in respect of these investments are disclosed in note 9. No dividend was received from investment that was disposed during the year.
	(iii) The group has also invested in a portfolio of listed shares which are held for trading. Before the adoption of the May 2024 amendments, financial assets mandatorily measured at FVTPL also included an investment in green bonds (see note 2). See (iv) for further information in respect of the green bonds.
	(iv) The bills of exchange have maturity dates ranging between __ to __ months from the reporting date and return a variable rate of interest. The weighted average interest rate on these securities is __ per cent per annum (2025: __ per cent per annum). The counterparties have a minimum A credit rating. See below for impairment assessment. The debentures return interest of __ per cent per annum payable monthly and mature on [*date*]. The counterparties have a minimum BBB- credit rating. See below for impairment assessment. The group holds listed redeemable notes returning __ per cent per annum. The notes are redeemable at par value on [*date*]. The notes are held with a single counterparty with an AA credit rating. The group holds no collateral over these notes. See below for impairment assessment.
IFRS 7:20BC	The group holds green bonds issued by [*name of entity*]. The green bonds are held by the group within a business model whose objective is to collect their contractual cash flows. The group will receive nominal amount of CU__ million when the bonds mature on [*date*]. The bonds are interest bearing with an initial rate of __ per cent per annum. The interest rate is adjusted annually by 50 basis points if [*name of entity*] achieves a reduction in carbon emissions by __ CO2e during the preceding year. The directors of the parent entity have assessed that the possible changes in contractual cash flows due to adjustments to the interest rate range between CU__ and CU__, representing approximately a __ per cent difference in cash flows. Since, in all contractually possible scenarios, the contractual cash flows on the green bonds would not be significantly different from those on a financial instrument with identical terms but without the contractual feature adjusting the interest rate contingent on reduction in carbon emissions, the group has concluded that the contractual cash flows on green bonds meet the SPPI criteria and hence, the investment in green bonds is classified as at amortised cost. At 31 December 2026, the gross carrying amount of bonds was CU__. See below for impairment assessment. The group has provided its associates with short-term loans at rates comparable to the average commercial rate of interest. Further information about these loans is contained in note 64. See below for impairment assessment. The group has provided a joint venture, JV A Limited, with a long-term loan which forms part of the net investment in the joint venture. The loan is repayable in 2070 and interest of __ per cent is receivable annually. The group does not apply the equity method of accounting to this instrument because it does not entitle the group to the share of net assets of the joint venture. As the loan settlement is neither planned nor likely to occur in the foreseeable future, for the purpose of accounting for losses of JV A Limited, the loan would form part of the group's net investment. Therefore, any losses recognised using the equity method in excess of the group's investment in ordinary shares of JV A Limited will be applied to the long-term loan. The loan is held by the group within a business model whose objective is to collect contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence the loan to the joint venture is classified at amortised cost. See below for impairment assessment. The bills of exchange, debentures, redeemable notes, and short-term loan to associates and loans to other parties are held by the group within a business model whose objective is to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence all of those financial assets are classified as at amortised cost. The fair value of the investments carried at amortised cost is disclosed in note 62(a).

Source	International GAAP Holdings Limited

Impairment of financial assets

IFRS 7:35F(a)(i) IFRS 7:35G

For the purposes of impairment assessment, the corporate bonds, green bonds, investments in redeemable notes, bills of exchange and debentures are considered to have low credit risk as the counterparties to these investments have a minimum BBB- credit rating. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these assets, the directors of the parent entity have taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of the redeemable notes, bills of exchange and debentures operate obtained from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

IFRS 7:35F(a) IFRS 7:35G(c)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

IFRS 7:35M

Note 62(d)(ii) details the gross carrying amount, loss allowance as well as the measurement basis of expected credit losses for each of these financial assets by credit risk rating grades.

IFRS 7:35H

The following table shows the movement in expected credit losses that has been recognised for the respective financial assets:

	12-month ECL					Lifetime ECL—not credit impaired		
	Bills of exchange	Loan to joint venture	Debentures	Green bonds	Redeemable notes	Loans to associates	Loans to other entities	Total
	CU	CU	CU	CU	CU	CU	CU	CU
Balance as at 1 January 2025								
Changes related to financial assets recognised at the beginning of the year:								
– Transfer to lifetime ECL								
– Transfer to 12-month ECL								
– Financial assets derecognised in the year								
New financial assets recognised in the year								
Foreign exchange gains and losses								
Changes in estimation techniques								
Changes in credit risk parameters								
Balance as at 31 December 2025								
Changes related to financial assets recognised at the beginning of the year:								
– Transfer to lifetime ECL								
– Transfer to 12-month ECL								
– Financial assets derecognised in the year								
New financial assets recognised in the year								
Foreign exchange gains and losses								
Changes in estimation techniques								
Changes in credit risk parameters								
Balance as at 31 December 2026								

Source	International GAAP Holdings Limited

IFRS 7:35B(b)
IFRS 7:35H

The changes in the loss allowance were caused predominantly by early repayment of the loan by Associate A Limited. The gross carrying amount of the loan was CU__ and associated loss allowance was CU__. There was no significant increase in the credit risk since inception in respect of new loans to associates, the joint venture and other entities.

The loss allowance for the corporate bonds measured at FVTOCI is recognised in other comprehensive income. The movement in loss allowance is disclosed in note 43.

25. Inventories

	31/12/2026	31/12/2025
	CU	CU
IAS 2:36(b) Raw materials		
Work-in-progress		
Finished goods		

IAS 2:36(d) The cost of inventories recognised as an expense during the year in respect of continuing operations was CU__ million (2025: CU__ million).

IAS 2:36(e)-(g) The cost of inventories recognised as an expense includes CU__ million (2025: CU__ million) in respect of write-downs of inventory to net realisable value, and has been reduced by CU__ million (2025: CU__ million) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales prices in certain markets.

IAS 1:61 Inventories of CU__ million (2025: CU__ million) are expected to be recovered after more than 12 months.

Inventories with a carrying amount of CU__ million (2025: CU__ million) have been pledged as security for certain of the group's bank overdrafts.

26. Right to returned goods asset

	31/12/2026	31/12/2025
	CU	CU
IFRS 15:B21(c) Right to returned goods asset		

IFRS 15:126(a)
IFRS 15:126(d)

The right to returned goods asset represents the group's right to recover products from customers where customers exercise their right of return under the group's 30-day returns policy. The group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

Source	International GAAP Holdings Limited

IFRS 15:116(a)

27. Contract assets

	31/12/2026	31/12/2025	1/1/2025
	CU	CU	CU
Construction contracts			
Installation of software services			
Current			
Non-Current			

IFRS 15:117

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the group recognises revenue from customers in line with a series of performance-related milestones. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Payment for installation of software services is not due from the customer until the installation services are complete and therefore a contract asset is recognised over the period in which the installation services are performed to represent the entity's right to consideration for the services transferred to date.

Commentary:

The balances as at 1 January 2025 are presented to satisfy the requirement in IFRS 15:116(a) to present the opening and closing balances of contract assets from contracts with customers.

IFRS 15:118 contains a requirement to explain the significant changes in the contract asset (and contract liability) balance during the reporting period. This explanation should include qualitative and quantitative information. Examples of changes in the contract asset and liability balances may include any of the following:

- *changes due to business combinations*
- *cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification*
- *impairment of a contract asset*
- *a change in the time frame for a right to consideration to become unconditional (i.e. for a contract asset to be reclassified to a receivable)*
- *a change in the time frame for a performance obligation to be satisfied (i.e. for the recognition of revenue arising from a contract liability.*

IFRS 7:34(a)

The directors of the parent entity always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience, the nature of the customer and where relevant, the sector in which they operate.

Source	International GAAP Holdings Limited
IFRS 7:35G(c)	There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under construction contracts.
IFRS 7:35M IFRS 7:35N IFRS 9:B5.5.35	The following table details the risk profile of amounts due from customers based on the group's provision matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance is not further distinguished between the group's different customer base (see note 31).

	31/12/2026	31/12/2025
	CU	CU
Expected credit loss rate	__%	__%
Estimated total gross carrying amount at default		
Lifetime ECL		
Net carrying amount		

IFRS 7:35H IFRS 7:IG20B	The following table shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9.

	CU
Balance as at 1 January 2025	
Net increase in loss allowance arising from new amounts recognised in current year, net of those derecognised upon billing	
Balance as at 31 December 2025	
Net increase in loss allowance arising from new amounts recognised in current year, net of those derecognised upon billing	
Balance as at 31 December 2026	

IFRS 7:35B(b) IFRS 7:35I	There has not been any significant change in the gross amounts of contract assets that has affected the estimation of the loss allowance.

28. Contract costs

	31/12/2026	31/12/2025
	CU	CU
IFRS 15:128(a) Costs to obtain contracts		
Current		
Non-Current		

Costs to obtain contracts relate to incremental commission fees of __ per cent paid to intermediaries as a result of obtaining residential property sales contracts. The commission fees are the only cost that the group would not have incurred if the contract had not been obtained. Whilst the group incurs other costs that are necessary to facilitate a sale, those costs would have been incurred even if the customer decided not to execute the contract and therefore have not been capitalised.

IFRS 15:127
IFRS 15:128(b)

These costs are amortised on a straight–line basis over the period of construction (in general, 2 years) as this reflects the period over which the residential property is transferred to the customer. In 2026, amortisation amounting to CU__ (2025: CU__) was recognised as part of cost of sales in the consolidated statement of profit or loss. There was no impairment loss (2025: impairment loss of CU__) in relation to the costs capitalised.

International GAAP Holdings Limited

29. Finance lease receivables

		31/12/2026	31/12/2025
		CU	CU
IFRS 16:94	**Amounts receivable under finance leases:**		
	Year 1		
	Year 2		
	Year 3		
	Year 4		
	Year 5		
	Onwards		
	Undiscounted lease payments		
	Unguaranteed residual values	*( )*	*( )*
	Less: unearned finance income	*( )*	*( )*
	Present value of lease payments receivable		
	Impairment loss allowance	*( )*	*( )*
	Net investment in finance leases		
	Net investment in finance leases analysed as:		
	Recoverable after 12 months		
	Recoverable within 12 months		

IFRS 16:93 During the year, the finance lease receivables increased for the following reasons: [*qualitative and quantitative explanation of the significant changes in the carrying amount of the net investment in finance leases*]

IFRS 16:92 The group entered into finance lease arrangements as a lessor for certain store equipment to its retailers. The equipment is necessary for the presentation and testing of footwear and equipment manufactured by the group. The average term of finance leases entered into is __ years. Generally, these lease contracts do not include extension or early termination options.

IFRS 16:92
IFRS 7:7 The group is not exposed to foreign currency risk as a result of the finance lease arrangements, as all leases are denominated in CU. Residual value risk on equipment under lease is not significant because of the existence of a secondary market with respect to the equipment.

Source	International GAAP Holdings Limited		
IFRS 16:91	The following table presents the amounts included in profit or loss:		
		31/12/2026	31/12/2025
		CU	CU
IFRS 16:90(a)(i)	Selling profit/loss for finance leases		
IFRS 16:90(a)(ii)	Finance income on the net investment in finance leases		
IFRS 16:90(a)(iii)	Income relating to variable lease payments not included in the net investment in finance leases		
IFRS 7:7	The average effective interest rate contracted approximates __ per cent (2025: __ per cent) per annum.		
IFRS 7:34(a)	The directors of the parent entity estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables (see note 62(d)(i)), the directors of the parent entity consider that no finance lease receivable is impaired.		
IFRS 7:35G(c)	There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.		
IFRS 16:52	**30. Leases (group as a lessee)**		
	Right-of-use assets		

	Buildings	Plant	Equipment	Total
	CU	CU	CU	CU
Cost				
At 1 January 2025				
Additions				
At 31 December 2025				
Additions				
At 31 December 2026				
Accumulated depreciation				
At 1 January 2025				
IFRS 16:53(a) Charge for the year				
At 31 December 2025				
IFRS 16:53(a) Charge for the year				
At 31 December 2026				
Carrying amount				
IFRS 16:53(j) At 31 December 2026				
IFRS 16:53(j) At 31 December 2025				

Source	International GAAP Holdings Limited

Commentary:

If a lessee does not present right-of-use assets separately in the statement of financial position, it should: [IFRS 16:47(a)]

- *include right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned*
- *disclose which line items in the statement of financial position include those right-of-use assets.*

IFRS 16:59(a) The group leases several assets including buildings, plant and IT equipment. The average lease term is __ years (2025: __ years)

The group has options to purchase certain manufacturing equipment for a nominal amount at the end of the lease term. The group's obligations are secured by the lessors' title to the leased assets for such leases.

IFRS 16:53(h) Approximately one fifth of the leases for buildings and equipment expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of CU__ million in 2026 (2025: CU__ million).

The maturity analysis of lease liabilities is presented in note 36.

	31/12/2026	31/12/2025
	CU	CU
IFRS 16:54 **Amounts recognised in profit and loss**		
IFRS 16:53(a) Depreciation expense on right-of-use assets		
IFRS 16:53(b) Interest expense on lease liabilities		
IFRS 16:53(c) Expense relating to short-term leases		
IFRS 16:53(d) Expense relating to leases of low value assets		
IFRS 16:53(e) Expense relating to variable lease payments not included in the measurement of the lease liability		
IFRS 16:53(f) Income from sub-leasing right-of-use assets		

IFRS 16:60 For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones), the group recognises the lease payments as an operating expense [*on a straight-line basis over the term of the lease/ describe the systematic basis use if this is more representative of the time pattern in which economic benefits from the leased assets are consumed*].

IFRS 16:55 At 31 December 2026, the group is committed to CU__ million (2025: CU__ million) for short-term leases.

IFRS 16:59(b) IFRS 16:B49 Some of the property leases in which the group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for these stores is as follows:

	31/12/2026	31/12/2025
	CU	CU
Fixed payments		
Variable payments		
Total payments		

IFRS 16:59(b)(i) IFRS 16:B49 Overall, the variable payments constitute up to __ per cent of the group's entire lease payments. The group expects this ratio to remain constant in future years. The variable payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next __ years, variable rent expenses are expected to continue to present a similar proportion of store sales in future years.

Source	International GAAP Holdings Limited

IFRS 16:53(g)

The total cash outflow for leases amount to CU__ million (2025: CU__ million)

On [*date*] 2026, Subsidiary A Limited entered into a 10-year lease to rent property, which had not commenced by the year-end and as a result, a lease liability and right-of-use asset has not been recognised at 31 December 2026. The aggregate future cash outflows to which the group is exposed in respect of this contract is fixed payments of CU__ per year, for the next 10 years.

There are no extension or termination options on the lease.

Commentary:

In addition to the disclosures required in IFRS 16:53-58, a lessee should disclose additional qualitative and quantitative information about its leasing activities necessary to meet the disclosure objective in IFRS 16:51. This additional information may include, but is not limited to, information that helps users of financial statements to assess:

- *the nature of the lessee's leasing activities*
- *future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising from:*
  - *variable lease payments*
  - *extension options and termination options*
  - *residual value guarantees*
  - *leases not yet commenced to which the lessee is committed*
- *restrictions or covenants imposed by leases*
- *sale and leaseback transactions.*

31. Trade and other receivables

	31/12/2026	31/12/2025
	CU	CU
Trade receivables		
Loss allowance	( )	( )
Deferred consideration for the disposal of *[name of subsidiary]* (see note 52)		
Other receivables		
Prepayments		

Source	International GAAP Holdings Limited

IFRS 15:116(a) As at 1 January 2025, trade receivables from contracts with customers amounted to CU__ (net of loss allowance of CU__).

Trade receivables

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

IFRS 7:35G The group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The group has recognised a loss allowance of 100 per cent against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable.

IFRS 7:35G(c) The group has engaged a third-party supplier to provide relevant economic data for determining the factors that are specific to the debtors, the general economic conditions of the industry in which the debtors operate and the forecast direction of conditions at the reporting date. The group has significantly increased the expected loss rates for trade receivables from the prior year based on its judgement of the impact of current economic conditions and the forecast direction of travel at the reporting date. There has been no change in the estimation techniques during the current reporting period.

IFRS 7:35F(e) IFRS 7:35L The group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

IFRS 7:35M IFRS 7:35N IFRS 9:B5.5.35 The following table details the risk profile of trade receivables based on the group's provision matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the group's different customer segments.

	Trade receivables – days past due						
31/12/2026	Not past due	<30	31-60	61-90	91-120	>120	Total
	CU	CU	CU	CU	CU	CU	CU
Expected credit loss rate	_%	_%	_%	_%	_%	_%	
Estimated total gross carrying amount at default							
Lifetime ECL							

	Trade receivables – days past due						
31/12/2025	Not past due	<30	31-60	61-90	91-120	>120	Total
	CU	CU	CU	CU	CU	CU	CU
Expected credit loss rate	_%	_%	_%	_%	_%	_%	
Estimated total gross carrying amount at default							
Lifetime ECL							

IFRS 7:35H The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

Source	International GAAP Holdings Limited			
		Collectively assessed	Individually assessed	Total
		CU	CU	CU
	Balance as at 1 January 2025			
	Net remeasurement of loss allowance due to transfers			
	Amounts written off			
	Change in loss allowance due to new trade and other receivables originated net of those derecognised due to settlement			
	Foreign exchange gains and losses			
	Changes in estimation techniques			
	Changes in credit risk parameters			
	Balance as at 31 December 2025			
	Net remeasurement of loss allowance due to transfers			
	Amounts written off			
	Change in loss allowance due to new trade and other receivables originated net of those derecognised due to settlement			
	Foreign exchange gains and losses			
	Changes in estimation techniques			
	Changes in credit risk parameters			
	Balance as at 31 December 2026			

IFRS 7:35L The contractual amounts outstanding on trade receivables that were written off during the period but are still subject to enforcement activities was CU__ million (2025: CU__ million).

IFRS 7:35B(b)
IFRS 7:35I
IFRS 7:IG20B The following tables explain how significant changes in the gross carrying amount of the trade receivables contributed to changes in the loss allowance:

	31/12/2026
	Increase/(decrease) in lifetime ECL
	CU
Settlement in full by customers with a gross carrying amount of CU__ that were over 120 days past due	
Origination of new trade receivables net of those settled, as well as increase in days past due up to 90 days	

	31/12/2025
	Increase/(decrease) in lifetime ECL
	CU
Customer with gross carrying amount of CU__ declared bankruptcy	
Origination of new trade receivables net of those settled, as well as decrease in days past due to 60 days	

Source	International GAAP Holdings Limited

Commentary:

IFRS 7:35H requires an entity to explain the reasons for the changes in the loss allowance during the period. In addition to the reconciliation from the opening balance to the closing balance of the loss allowance, it may be necessary to provide a narrative explanation of the changes. This narrative explanation may include an analysis of the reasons for changes in the loss allowance during the period, including:

- *the portfolio composition*
- *the volume of financial instruments purchased or originated*
- *the severity of the expected credit losses.*

IFRS 7:8(g)

32. Borrowings

	31/12/2026	31/12/2025
	CU	CU
Unsecured borrowing at FVTPL		
Redeemable cumulative preference shares		
Unsecured borrowing at amortised cost		
Bank overdrafts		
Bank loans		
Bills of exchange		
Loans from related parties		
Loans from government		
Perpetual notes		
Supplier finance arrangements (see note 54)		
Secured borrowing at amortised cost		
Bank overdrafts		
Bank loans		
Total borrowings		
Non-current		
Current		

Source	International GAAP Holdings Limited

Analysis of borrowings by currency:

	Currency Units	[*Currency B*]	[*Currency C*]	Total
	CU	CU	CU	CU
31 December 2026				
Bank overdrafts				
Bills of exchange				
Loans from related parties				
Redeemable cumulative preference shares				
Perpetual notes				
Loans from government				
Bank loans				
Supplier finance arrangements (see note 54)				
31 December 2025				
Bank overdrafts				
Bills of exchange				
Loans from related parties				
Redeemable cumulative preference shares				
Perpetual notes				
Loans from government				
Bank loans				
Supplier finance arrangements (see note 54)				

IFRS 7:7

The other principal features of the group's borrowings are as follows:

(i) Bank overdrafts are repayable on demand. Overdrafts of CU__ million (2025: CU__ million) have been secured by a charge over certain debentures held by the group dated [*date*]. In line with the minimum required security, the carrying value of these debentures is CU__ million (2025: CU__ million). The average effective interest rate on bank overdrafts is approximately __ per cent (2025: __ per cent) per annum and rates are determined based on __ per cent plus prime rate.

(ii) The group has two principal bank loans:

(a) A loan of CU__ million (2025: CU__ million). The loan was taken out on [*date*]. Repayments commenced on *[date]* and will continue until [*date*]. The loan is secured by a floating charge over certain of the group's trade receivables dated [*date*], whose carrying value is CU__ million (2025: CU__ million). The group is required to maintain trade receivables that are not past due with carrying value of CU__ million as security for the loan (see note 31). The loan carries interest rate at __ per cent above SOFR.

Source	International GAAP Holdings Limited

(b) An unsecured loan of CU__ million (2025: CU__ million). This loan was advanced on *[date]* and is due for repayment in full on [*date*]. The bank loan carries fixed interest rate at __ per cent (2025: __ per cent) per annum. The group hedges a portion of the loan for interest rate risk using an interest rate swap exchanging fixed rate interest for variable rate interest. The outstanding balance is adjusted for fair value movements in the hedged risk, being movements in the 6-month EURIBOR rate. The cumulative fair value adjustment to the loan was CU__ million (2025: CU__ million).

IFRS 7:10(a)-(b)

(iii) Bills of exchange with a variable interest rate were issued on [*date*]. The current weighted average effective interest rate on the bills is __ per cent (2025: __ per cent) per annum.

(iv) Amounts repayable to related parties of the group carry interest of __ per cent to __ per cent (2025: __ per cent to __ per cent) per annum charged on the outstanding loan balances

(v) Redeemable cumulative preference shares of CU__ million were issued on [*date*] at an issue price of CU__ per share. The shares carry __ per cent non-discretionary dividends and are mandatorily redeemable on [*date*] at CU__ per share. The preference shares do not carry any equity component and are classified as financial liabilities in their entirety. At the date the preference shares were issued, the group entered into a pay-floating, receive-fixed interest rate swap to reduce the fair value risk of changing interest rates. The swap's notional is CU__ million and matches the principal of the preference shares. The swap matures on *[date]*. To mitigate the accounting mismatch that would arise if the liability was measured at amortised cost and the derivative at FVTPL, the group designated the preference shares as at FVTPL. The changes in the fair value of the preference shares due to the changes in the credit risk are recognised in other comprehensive income and accumulated in the financial liabilities at FVTPL credit risk reserve (see note 45). The cumulative amount change in fair value due to credit risk was CU__ (2025: CU__) . The difference between the carrying amount (i.e. the fair value) of the preference shares and the contractual amount that will be required to pay at maturity is CU__ (2025: CU__) . The valuation methodology and inputs used are disclosed in note 62(a)(i).

(vi) Perpetual notes of CU__ million carrying interest of __ per cent were issued on [*date*] at principal value. Issue costs of CU__ million were incurred

(vii) On [*date*], the group received an interest-free loan of CU__ million from the government of [*B Land*] to finance staff training costs. The loan is repayable in full at the end of a two-year period. Using prevailing market interest rates for an equivalent loan of __ per cent, the fair value of the loan is estimated at CU__ million. The difference of CU__ between the gross proceeds and the fair value of the loan is the benefit derived from the interest-free loan and is recognised as deferred income (see note 59).

The weighted average interest rates paid during the year were as follows:

	31/12/2026	31/12/2025
	%	%
Bank overdrafts		
Bills of exchange		
Loans from related parties		
Redeemable cumulative preference shares		
Perpetual notes		
Bank loans		

IFRS 7:18

Breach of a loan agreement

During the current year, the group was late in paying interest for the first quarter on one of its loans with a carrying amount of CU__ million. The delay arose because of a temporary lack of funds on the date interest was payable due to a technical problem on settlement. The interest payment outstanding of CU__ million was paid in full on the following day, including the additional interest and penalty. The lender did not request accelerated repayment of the loan and the terms of the loan were not changed. Management has reviewed the group's settlement procedures to ensure that such circumstances do not recur.

Source	International GAAP Holdings Limited

Covenants

The secured bank loan is subject to a financial covenant which is tested semi-annually on 30 June and 31 December each year. The covenant measures the group's gearing ratio as calculated in note 62(f). The group has complied with this covenant in 2026 and 2025.

Commentary:

If an entity has classified a liability as non-current but the right to defer settlement of that liability is subject to the entity complying with covenants within 12 months after the reporting period, it should disclose information which enables users of financial statements to understand the risk of the liabilities becoming repayable within 12 months after the reporting period, including: [IAS 1:76ZA]

- *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*
- *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.

The group's other borrowings are not subject to any covenants.

IFRS 7:7

33. Convertible loan notes

The convertible loan notes were issued on [*date*] at an issue price of CU__ per note. The notes are convertible into ordinary shares of the parent entity at any time between the date of issue of the notes and their settlement date. On issue, the loan notes were convertible at __ shares per CU__ loan note. The conversion price is at a __ per cent premium to the share price of the ordinary shares at the date the convertible loan notes were issued.

If the notes have not been converted, they will be redeemed on [*date*] at par. Interest of __ per cent will be paid annually up until that settlement date.

IAS 32:28

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of the parent entity, as follows:

	CU
Proceeds of issue of convertible loan notes	
Transaction costs	
Net proceeds from issue of convertible loan notes	
Equity component	
Transaction costs relating to equity component	
Amount classified as equity	
Liability component at date of issue (net of transaction costs)	
Interest charged (using effective interest rate)	
Interest paid	( )
Carrying amount of liability component at 31 December 2026	

The equity component of CU__ million has been credited to the option premium on convertible notes reserve (see note 44).

The interest expensed for the year is calculated by applying an effective interest rate of __ per cent to the liability component for the __ months period since the loan notes were issued. The liability component is measured at amortised cost. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the reporting at 31 December 2026 represents the effective interest rate less interest paid to that date.

Source	International GAAP Holdings Limited		
	34. Derivative financial instruments		
		31/12/2026	31/12/2025
		CU	CU
	Derivative financial assets		
IFRS 7:8(a)	Derivatives that are designated and effective as hedging instruments carried at fair value:		
	Foreign currency forward contracts		
	Interest rate swaps		
	Commodity options		
	Derivative financial liabilities		
IFRS 7:8(e)	Derivatives that are designated and effective as hedging instruments carried at fair value:		
	Foreign currency forward contracts		
	Interest rate swaps		
IFRS 7:8(e)	Held for trading derivatives that are not designated in hedge accounting relationships:		
	Interest rate swap		
	Master netting agreements		
IFRS 7:13B-13C	The group has entered into master netting agreements with the following counterparties: [*state the name*]. Derivatives subject to offsetting, master netting agreements and any collateral pledged or received are presented below.		
		31/12/2026	31/12/2025
		CU	CU
	Counterparty A:		
	Derivative assets		
	Derivative liabilities		
	Net amount of financial assets presented in the statement of financial position		
	Cash collateral (received)/paid		
	Net amount		
	Counterparty B:		
	Derivative assets		
	Derivative liabilities		
	Net amount		

The derivative asset and liability with Counterparty A meet the offsetting criteria in IAS 32 *Financial Instruments: Presentation*. Consequently, the gross derivative liability is offset against the gross derivative asset, resulting in the presentation of a net derivative asset of CU__ million (2025: CU__) in the group's statement of financial position.

Cash collateral has also been received from Counterparty A for a portion of the net derivative asset (CU__ million (2025: CU__)). The cash collateral of CU__ million (2025: CU__) does not meet the offsetting criteria in IAS 32, but it can be offset against the net amount of the derivative asset and derivative liability in the case of default and insolvency or bankruptcy, in accordance with associated collateral arrangements.

The derivative asset and liability with Counterparty B do not meet the offsetting criteria in IAS 32. Consequently, the gross amount of the derivative asset (CU__ million (2025: CU__)) and gross amount of derivative liability (CU__ million (2025: CU__)) are presented separately in the group's statement of financial position.

The group did not enter into any other enforceable netting arrangements than discussed above.

Further details of derivative financial instruments are provided in note 62(c).

Source	International GAAP Holdings Limited

35. Deferred tax

IAS 12:81(g)

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

	Accelerated tax depreciation	Deferred development costs	Revaluation of building	Revaluation of financial assets	Convertible loan note – equity component	Retirement benefit obligations	Share-based payments	Tax losses	Total
	CU	CU	CU	CU	CU	CU	CU	CU	CU
At 1 January 2025									
Charge to profit or loss									
Charge to other comprehensive income									
Charge direct to equity									
Exchange differences									
At 1 January 2026									
Charge/(credit) to profit or loss									
Charge to other comprehensive income									
Charge direct to equity									
Acquisition of subsidiaries									
Disposal of subsidiary									
Exchange differences									
Effect of change in tax rate:									
profit or loss									
other comprehensive income									
direct to equity									
At 31 December 2026									

Source	International GAAP Holdings Limited

IAS 12:74 Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	31/12/2026	31/12/2025
	CU	CU
Deferred tax liabilities		
Deferred tax assets		

IAS 12:81(e) At the reporting date, the group has unused tax losses of CU__ million (2025: CU__ million) available for offset against future profits. A deferred tax asset has been recognised in respect of CU__ million (2025: CU__ million) of such losses. No deferred tax asset has been recognised in respect of the remaining CU__ million (2025: CU__ million) as it is not considered probable that there will be future taxable profits available. Included in unrecognised tax losses are losses of CU__ million (2025: CU__ million) that will expire in *[year]*. Other losses may be carried forward indefinitely.

IAS 12:81(f) No deferred tax liability is recognised on temporary differences of CU__ million (2025: CU__ million) relating to the unremitted earnings of overseas subsidiaries as the group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. Temporary differences arising in connection with interests in associates are insignificant .

36. Lease liabilities

	31/12/2026	31/12/2025
	CU	CU
Maturity analysis:		
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Onwards		
Less: finance charges allocated to future periods	( )	( )
Analysed as:		
Non-current		
Current		

IFRS 16:58
IFRS 7:39(a)
IFRS 16:BC221

IFRS 7:39(c) The group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the group's treasury function.

Source	International GAAP Holdings Limited

Commentary:

If a lessee does not present lease liabilities separately in the statement of financial position, it should disclose which line items in the statement of financial position include those liabilities.[IFRS 16:47(b)]

37. Trade and other payables

	31/12/2026	31/12/2025
	CU	CU
Trade payables		
Trade payables that are subject to supplier finance arrangements (see note 54)		
Other taxation and social security		
Other payables		
Accruals		

IFRS 7:7

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is __ days (excluding supplier finance arrangements) and __ days (including supplier finance arrangements). For most suppliers no interest is charged on the trade payables for the first __ days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

IFRS 7:29(a)

The directors consider that the carrying amount of trade payables approximates to their fair value.

38. Other financial liabilities

	31/12/2026	31/12/2025
	CU	CU
Contingent consideration		
Financial guarantee contract		

The group's major supplier, Entity A, borrowed CU__ million from Bank Z on 30 June 2025. The bank loan has a maturity of 3 years. The group guaranteed this bank loan and in the event of default of Entity A will have to pay Bank Z. The maximum group exposure is CU__ million and the given guarantee covers the time until the maturity of the underlying bank loan. The group received a premium of CU__. The carrying amount of the guarantee is established as the higher of:

- amount of loss allowance calculated in accordance with IFRS 9
- premium received less cumulative amortisation of the premium to date (according to the group's policy amortisation is calculated on straight-line basis until maturity of the contract).

IFRS 7:35G (a)-(b)

At the end of the reporting period, the directors of the parent entity have assessed the past due status of the debts under guarantee, the financial position of the debtors as well as the economic outlook of the industries in which the debtors operate, and concluded that there has not been a significant increase in the credit risk since initial recognition of the financial guarantee contract. Accordingly, the loss allowance for financial guarantee contract issued by the group is measured at an amount equal to 12-month ECL. Note 62(d)(ii) contains the credit risk rating grades for this financial guarantee contract.

IFRS 7:35G(c)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

In both years the amount of loss allowance is lower than the premium less cumulative amortisation, therefore no impairment charge has been recognised in profit or loss for the financial guarantee contract.

Source	International GAAP Holdings Limited				
	39. Provisions				
				31/12/2026	31/12/2025
				CU	CU
	Warranty provision				
	Restructuring provision				
	Restoration provision				
	Other				
	Current				
	Non-current				

		Warranty provision	Restructuring provision	Restoration provision	Other	Total
		CU	CU	CU	CU	CU
	At 1 January 2026					
IAS 37:84(a)	Additional provision in the year					
IAS 37:84(b)	Utilisation of provision					
IAS 37:84(c)	On acquisition of subsidiaries					
IAS 37:84(e)	Unwinding of discount					
IAS 37:84(e)	Adjustment for change in discount rate					
	Exchange difference					
IAS 37:84(a)	**At 31 December 2026**					

IAS 37:85 (a)-(b) The warranty provision represents management's best estimate of the group's liability under 12-month warranties granted on electrical products, based on past experience and industry averages for defective products.

IAS 37:85 (a)-(b) The restructuring provision relates to redundancy costs incurred on the disposal of [*name of subsidiary*] (see note 52). As at 31 December 2026, approximately 50 per cent of the affected employees had left the group's employment, with the remainder departing in January 2027.

IAS 37:85 (a)-(b) The restoration provision has been created upon the enactment of new environmental legislation in [*A Land*] on 15 December 2026 which requires entities in [*A Land*] to clean up contaminated land by 30 June 2028 and bear the associated costs thereof. Management is in the process of clarifying certain aspects of the legislation and therefore the final assessment of costs that the parent entity will need to incur may change materially based on the outcome of this process. Based on the current interpretation of the legislation, the directors have estimated a liability of CU__ million. In estimating the liability, the directors have made assumptions regarding the following: local site volume of contamination, proximity to approved landfill sites, technology available to decontaminate and costs required to dispose of specialised raw materials.

[*Describe other provisions*]

Source	International GAAP Holdings Limited

Commentary:

Notes 40 to 51 below set out detailed descriptions and reconciliations for each class of share capital and each component of equity, as required by IAS 1:79, IAS 1:106 and IAS 1:106A. IAS 1 permits some flexibility regarding the level of detail presented in the statement of changes in equity and these supporting notes. IAS 1 allows an analysis of other comprehensive income by item for each component of equity to be presented either in the statement of changes in equity or in the notes. For the purposes of the preparation of these illustrative financial statements, the group has elected to present the analysis of other comprehensive income in the notes.

IAS 1 also allows that some of the details regarding items of other comprehensive income (income tax and reclassification adjustments) may be disclosed in the notes rather than in the statement of profit or loss and other comprehensive income. Entities will determine the most appropriate presentation for their circumstances.

Whichever presentation is selected, entities will need to ensure that the following requirements are met:

- *detailed reconciliations are disclosed for each class of share capital (in the statement of changes in equity or in the notes)*
- *detailed reconciliations are disclosed for each component of equity—separately disclosing the impact on each such component of (i) profit or loss, (ii) each item of other comprehensive income, and (iii) transactions with owners in their capacity as owners (in the statement of changes in equity or in the notes)*
- *the amount of income tax relating to each item of other comprehensive income is presented or disclosed separately (in the statement of profit or loss and other comprehensive income or in the notes)*
- *reclassification adjustments are presented or disclosed separately from the related item of other comprehensive income (in the statement of profit or loss and other comprehensive income or in the notes).*

40. Share capital

	31/12/2026	31/12/2025
	Number	Number
IAS 1:79(a) Authorised:		
__ million ordinary shares of CU__ each		
IAS 1:79(a) Issued and fully paid:		
At 1 January __ million ordinary shares of CU__ each		
Issued during the year		
Own shares acquired in the year		
At 31 December __ million ordinary shares of CU__ each		

[*Give details of changes in share capital during the year*]

IAS 1:79(a) The parent entity has one class of ordinary shares which carry no right to fixed income.

Additionally the parent entity has authorised, issued and fully paid __ million redeemable cumulative preference shares of CU__ each classified as liabilities. These shares do not carry voting rights. Further details are provided in note 32.

IAS 1:79(b) 41. Share premium account

	2026	2025
	CU	CU
Balance at 1 January		
Premium arising on issue of equity shares		
Share issue costs		
Balance at 31 December		

Under the *Corporations Act 2001*, Australian entities generally do not have a par value for issued shares and accordingly, Note 41 may not be relevant.

Source	International GAAP Holdings Limited

IAS 1:106(d)

42. Own shares

	2026	2025
	CU	CU
Balance at 1 January		
Acquired in the year		
Disposed of on exercise of options		
[*Other movement*]		
Balance at 31 December		

IAS 1:79(b)

The own shares reserve represents the cost of shares in the parent entity purchased in the market and held by the parent entity's employee benefit trust to satisfy options under the group's share options plans (see note 57). The number of ordinary shares held by the employee benefit trust at 31 December 2026 was __ (2025: __).

43. Revaluation reserves

Properties revaluation reserve

The properties revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the properties revaluation reserve will not be reclassified subsequently to profit or loss.

Distributions from the properties revaluation reserve can be made where they are in accordance with the requirements of the parent entity's constitution and company law. Amounts may also be effectively distributed out of the properties revaluation reserve as part of a share buy-back. Generally, there is no restriction on the payment of 'bonus shares' out of the properties revaluation reserve. However, the payment of cash distributions out of the reserve is restricted by the terms of the parent entity's constitution. These restrictions do not apply to any amounts transferred to retained profits. The directors do not currently intend to make any distribution from the properties revaluation reserve.

IAS 1:90
IAS 1:106(d)
IAS 1:106A
IAS 1:79(b)
IAS 16:77(f)

	Properties revaluation reserve
	CU
Balance at 1 January 2025	
Revaluation decrease on land and buildings	
Reversal of deferred tax liability on revaluation of land and buildings	
Balance at 1 January 2026	
Revaluation increase on land and buildings	
Deferred tax liability arising on revaluation of land and buildings	
Effect of change in tax rate	
Balance at 31 December 2026	

Investments revaluation reserve

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of:

- investments in equity instruments designated as at FVTOCI, net of cumulative gain/loss transferred to retained earnings upon disposal
- investments in debt instruments classified as at FVTOCI, net of cumulative loss allowance recognised on these investments and cumulative gain/loss reclassified to profit or loss upon disposal or reclassification of these investments.

Source	International GAAP Holdings Limited			
	The reconciliation of movements in the investment revaluation reserve for years 2026 and 2025 is presented below:			
IAS 1:90 IAS 1:106(d) IAS 1:106A IAS 1:79(b)		Investment in equity instruments designated as at FVTOCI	Investment in debt instruments classified as at FVTOCI	Investment revaluation reserve
		CU	CU	CU
	Balance as at 1 January 2025			
IFRS 7:20(a)(viii)	Fair value gain/(loss) arising during the period			
	Investments in debt instruments			
	Investments in equity instruments			
	Income tax relating to fair value gain/(loss) arising during the period			
	Cumulative (gain)/loss on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal			
IFRS 7:20 (a)(viii)	Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal			
IAS 1:82(cb)	Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL			
	Balance at 1 January 2026			
IFRS 7:20(a)(viii) IFRS 7:11A(f)	Fair value gain/(loss) arising during the period			
	Investments in debt instruments			
	Investments in equity instruments derecognised			
	Investments in equity instruments held at the end of the period			
	Income tax relating to fair value gain/(loss) arising during the period			
	Cumulative (gain)/loss on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal			
IFRS 7:20(a)(viii)	Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal			
IAS 1:82(cb)	Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL			
	Balance as at 31 December 2026			

IFRS 7:35H The following table shows the movement in 12-month ECL that has been recognised for corporate bonds classified as at FVTOCI:

	2026	2025
	CU	CU
Balance as at 1 January		
Net movement for the year		
Balance as at 31 December		

Investments in equity instruments designated as at FVTOCI are not subject to impairment.

Source	International GAAP Holdings Limited		
IAS 1:106(d)	**44. Option premium on convertible notes reserve**		
		2026	2025
		CU	CU
	Balance at 1 January		
	Recognition of equity component of convertible loan notes (see note 33)		
	Deferred tax liability arising on recognition of equity component of convertible loan notes		
	Balance at 31 December		
IAS 1:79(b)	This reserve represents the equity component of convertible debt instruments (see note 33).		
IAS 1:106(d) IAS 1:106A	**45. Financial liabilities at FVTPL credit risk reserve**		
		2026	2025
		CU	CU
	Balance at 1 January		
IFRS 7:20(a)(i)	Fair value gain/(loss) on financial liabilities designated as at FVTPL attributable to changes in credit risk		
	Income tax relating to fair value gain/(loss) on financial liabilities designated as at FVTPL attributable to changes in credit risk		
	Transfer of credit risk reserve to retained earnings upon derecognition of related financial liabilities		
	Balance at 31 December		

Source	International GAAP Holdings Limited

46. Cash flow hedge reserve

		Foreign exchange risk		Interest rate risk		Commodity risk		Total	
		2026	2025	2026	2025	2026	2025	2026	2025
		CU	CU	CU	CU	CU	CU	CU	CU
	Balance at 1 January								
IFRS 7:24C(b)(i) IFRS 7:24E(a)	Gain/(loss) arising on changes in fair value of hedging instruments during the period								
	Income tax related to gain/(loss) recognised in other comprehensive income during the period								
IFRS 7:24C(b)(iv) IFRS 7:24E(a)	(Gain)/loss reclassified to profit or loss – hedged item has affected profit or loss								
IFRS 7:24C(b)(iv) IFRS 7:24E(a)	(Gain)/loss reclassified to profit or loss – forecast transaction no longer expected to occur								
	Income tax related to amounts reclassified to profit or loss								
IFRS 7:24E(a)	Cumulative (gain)/loss transferred to initial carrying amount of hedged items								
	Income tax related to amounts transferred to initial carrying amount of hedged item								
	Balance at 31 December								
	Of which:								
IFRS 7:24B(b)(ii)	Balance related to continuing cash flow hedges								
IFRS 7:24B(b)(iii)	Balance related to discontinued cash flow hedges								

IAS 1:79(b)
IAS 1:82A

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction affects the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment).

IAS 1:106(d)

47. Cost of hedging reserve

IAS 1:79(b)
IAS 1:82A

The cost of hedging reserve includes the effects of the following:

- changes in fair value of the time value of option when only the intrinsic value of the option is designated as the hedging instrument
- changes in fair value of the forward element of a forward contract when only the change in the value of the spot element of the forward contract is designated as the hedging instrument (consistent with the group's accounting policy to recognise non-designated component of forward contracts in equity)
- changes in fair value of the foreign currency basis spread of a financial instrument when the foreign currency basis spread of a financial instrument is excluded from the designation of that financial instrument as the hedging instrument (consistent with the group's accounting policy to recognise non-designated component of foreign currency derivative in equity).

The changes in fair value of the time value of an option, forward element of a forward contract and foreign currency basis spread of a financial instrument, in relation to a transaction-related hedged item accumulated in the cost of hedging reserve, are reclassified to profit or loss only when the hedged transaction affects profit or loss, or included as a basis adjustment to the non-financial hedged item. The changes in fair value of the time value of an option, forward element of a forward contract and foreign currency basis spread of a financial instrument, in relation to a time-period related hedged item accumulated in the cash flow hedging reserve, are amortised to profit or loss on a rational basis over the term of the hedging relationship.

Source	International GAAP Holdings Limited

IFRS 7:24F

The changes in fair value of the [*time value of an option/forward element of a forward contract/foreign currency basis spread of a financial instrument*] and their related reclassification adjustments and amortisation per risk category is presented below:

	Foreign exchange risk		Interest rate risk		Commodity risk		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	CU	CU	CU	CU	CU	CU	CU	CU
Balance at 1 January								
Changes in fair value of the [*time value of an option/forward element/foreign currency basis spread*] in relation to transaction-related hedged items during the period								
Changes in fair value of the [*time value of an option/forward element/foreign currency basis spread*] in relation to time-period related hedged items during the period								
Income tax related to changes in fair value of [*the time value of an option/forward element/ foreign currency basis spread*]								
(Gain)/loss arising on changes in fair value of [*the time value of an option/forward element/foreign currency basis spread*] in relation to transaction-related hedged items reclassified to profit or loss – hedged item has affected profit or loss								
(Gain)/loss arising on changes in fair value of [*the time value of an option/forward element/ foreign currency basis spread*] in relation to transaction-related hedged items reclassified to profit or loss – forecast transaction no longer expected to occur								
Income tax related to amounts reclassified to profit or loss								
(Gain)/loss arising on changes in fair value of [*the time value of an option/forward element/ foreign currency basis spread*] in relation to transaction-related hedged items transferred to initial carrying amount of hedged items								
Income tax related to amounts transferred to initial carrying amount of hedged item								
Amortisation to profit or loss of changes in fair value of [*the time value of an option/forward element/foreign currency basis spread*] in relation to time-period related hedged items								
(Gain)/loss arising on changes in fair value of [*the time value of an option/forward element/ foreign currency basis spread*] in relation to reclassified to profit or loss – forecast transaction no longer expected to occur								
Income tax related to time-period related hedged items amortised/reclassified to profit or loss								
Balance at 31 December								

Source	International GAAP Holdings Limited		
IAS 1:106(d) IAS 1:106A	**48. Foreign exchange translation reserve**		
		2026	2025
		CU	CU
	Balance at 1 January		
IFRS 7:24C(b)(i) IFRS 7:24E(a)	Gain/loss arising on changes in fair value of hedging instruments designated in net investment hedges		
	Income tax relating to gains/losses on hedges of net assets in foreign operations		
	Exchange differences on translating the net assets of foreign operations		
	Income tax relating to gains/losses arising on translating the net assets of foreign operations		
IFRS 7:24C(b)(iv) IFRS 7:24E(a)	Gain/loss on hedging instruments reclassified to profit or loss on disposal of foreign operations		
	Income tax related to gain/loss on hedging instruments reclassified to profit or loss on disposal of foreign operations		
	Gain/loss reclassified to profit or loss on disposal of foreign operations		
	Income tax related to gain/loss reclassified on disposal of foreign operations		
	Balance at 31 December		
	Of which:		
IFRS 7:24B(b)(ii)	Balance related to continuing net investment hedges		
IFRS 7:24B(b)(iii)	Balance related to discontinued net investment hedges		
	Balance related to retranslation of net assets in foreign operations		
IAS 1:106(d)	**49. Share-based payments reserve**		
			CU
	Balance at 1 January 2025		
	Credit to equity for equity-settled share-based payments		
	Deferred tax on share-based payments		
	Balance at 1 January 2026		
	Credit to equity for equity-settled share-based payments		
	Deferred tax on share-based payments		
	Balance at 31 December 2026		

Source	International GAAP Holdings Limited		
IAS 1:106(d)	**50. Retained earnings**		
	Balance at 1 January 2025—As restated		CU
	Dividends paid		
	Net profit for the year		
	Other comprehensive income arising from measurement of defined benefit obligation net of income tax		
	Adjustment arising from change in non-controlling interest (see note 51)		
	Balance at 1 January 2026		
	Dividends paid		
	Net profit for the year		
	Other comprehensive income arising from measurement of defined benefit obligation net of income tax		
	Adjustment arising from change in non-controlling interest (see note 51)		
	Transfer of investment revaluation reserve on disposal of equity instruments designated as at FVTOCI (see note 24(ii))		
	Balance at 31 December 2026		
	51. Non-controlling interests		
IFRS 12:12(g) IFRS 12:B10-B11	Summarised financial information in respect of each of the group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.		
		31/12/2026	31/12/2025
		CU	CU
	Subsidiary A Limited		
	Current assets		
	Non-current assets		
	Current liabilities		
	Non-current liabilities		
	Equity attributable to owners of the parent entity		
	Non-controlling interests		
	Revenue		
	Expenses		
	Profit (loss) for the year		
	Profit (loss) attributable to owners of the parent entity		
	Profit (loss) attributable to the non-controlling interests		
	Profit (loss) for the year		
	Other comprehensive income attributable to owners of the parent entity		
	Other comprehensive income attributable to the non-controlling interests		
	Other comprehensive income for the year		

Source	**International GAAP Holdings Limited**		
		31/12/2026	31/12/2025
		CU	CU
	Total comprehensive income attributable to owners of the parent entity		
	Total comprehensive income attributable to the non-controlling interests		
	Dividends paid to non-controlling interests		
	Net cash inflow (outflow) from operating activities		
	Net cash inflow (outflow) from investing activities		
	Net cash inflow (outflow) from financing activities		
	Net cash inflow (outflow)		

[*Include a similar table for each subsidiary that has a material non-controlling interest*]

Further information about non-controlling interests is given in note 20.

IAS 1:106(b) IAS 1:106(d) IAS 1:106A	**Balance at 1 January 2025**	CU
	Share of profit for the year	
	Payment of dividends	
	Balance at 1 January 2026	
	Share of profit for the year	
	Payment of dividends	
	Non-controlling interests arising on the acquisition of [*Acquisition B Limited*] (see note 53)	
	Additional non-controlling interests arising on disposal of interest in [*name of subsidiary*] (see note 20)	
	Non-controlling interest relating to outstanding vested share options held by the employees of [*Acquisition B Limited*] (i)	
	Balance at 31 December 2026	

(i) As at 31 December 2026, executives and senior employees of [*Acquisition B Limited*] held options over __ ordinary shares of [*Acquisition B Limited*], of which __ will expire on 12 March 2028 and __ will expire on 17 September 2028. These share options were issued by [*Acquisition B Limited*] before it was acquired by the group in the current year. All of the outstanding share options had vested by the acquisition date of [*Acquisition B Limited*]. CU__ represents the market-based measure of these share options measured in accordance with IFRS 2 at the acquisition date. Further details of the employee share option plan are provided in note 57.

Source	International GAAP Holdings Limited	
	52. Disposal of subsidiary	
IFRS 5:41	As referred to in note 13, on [*date*] the group disposed of its interest in [*name of subsidiary*].	
IAS 7:40(d)	The net assets of [*name of subsidiary*] at the date of disposal were as follows:	
		[*date*]
		CU
	Property, plant and equipment	
	Inventories	
	Trade receivables	
	Cash and cash equivalents	
	Retirement benefit obligation	
	Deferred tax liability	
	Current tax liability	
	Trade payables	
	Bank overdraft	
	Attributable goodwill	
	Net assets disposed of	
	Gain on disposal	
IAS 7:40(a)	**Total consideration**	
	Satisfied by:	
	Cash and cash equivalents	
	Deferred consideration	
IAS 7:40(a)	**Total consideration transferred**	
	Net cash inflow arising on disposal:	
IAS 7:40(b)	Consideration received in cash and cash equivalents	
IAS 7:40(c)	Less: cash and cash equivalents disposed of	
	There were no disposals of subsidiaries made in 2025.	
	The deferred consideration will be settled in cash by the purchaser on or before [*date*].	
	The impact of [*name of subsidiary*] on the group's results in the current and prior years is disclosed in note 13.	
IFRS 12:19	The gain on disposal is included in the profit for the year from discontinued operations (see note 13).	

Source	International GAAP Holdings Limited	
	53. Acquisition of subsidiaries	
	[Acquisition A Limited]	
IFRS 3:B64(a)-(d)	On [*date*], the group acquired 100 per cent of the issued share capital of [*Acquisition A Limited*], obtaining control of [*Acquisition A Limited*]. [*Acquisition A Limited*] is a [*describe operations of entity acquired*] and qualifies as a business as defined in IFRS 3 *Business Combinations*. [*Acquisition A Limited*] was acquired [*provide primary reasons for acquisition of the entity*].	
	Commentary: *The disclosures illustrated are also required for business combinations after the end of the reporting period but before the financial statements are authorised for issue unless the initial accounting for the acquisition is incomplete at the time the financial statements are authorised for issue. In such circumstances, the entity is required to describe which disclosures could not be made and the reasons why they could not be made.*	
IFRS 3:B64(i) IAS 7:40(d)	The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.	
		CU
	Financial assets	
	Cash and cash equivalents	
	Inventory	
	Property, plant and equipment	
	Identifiable intangible assets	
	Financial liabilities	
	Deferred tax assets/(liabilities)	
	Contingent liability	
	Total identifiable assets acquired and liabilities assumed	
	Goodwill	
	Total consideration	
	Satisfied by:	
	Cash	
	Equity instruments (__ ordinary shares of the parent entity)	
	Contingent consideration arrangement	
IFRS 3:B64(f) IAS 7:40(a)	**Total consideration transferred**	
	Net cash outflow arising on acquisition:	
IAS 7:40(b)	Cash consideration	
IAS 7:40(c)	Less: cash and cash equivalent balances acquired	
IFRS 3:B64(h)	The fair value of the financial assets includes receivables [*describe type of receivables*] with a fair value of CU__ million and a gross contractual value of CU__ million. The best estimate at acquisition date of the contractual cash flows not to be collected is CU__ million.	
IFRS 3:B64(j)	A contingent liability of CU__ million has been recognised in respect of [*provide description of nature of obligation*]. We expect that the majority of this expenditure will be incurred in 2027 and that all will be incurred by the end of 2028. The potential undiscounted amount of all future payments that the group could be required to make in respect of this contingent liability is estimated to be between CU__ million and CU__ million.	

Source	International GAAP Holdings Limited	
IFRS 3:B64(e), (k)	The goodwill of CU__ million arising from the acquisition consists of [*describe factors that make up goodwill recognised*]. None of the goodwill is expected to be deductible for income tax purposes.	
	Commentary:	
	If the initial allocation of goodwill acquired in a business combination during the period cannot be completed before the end of the reporting period, the amount of the unallocated goodwill should be disclosed together with the reasons why that amount remains unallocated.	
	The fair value of the __ ordinary shares issued as part of the consideration paid for [*Acquisition A Limited*] (CU__ million) was determined on the basis of [*describe method for determining fair value*].	
IFRS 3:B64(g)	The contingent consideration arrangement requires [*describe conditions of the contingent consideration arrangement*]. The potential undiscounted amount of all future payments that the parent entity could be required to make under the contingent consideration arrangement is between CU__ million and CU__ million.	
IFRS 3:B64(g)	The fair value of the contingent consideration arrangement of CU__ million was estimated by applying [*describe method for estimating fair value*].	
IFRS 3:B64(m)	Acquisition-related costs (included in administrative expenses) amount to CU__ million.	
IFRS 3:B64(q)	[*Name of entity acquired*] contributed CU__ million revenue and CU__ million to the group's profit for the period between the date of acquisition and the reporting date.	
IFRS 3:B64(q)	If the acquisition of [*name of entity acquired*] had been completed on the first day of the financial year, group revenues for the year would have been CU__ million and group profit would have been CU__ million.	
	[Acquisition B Limited]	
IFRS 3:B64 (a)-(d)	On [*date*], the group acquired 80 per cent of the issued share capital of [*Acquisition B Limited*], thereby obtaining control of [*Acquisition B Limited*]. [*Acquisition B Limited*] is a [*describe operations of entity acquired*] and qualifies as a business as defined in IFRS 3. [*Acquisition B Limited*] was acquired [*provide primary reasons for acquisition of the entity*].	
IFRS 3:B64(i) IAS 7:40(d)	The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.	
		CU
	Financial assets	
	Cash and cash equivalents	
	Inventory	
	Property, plant and equipment	
	Identifiable intangible assets	
	Financial liabilities	
	Total identifiable assets acquired and liabilities assumed	
	Goodwill	
	Non-controlling interest in 20 per cent of [*Acquisition B Limited*]	
	Non-controlling interest – outstanding share options granted by [*Acquisition B Limited*]	
	Total consideration	
	Satisfied by:	
	Cash	
	Equity instruments (__ ordinary shares of the parent entity)	
IFRS 3:B64(f) IAS 7:40(a)	**Total consideration transferred**	
	Net cash outflow arising on acquisition:	
IAS 7:40(b)	Cash consideration	
IAS 7:40(c)	Less: cash and cash equivalent balances acquired	

Source	International GAAP Holdings Limited
IFRS 3:B67(a)	The initial accounting for the acquisition of [*Acquisition B Limited*] has only been provisionally determined at the end of the reporting period. For tax purposes, the tax values of [*Acquisition B Limited*]'s assets are required to be reset based on market values of the assets. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate of the likely tax values.
IFRS 3:B64(h)	The fair value of the financial assets includes receivables [*describe type of receivables*] with a fair value of CU__ million and a gross contractual value of CU__ million. The best estimate at acquisition date of the contractual cash flows not to be collected are CU__ million.
IFRS 3:B64(e), (k)	The goodwill of CU__ million arising from the acquisition consists of [*describe factors that make up goodwill recognised*]. None of the goodwill is expected to be deductible for income tax purposes. The fair value of the __ ordinary shares issued as part of the consideration paid for [*Acquisition B Limited*] (CU__ million) was determined on the basis of [*describe method for determining fair value*].
IFRS 3:B64(o)	The non-controlling interest (20 per cent ownership interest in [*Acquisition B Limited*]) recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to CU__. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value: • assumed discount rate of __ per cent • assumed long-term sustainable growth rates of __ per cent to __ per cent • assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interests in [*Acquisition B Limited*]. All outstanding share options granted by [*Acquisition B Limited*] to its employees had vested by the acquisition date. These share options were measured in accordance with IFRS 2 at their market-based measure of CU__ and were included in the non-controlling interest in [*Acquisition B Limited*]. Methods and significant assumptions used in determining the market-based measure at the acquisition date are set out in note 57.
IFRS 3:B64(m)	Acquisition-related costs (included in administrative expenses) amount to CU__ million.
IFRS 3:B64(q)	[*Name of entity acquired*] contributed CU__ million revenue and CU__ million to the group's profit for the period between the date of acquisition and the reporting date.
IFRS 3:B64(q)	If the acquisition of [*name of entity acquired*] had been completed on the first day of the financial year, group revenues for the year would have been CU__ million and group profit would have been CU__ million.
	Commentary:
IFRS 3:B65	*The disclosures illustrated should be given separately for each business combination except that certain disclosures may be disclosed in aggregate for business combinations that are individually immaterial.*
IFRS 3:B66	*The standard also imposes identical disclosure requirements for business combinations that are effected after the reporting date but before the financial statements are authorised for issue.*

Source	International GAAP Holdings Limited

54. Notes to the statement of cash flows

IAS 7:45

Cash and cash equivalents

	31/12/2026	31/12/2025
	CU	CU
Cash and cash equivalents in the statement of financial position		
Bank overdrafts (see note 32)		
Cash and cash equivalents included in disposal group held for sale (see note 13)		
Cash and cash equivalents in the statement of cash flows		

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated reporting position as shown above.

IAS 7:48-49

Cash and bank balances include demand deposits of CU__ million (2025: CU nil million) that are required to be maintained as warranty and can be used only to settle future claims, if any, on the completed [*project X*]. The contractual restriction on the use of demand deposits ends on 1 August 2027.

IAS 7:43

Non-cash transactions

Additions to buildings and equipment during the year amounting to CU__ million were financed by new leases. Additions of CU__ million in 2026 (2025: CU__ million) were acquired on deferred payment terms, the settlement of which are still outstanding at year end.

IAS 7:44A-44E

Changes in liabilities arising from financing activities

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the group's consolidated statement of cash flows as cash flows from financing activities.



Australian entities commonly adopt the direct method of presentation of the statement of cash flows and in this case are additionally required to provide a reconciliation of the net cash flows from operating activities to profit or loss. An illustrative disclosure is included in Note 54 in Appendix 3.

Source **International GAAP Holdings Limited**

			Non-cash changes					
	1 January 2026	Financing cash flows (i)	Acquisition and disposal of subsidiary (note 52 and 53)	Effect of changes in foreign exchange rates	Fair value adjustments (notes 10, 11 and 62)	New leases	Other changes (ii)	31 December 2026
	CU	CU	CU	CU	CU	CU	CU	CU
Convertible loan notes (note 33)								
Perpetual notes (note 32)								
Bank loans (note 32)								
Loans from related parties (note 32)								
Lease liabilities (note 36)								
Bills of exchange (note 32)								
Redeemable preference shares (note 33)								
Interest rate swaps fair value hedging, cash flow hedging or economically hedging financing liabilities (note 34)								
Contingent consideration (note 38) (iii)								
Supplier finance arrangements (presented as part of 'Borrowings', see note 32)								
Total liabilities from financing activities								

(i) The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows

(ii) Other changes include interest expense, the non-cash increase in borrowings in exchange for the finance provider taking on trade payable liability, and movements in the equity component of convertible loan notes

(iii) The contingent consideration arises on the acquisition of [*Acquisition A Limited*] (see note 53). The payment of contingent consideration will be presented as a financing cash flow of the group

Source **International GAAP Holdings Limited**

			Non-cash changes					
	1 January 2025	Financing cash flows (i)	Acquisition and disposal of subsidiary (note 52 and 53)	Effect of changes in foreign exchange rates	Fair value adjustments (notes 10, 11 and 62)	New leases	Other changes (ii)	31 December 2025
	CU	CU	CU	CU	CU	CU	CU	CU
Convertible loan notes (note 33)								
Perpetual notes (note 32)								
Bank loans (note 32)								
Loans from related parties (note 32)								
Lease liabilities (note 36)								
Bills of exchange (note 32)								
Redeemable preference shares (note 33)								
Interest rate swaps fair value hedging, cash flow hedging or economically hedging financing liabilities (note 34)								
Supplier finance arrangements (presented as part of 'Borrowings', see note 32)								
Total liabilities from financing activities								

(i) The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows

(ii) Other changes include interest expense, the non-cash increase in borrowings in exchange for the finance provider taking on trade payable liability and movements in the equity component of convertible loan notes

Source	International GAAP Holdings Limited

IAS 7:44F

Supplier finance arrangements

The group operates the following types of supplier finance arrangements:

IAS 7:44H(a)

- in order to ensure easy access to credit for its suppliers and facilitate early settlement, the group has entered into supplier finance arrangements that permit the suppliers to obtain payment from the banks for the amounts billed up to __ days before the invoice due date subject to a discount of up to __ per cent. The arrangements permit the banks to early settle invoices of up to CU__ per month. The discount represents less than the trade discount for early repayment commonly used in the market. The group repays the banks the full invoice amount on the scheduled payment date as required by the invoice. As the arrangements do not permit the group to extend finance from the banks by paying them later than the group would have paid its suppliers, the group considers amounts payable to the banks should be presented as part of trade and other payables. As at 31 December 2026, __ per cent of trade payables were amounts owed under these arrangements

IAS 7:44H(a)

- another type of the arrangement, for which the related amounts are presented as part of borrowings, has the following terms and conditions: [*describe the terms and conditions of the arrangements and the basis of the classification as part of borrowings*].

	31/12/2026	31/12/2025	1/1/2025
	CU	CU	CU

IAS 7:44H(b)(i)-(ii)

Carrying amount of the financial liabilities that are subject to supplier finance arrangements

IAS 7:44H(b)(i) IAS 7:63(a)

Presented as part of "Trade and other payables", including:

IAS 7:44H(b)(ii) IAS 7:63(a)-(b)

Trade payables for which suppliers have already received payment from the finance provider

IAS 7:44H(b)(i) IAS 7:63(a)

Presented as part of "Borrowings", including:

IAS 7:44H(b)(ii) IAS 7:63(a)-(b)

Borrowings for which suppliers have already received payment from the finance provider

IAS 7:44H(b)(iii) IAS 7:63(a)-(b)

Range of payment due dates	Days	Days	Days
For liabilities presented as part of "Trade and other payables":			
Liabilities that are part of supplier finance arrangements			
Comparable trade payables that are not part of supplier finance arrangements			
For liabilities presented as part of "Borrowings":			
Liabilities that are part of supplier finance arrangements			
Comparable trade payables that are not part of supplier finance arrangements			

IAS 7:44H(c)

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were no material non-cash changes in these liabilities.

IFRS 7:39(c) IFRS 7:B11F(j) IFRS 7:BC58E

The group does not face a significant liquidity risk as a result of its supplier finance arrangements given the limited amount of liabilities subject to supplier finance arrangements and the group's access to other sources of finance on similar terms.

Source	International GAAP Holdings Limited

55. Contingent liabilities

IAS 37:86(a)-(b) During the reporting period, a customer of the group instigated proceedings against it for alleged defects in an electronic product which, it is claimed, were the cause of a major fire in the customer's premises on [*date*]. Total losses to the customer have been estimated at CU__ million and this amount is being claimed from the group.

The group's lawyers have advised that they do not consider that the claim has merit, and they have recommended that it be contested. No provision has been made in these financial statements as the group's management does not consider that there is any probable loss.

	31/12/2026	31/12/2025
	CU	CU
IFRS 12:23(b) Contingent liabilities incurred by the group relating to interest in associates *[disclose details]*		
The group's share of associates' contingent liabilities incurred jointly with other investors		

The amount disclosed represents the group's share of contingent liabilities of associates. The extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected.

56. Operating lease arrangements

IFRS 16:89 Operating leases, in which the group is the lessor, relate to investment property owned by the group with lease terms of between __ to __ years, with a __ year extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

IFRS 16:92(b) The unguaranteed residual values do not represent a significant risk for the group, as they relate to property which is located in a location with a constant increase in value over the last __ years. The group did not identify any indications that this situation will change.

IFRS 16:97 Maturity analysis of operating lease payments:

	31/12/2026	31/12/2025
	CU	CU
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Year 6 and onwards		
Total		

IFRS 16:91 The following table presents the amounts reported in profit or loss:

	31/12/2026	31/12/2025
	CU	CU
IFRS 16:90(b) Lease income on operating leases		
IFRS 16:90(b) Therein lease income relating to variable lease payments that do not depend on an index or rate		

Source	International GAAP Holdings Limited

57. Share-based payments

IFRS 2:44
IFRS 2:45(a)

Equity-settled share option plan

The parent entity has a share option plan for all employees of the group. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, employees with more than __ years' service with the group may be granted options to purchase ordinary shares.

Each employee share option converts into one ordinary share of the parent entity on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards employees to the extent of the group's and the individual's achievement judged against both qualitative and quantitative criteria from the following financial and customer service measures:

- improvement in share price
- improvement in net profit
- improvement in return to shareholders
- reduction in warranty claims
- results of client satisfaction surveys
- reduction in rate of staff turnover.

Options are exercisable at a price equal to the average quoted market price of the parent entity's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of five years from the date of grant the options expire. Options are forfeited if the employee leaves the group before the options vest.

IFRS 2:45(b)

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

	31/12/2026		31/12/2025	
	Number of share options	Weighted average exercise price (in CU)	Number of share options	Weighted average exercise price (in CU)
Outstanding at beginning of year				
Granted during the year				
Forfeited during the year				
Exercised during the year				
Expired during the year				
Outstanding at the end of the year				
Exercisable at the end of the year				

IFRS 2:45(c)-(d)
IFRS 2:46
IFRS 2:47(a)

The weighted average share price at the date of exercise for share options exercised during the period was __. The options outstanding at 31 December 2026 had a weighted average exercise price of __, and a weighted average remaining contractual life of __ years. In 2026, options were granted on [*dates*]. The aggregate of the estimated fair values of the options granted on those dates is CU__ million. In 2025, options were granted on [*dates*]. The aggregate of the estimated fair values of the options granted on those dates is CU__ million. The inputs into the [*specify model*] model are as follows:

Source	International GAAP Holdings Limited		
		31/12/2026	31/12/2025
	Weighted average share price	CU__	CU__
	Weighted average exercise price	CU__	CU__
	Expected volatility		
	Expected life	__ years	__ years
	Risk-free rate	__%	__%
	Expected dividend yields	__%	__%

Expected volatility was determined by calculating the historical volatility of the group's share price over the previous __ years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

IFRS 2:47(c) During 2026, the group re-priced certain of its outstanding options. The strike price was reduced from CU__ to the then current market price of CU__. The incremental fair value of CU__ will be expensed over the remaining vesting period (two years). The group used the inputs noted above to measure the fair value of the old and new options.

IFRS 2:51(a) The group recognised total expenses of CU__ and CU__ related to equity-settled share-based payment transactions in 2026 and 2025 respectively.

IFRS 2:51(b)

Cash-settled share-based payments

The group issues to certain employees share appreciation rights (SARs) that require the group to pay the intrinsic value of the SAR to the employee at the date of exercise. The group has recognised liabilities of CU__ and CU__ in 2026 and 2025. Fair value of the SARs is determined by using the *[specify model]* model using the assumptions noted in the above table. The group recognised total expenses of CU__ and CU__ in 2026 and 2025, respectively. The total intrinsic value of the SARs at 31 December 2026 and 2025 was CU__ and CU__, respectively.

Employee share option plan of a subsidiary acquired in the current year

IFRS 2:45(a) [*Acquisition B Limited*] has a share option plan for its executives and senior employees. The outstanding share options were not replaced and were still in existence at the date of acquisition of [*Acquisition B Limited*].

Each employee share option of [*Acquisition B Limited*] converts into one ordinary share of [*Acquisition B Limited*] on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. All outstanding share options granted by [*Acquisition B Limited*] had been vested by the date when the group acquired [*Acquisition B Limited*].

The following share-based payment arrangements were in existence during the current year:

Options series	Number	Expiry date	Exercise price	Market-based measure at the acquisition date of [*Acquisition B Limited*]
			CU	CU
(1) Granted on 13 March 2025				
(2) Granted on 18 September 2025				

Source	International GAAP Holdings Limited

IFRS 2:46
IFRS 2:47(a)

All outstanding vested share options were measured in accordance with IFRS 2 at their market-based measure at the acquisition date. The weighted average market-based measure of the share options determined at the acquisition date of [*Acquisition B Limited*] is CU__. Options were priced using a [*specify model*] option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. To allow for the effects of early exercise, it was assumed that executives and senior employees would exercise the options after vesting date when the share price reaches three and a half times the exercise price.

	Option series	
	Series 1	Series 2
Acquisition date share price	CU__	CU__
Weighted average exercise price	CU__	CU__
Expected volatility		
Expected life	__ years	__ years
Risk-free rate	__%	__%
Expected dividend yields	__%	__%

IFRS 2:45(d)

No share options were granted or exercised after the group obtained control over [*Acquisition B Limited*]. The share options outstanding at 31 December 2026 had an exercise price of CU__ and a weighted average remaining contractual life of __ days.

Other share-based payment plans

The employee share purchase plans are open to almost all employees and provide for a purchase price equal to the daily average market price on the date of grant, less __ per cent. The shares can be purchased during a two-week period each year. The shares so purchased are generally placed in the employee share savings plan for a five-year period. Pursuant to these plans, the group issued __ ordinary shares in 2026, at weighted average share prices of __. The discount of CU__ million will be expensed over the vesting period of __ years.

58. Retirement benefit plans

Defined contribution plans

The group operates defined contribution retirement benefit plans for all qualifying employees of its construction and leasing divisions in [*A Land*]. The assets of the plans are held separately from those of the group in funds under the control of trustees.

IAS 19:43

The employees of the group's subsidiary in [*B Land*] are members of a state-managed retirement benefit plan operated by the government of [*B Land*]. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the benefits. The only obligation of the group with respect to the retirement benefit plan is to make the specified contributions.

IAS 19:53

The total expense recognised in profit or loss of CU__ million (2025: CU__ million) represents contributions payable to these plans by the group at rates specified in the rules of the plans. As at 31 December 2026, contributions of CU__ million (2025: CU__ million) due in respect of the current reporting period had not been paid over to the plans.

Defined benefit plans

IAS 19:139(a)

The group sponsors defined benefit plans for qualifying employees of its subsidiaries in [*D Land*] and previously for the employees of [*name of entity*]. The defined benefit plans are administered by a separate fund that is legally separated from the parent entity. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plan. The trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund.

Under the plans, the employees are entitled to post-retirement yearly instalments amounting to __ per cent of final salary on attainment of a retirement age of __. The pensionable salary is limited to CU__. The pensionable salary is the difference between the current salary of the employee and the state retirement benefit. In addition, the service period is limited to __ years resulting in a maximum yearly entitlement (life-long annuity) of __ per cent of final salary.

Source	International GAAP Holdings Limited

IAS 19:139(b)

The defined benefit plans require contributions from employees. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees. Employees can also make discretionary contributions to the plans.

The plans in [*D Land*] typically expose the parent entity to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to benefits to be paid to the dependents of plan members is re-insured by an external insurance entity.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities, debt instruments and real estate. Due to the long-term nature of the plan liabilities, the trustees of the pension fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit liability were carried out at 31 December 2026 by [*name*], Fellow of the Institute of Actuaries. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

IAS 19:144

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

	Valuation at	
	31/12/2026	31/12/2025
Key assumptions used:		
Discount rate(s)	__%	__%
Expected rate(s) of salary increase	__%	__%
Average longevity at retirement age for current pensioners*		
Male	__ years	__ years
Female	__ years	__ years
Average longevity at retirement age for current employees (future pensioners)*		
Male	__ years	__ years
Female	__ years	__ years
Others [*describe*]		

*Based on [*D Land*]'s standard mortality table with modifications to reflect expected changes in mortality/others [*describe*].

Source	International GAAP Holdings Limited

IAS 19:135
IAS 19:120

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	31/12/2026	31/12/2025
	CU	CU
Service cost:		
Current service cost		
Past service cost and (gain)/loss from settlements		
Net interest expense		
Components of defined benefit costs recognised in profit or loss		

Of the expense (service cost) for the year, CU__ million (2025: CU__ million) has been included in profit or loss as cost of sales and CU__ million (2025: CU__ million) has been included in administrative expenses. The net interest expense has been included within finance costs (see note 11). The remeasurement of the net defined benefit liability is included in other comprehensive income.

Amounts recognised in other comprehensive income are as follows:

	31/12/2026	31/12/2025
	CU	CU
The return on plan assets (excluding amounts included in net interest expense)		
Actuarial gains and losses arising from changes in demographic assumptions		
Actuarial gains and losses arising from changes in financial assumptions		
Actuarial gains and losses arising from experience adjustments		
Others [*describe*]		
Adjustments for restrictions on the defined benefit asset		
Remeasurement of the net defined benefit liability (asset)		

IAS 19:141

The amount included in the statement of financial position arising from the group's obligations in respect of its defined benefit retirement benefit plans is as follows:

	31/12/2026	31/12/2025
	CU	CU
Present value of defined benefit obligations		
Fair value of plan assets		
Funded status		
Restrictions on asset recognised		
Others [*describe*]		
Net liability arising from defined benefit obligation		

Source	International GAAP Holdings Limited		
IAS 19:141	Movements in the present value of defined benefit obligations in the year were as follows:		
		31/12/2026	31/12/2025
		CU	CU
	Opening defined benefit obligation		
	Current service cost		
	Interest cost		
	Remeasurement (gains)/losses:		
	Actuarial gains and losses arising from changes in demographic assumptions		
	Actuarial gains and losses arising from changes in financial assumptions		
	Actuarial gains and losses arising from experience adjustments		
	Others [*describe*]		
	Contributions from plan participants		
	Past service cost		
	Losses/(gains) on curtailments		
	Liabilities extinguished on settlements		
	Liabilities assumed in a business combination		
	Exchange differences on foreign plans		
	Benefits paid		
	Others [*describe*]		
	Closing defined benefit obligation		
IAS 19:141	Movements in the fair value of plan assets in the year were as follows:		
		31/12/2026	31/12/2025
		CU	CU
	Opening fair value of plan assets		
	Interest income		
	Remeasurement gain/(loss):		
	The return on plan assets (excluding amounts included in net interest expense)		
	Others [*describe*]		
	Exchange differences on foreign plans		
	Contributions from the employer		
	Contributions from plan participants		
	Benefits paid		
	Assets acquired in a business combination		
	Assets distributed on settlements		
	Others [*describe*]		
	Closing fair value of plan assets		

Source	International GAAP Holdings Limited					
IAS 19:142	The major categories and fair values of plan assets at the end of the reporting period for each category are as follows:					
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	Quoted	Quoted	Unquoted	Unquoted	Total	Total
	CU	CU	CU	CU	CU	CU
Cash and cash equivalents						
Equity instruments						
Consumer industry						
Manufacturing industry						
Energy and utilities						
Financial institutions						
Health and care						
ICT and telecom						
Equity instrument funds						
Subtotal equity						
Debt instruments						
AAA						
AA						
A						
BBB and lower						
not rated						
Subtotal debt instruments						
Property						
Retail						
Offices						
Residential						
Subtotal property						
Derivatives						
Interest rate swaps						
Forward foreign exchange contracts						
Subtotal derivatives						
Others [*describe*]						

Derivatives are classified as Level 2 instruments and property as Level 3 instruments. It is the policy of the fund to use interest rate swaps to hedge its exposure to interest rate risk. It is the policy of the fund to cover __ per cent of the exposure to interest rate risk of the defined benefit obligation by the use of debt instruments in combination with interest rate swaps. This policy has been realised during the reporting and preceding period. Foreign currency exposures are fully hedged by the use of the forward foreign exchange contracts.

IAS 19:143 The plan assets include ordinary shares of the parent entity with a fair value of CU__ million (2025: CU__ million) and property occupied by a subsidiary of the parent entity with a fair value of CU__ million (2025: CU__ million).

Source	International GAAP Holdings Limited
IAS 19:145 (a)-(b)	Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease (increase) by CU__ million (2025: CU__ million). If the expected salary growth increases (decreases) by 1 per cent, the defined benefit obligation would increase (decrease) by CU__ million (2025: CU__ million). If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase (decrease) by CU__ million (2025: CU__million). The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
IAS 19:145(c)	In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.
IAS 19:146	Each year an asset-liability matching (ALM) study is performed in which the consequences of the strategic investment policies are analysed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study. The main strategic choices that are formulated in the actuarial and technical policy document of the fund are: • asset mix based on __ per cent equity instruments, __ per cent debt instruments and __ per cent investment property • interest rate sensitivity caused by the duration of the defined benefit obligation should be reduced by __ per cent using debt instruments in combination with interest rate swaps • maintaining an equity buffer that gives a __ per cent assurance that assets are sufficient within the next 12 months. There has been no change in the processes used by the group to manage its risks from prior periods.
IAS 19:147	The group's subsidiaries should fund the cost of the entitlements expected to be earned on a yearly basis. Employees pay a fixed __ per cent of pensionable salary. The residual contribution (including back service payments) is paid by the entities of the group. The funding requirements are based on a local actuarial measurement framework. In this framework the discount rate is set on a risk free rate. Furthermore, premiums are determined on a current salary base. Additional liabilities stemming from past service due to salary increases (back-service liabilities) should be paid immediately to the plan. Apart from paying the costs of the entitlements the group's subsidiaries are not liable to pay additional contributions in case the plan does not hold sufficient assets. In that case the plan should take other measures to restore its solvency such as a reduction of the entitlements of the plan members. The average duration of the benefit obligation at the end of the reporting period is __ years (2025: __ years). This number can be subdivided into the duration related to: • active members: __ years (2025: __ years) • deferred members: __ years (2025: __ years) • retired members: __ years (2025: __ years). The group expects to make a contribution of CU__ million (2025: CU__ million) to the defined benefit plans during the next financial year. The group is committed to paying into the plan for [*X*] future years, CU__ per annum in line with the agreed Schedule of Contributions.

Source	International GAAP Holdings Limited

IAS 20:39(b)

59. Deferred income—government grant

	31/12/2026	31/12/2025
	CU	CU
Staff training costs		
Purchase of equipment		
Current		
Non-current		

The staff training costs deferred income arises as a result of the benefit received from an interest-free government loan received on [*date*] (see note 32). The income will be offset against training costs to be incurred in 2027 (CU__) and 2028 (CU__).

The purchase of equipment deferred income arises as a result of a grant received on [*date*] to install energy efficient machinery for the production of [*product X*]. The income will be recognised in profit or loss on a straight line basis over the useful life of the related asset. There are no unfulfilled conditions or other contingencies attaching to this grant.

60. Contract liabilities

	31/12/2026	31/12/2025	1/1/2025
	CU	CU	CU
Arising from customer loyalty programme			
IFRS 15:116(a) Amounts received in advance of delivery for internet sales			
Maintenance services			
Amounts related to construction contracts			
Current			
Non-current			

Commentary:

The balances as at 1 January 2025 are presented to satisfy the requirement in IFRS 15:116(a) to present the opening and closing balances of contract liabilities from contracts with customers.

IFRS 15:116(b) IFRS 15:116(c)

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

	31/12/2026	31/12/2025
	CU	CU
Arising from customer loyalty programme		
Amounts received in advance of delivery for internet sales		
Maintenance services		
Amounts related to construction contracts		

Source	International GAAP Holdings Limited

61. Refund liability

	31/12/2026	31/12/2025
	CU	CU
Refund liability		

IFRS 15:119(d)
IFRS 15:126(a)

The refund liability relates to customers' right to return products within 30 days of purchase. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

62. Financial Instruments

Commentary:

The following are examples of the types of disclosures that might be required in this area. The matters disclosed will be dictated by the circumstances of the individual entity, by the significance of judgements and estimates made to the results and financial position, and the information provided to key management personnel.

(a) Classes and categories of financial instruments and their fair values

IFRS 9:4.1.1
IFRS 9:4.2.1
IFRS 7:6-8
IFRS 7:25
IFRS 7:29(a)
IFRS 13:97
IFRS 13:93(c)

The following table combines information about:

- classes of financial instruments based on their nature and characteristics
- the carrying amounts of financial instruments
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value)
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Source | **International GAAP Holdings Limited**

31 December 2026

	Carrying value									Fair value			
	Financial assets					Financial liabilities				Level			
	FVTPL – derivatives designated in hedge relationships	FVTPL – mandatorily measured	FVTOCI	FVTOCI – designated	Amortised cost	FVTPL – designated	FVTPL – mandatorily measured	Amortised cost	Total	1	2	3	Total
	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU
Cash and cash equivalents (note 54)													
Investments (note 24)													
Finance lease receivables (note 29) *										N/A	N/A	N/A	
Trade and other receivables (note 31)													
Borrowings (note 32)													
Convertible loan notes (note 33)													
Derivative financial instruments (note 34)													
Trade and other payables (note 37)													
Lease liabilities (note 36)**										N/A	N/A	N/A	N/A
Contingent consideration in business combination (note 38)													

31 December 2025

	Carrying value									Fair value			
	Financial assets					Financial assets				Level			
	FVTPL – derivatives designated in hedge relationships	FVTPL – mandatorily measured	FVTOCI	FVTOCI – designated	Amortised cost	FVTPL – designated	FVTPL – mandatorily measured	Amortised cost	Total	1	2	3	Total
	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU	CU
Cash and cash equivalents (note 54)													
Investments (note 24)													
Finance lease receivables (note 29) *										N/A	N/A	N/A	
Trade and other receivables (note 31)													
Borrowings (note 32)													
Convertible loan notes (note 33)													
Derivative financial instruments (note 34)													
Trade and other payables (note 37)													
Lease liabilities (note 36) **										N/A	N/A	N/A	N/A
Contingent consideration in business combination (note 38)													

** The disclosure of the fair value hierarchy level is not required for finance lease receivables [IFRS 13:6]*

*** The disclosure of the fair value, including the hierarchy level, is not required for lease liabilities [IFRS 7:29(d); IFRS 13:6]*

Source	International GAAP Holdings Limited

IFRS 13:91

(a)(i) Fair value of the group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

IFRS 13:93(d), (g)-(h)(i)
IFRS 13:IE65(e)

Financial assets/ financial liabilities	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
1) Foreign currency forward contracts and interest rate swaps (note 34)	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
2) Commodity options (note 34)	Black-Scholes model. The following variables were taken into consideration: current underlying price of the commodity, options strike price, time until expiration (expressed as a per cent of a year), implied volatility of the commodity and risk-free rate (RFR).	N/A	N/A
3) Held-for-trading shares (note 24)	Quoted bid prices in an active market.	N/A	N/A
4) Investments in unlisted shares (note 24)	Income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from __ to __ per cent (2025: __ to__ per cent).	The higher the revenue growth rate, the higher the fair value. If the revenue growth was __ per cent higher/lower while all other variables were held constant, the carrying amount would increase/decrease by CU__ million (2025: increase/decrease by CU__ million).
		Long-term pre-tax operating margin taking into account management's experience and knowledge of market conditions of the specific industries, ranging from __ to __ per cent (2025: __ to __ per cent).	The higher the pre-tax operating margin, the higher the fair value. If the pre-tax operating margin was __ per cent higher/lower while all other variables were held constant, the carrying amount would increase/decrease by CU__ million (2025: increase/decrease by CU__ million).
		Weighted average cost of capital, determined using a Capital Asset Pricing Model, ranging from __ to __ per cent (2025: __ to __ per cent).	The higher the weighted average cost of capital, the lower the fair value. If the weighted average cost of capital was __ per cent higher/lower while all other variables were held constant, the carrying amount would decrease/increase by CU__ million (2025: decrease/increase by CU__ million).
		Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from __ to __ per cent (2025:__ to __ per cent).	The higher the discount, the lower the fair value. If the discount was __ per cent higher/lower while all other variables were held constant, the carrying amount would decrease/increase by CU__ million (2025: decrease/increase by CU__ million).
5) Listed corporate bond and investment in green bonds (note 24)	Quoted bid prices in an active market.	N/A	N/A
6) Redeemable cumulative preference shares (note 32)	Discounted cash flow at a discount rate of __ per cent (2025: __ per cent) that reflects the group's current borrowing rate at the end of the reporting period.	N/A	N/A

Source	International GAAP Holdings Limited			
	7) Contingent consideration in a business combination (note 38)	Discounted cash flow method was used to capture the present value of the group arising from the contingent consideration.	Discount rate of __ per cent determined using a Capital Asset Pricing Model.	The higher the discount rate, the lower the fair value. If the discount rate was __ per cent higher/lower while all other variables were held constant, the carrying amount would decrease/increase by CU__ million (2025: decrease/increase by CU__ million).
			Probability-adjusted revenues and profits, with a range from CU__ to CU__ and a range from CU__ to CU__ respectively.	The higher the amounts of revenue and profit, the higher the fair value. If the revenue was __ per cent higher/lower while all other variables were held constant, the carrying amount would increase/decrease by CU__ million (2025: increase/decrease by CU__ million).

IFRS 13:93(c) There were no transfers between Level 1 and 2 during the current or prior year.

Commentary:

For financial assets and financial liabilities that are categorised within the Level 3 fair value hierarchy, if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would significantly change the fair value determined, an entity should state that fact and disclose the effect of those changes. The entity should also disclose how the effect of a change to reflect a reasonably possible alternative assumption was calculated.

IFRS 13:93(e)

(a)(ii) Reconciliation of Level 3 fair value measurements of financial instruments

The following table only includes financial assets. The only financial liabilities measured subsequently at fair value on Level 3 fair value measurement represent contingent consideration relating to the acquisition of *[Acquisition A Limited]* during the year (see note 53). No gain or loss for the year relating to this contingent consideration has been recognised in profit or loss.

	Equity investments—unlisted shares
	CU
Balance at 1 January 2025	
Total gains or losses:	
in profit or loss	
in other comprehensive income	
Purchases	
Issues	
Settlements	
Transfers out of Level 3	
Transfers into Level 3	
Balance at 1 January 2026	
Total gains or losses:	
in profit or loss	
in other comprehensive income	
Purchases	
Issues	
Settlements	
Transfers out of Level 3	
Transfers into Level 3	
Balance at 31 December 2026	

Source	International GAAP Holdings Limited
IFRS 13:93(e)(ii)	All gains and losses for 2026 included in other comprehensive income relate to unquoted equities held at the reporting date and are reported as changes of 'Investment revaluation reserve' (see note 43).
	Commentary: *For recurring Level 3 fair value measurements, an entity should disclose the amount of total unrealised gains or losses for the period included in profit or loss relating to those assets and liabilities held at the end of the reporting period, and the line item(s) in profit or loss in which those unrealised gains or losses are recognised.*
IFRS 13:97	**(a)(iii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**
IFRS 13:97 IFRS 13:93(d)	The fair value of the instruments classified as Level 1 (see above) was derived from quoted prices for that financial instrument. The fair value of the instruments classified as Level 2 (see above) was calculated using the discounted cash flow method. RFR adjusted by credit risk was used for discounting future cash flows. There were no financial instruments that are measured at amortised cost but for which fair value was disclosed classified as Level 3 either in the current year or in the prior year.
	(a)(iv) Financial liabilities designated as at FVTPL (with changes attributable to the change in credit risk being recognised in other comprehensive income)

		31/12/2026	31/12/2025
		CU	CU
IFRS 7:10(a)	Total cumulative gain/(loss) on changes in fair value:		
	– Cumulative gain/(loss) on changes in fair value attributable to changes in credit risk recognised in other comprehensive income (i)		
	Cumulative gain/(loss) on changes in fair value recognised in profit or loss		
	Cumulative gain/(loss) on changes in fair value attributable to changes in credit risk recognised in other comprehensive income:		
IFRS 7:10(d)	– Relating to financial liabilities derecognised during the year		
IFRS 7:10(b)	Difference between carrying amount and contractual amount at maturity:		
	– Cumulative preference shares at fair value (note 32)		
	– Amount payable at maturity		

(i) The change in fair value attributable to change in credit risk is calculated as the difference between the total change in fair value of cumulative preference shares (CU__) and the change in fair value of cumulative redeemable preference shares due to change in market risk factors alone (CU__). The change in fair value due to market risk factors was calculated using benchmark interest yield curves as at the end of the reporting period holding credit risk margin constant. The fair value of cumulative redeemable preference shares was estimated by discounting future cash flows using quoted benchmark interest yield curves as at the end of the reporting period and by obtaining lender quotes for borrowings of similar maturity to estimate credit risk margin.

IFRS 7:11(c) A qualitative assessment of the terms of the cumulative preference shares and the matching interest rate swap (see note 34) indicates that the effects of changes in the cumulative preference shares' credit risk are not expected to be offset by changes in the fair value of the interest rate swap. Accordingly, management determines that presenting the effects of changes in the cumulative preference shares' credit risk in other comprehensive income would not create or enlarge an accounting mismatch in profit or loss.

Source	International GAAP Holdings Limited

Commentary:

If an entity has designated a financial liability as at FVTPL and is required to present all changes in the fair value of that liability (including the effects of changes in the credit risk of the liability) in profit or loss (because recognising changes in the credit risk of the liability in other comprehensive income would enlarge an accounting mismatch in profit or loss), it should disclose:.

- *the amount of change, during the period and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability (see above)*
- *the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation (see above)*
- *a detailed description of the methodology(ies) used to determine whether presenting the effects of changes in a liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, and a detailed description of the economic relationship between the characteristics of the liability and the characteristics of the other financial instrument, when the effects of changes in the liability's credit risk are recognised in profit or loss.*

IFRS 7:31

(b) Financial risk management objectives

The group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

IFRS 7:33

(c) Market risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- forward foreign exchange contracts to hedge the exchange rate risk arising on the export of goods to [*B Land*] and [*C Land*]
- interest rate swaps to mitigate the risk of rising interest rates
- commodity option to mitigate the price risk of purchased inventory
- forward foreign exchange contracts to hedge the exchange rate risk arising on translation of the group's investment in foreign operation [*name*], which has the [*currency*] as its functional currency

Market risk exposures are measured using value-at-risk (VaR) analysis supplemented by sensitivity analysis.

IFRS 7:33(c)

There has been no change to the group's exposure to market risks or the manner in which these risks are managed and measured.

IFRS 7:41

Value-at-risk (VaR) analysis

The VaR measure estimates the potential loss in pre-taxation profit over a given holding period for a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognising offsetting positions and correlations between products and markets. Risks can be measured consistently across all markets and products, and risk measures can be aggregated to arrive at a single risk number. The one-day 95 per cent VaR number used by the group reflects the 95 per cent probability that the daily loss will not exceed the reported VaR.

Source	International GAAP Holdings Limited

VaR methodologies employed to calculate daily risk numbers include the historical and variance-covariance approaches. In addition to these two methodologies, Monte Carlo simulations are applied to the various portfolios on a monthly basis to determine potential future exposure.

Historical VaR (95%, one-day) by risk type

	Average		Minimum		Maximum		Year end	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU	CU	CU	CU	CU
Foreign exchange								
Interest rate								
Diversification								
Total VaR exposure								

The group's VaR should be interpreted in light of the limitations of the methodologies used. These limitations include the following:

- Historical data may not provide the best estimate of the joint distribution of risk factor changes in the future and may fail to capture the risk of possible extreme adverse market movements which have not occurred in the historical window used in the calculations
- VaR using a one-day time horizon does not fully capture the market risk of positions that cannot be liquidated or hedged within one day
- VaR using a 95 per cent confidence level does not reflect the extent of potential losses beyond that percentile.

These limitations and the nature of the VaR measure mean that the group can neither guarantee that losses will not exceed the VaR amounts indicated nor that losses in excess of the VaR amounts will not occur more frequently than once in 20 business days.

While VaR captures the group's daily exposure to currency and interest rate risk, sensitivity analysis evaluates the impact of a reasonably possible change in interest or foreign currency rates over a year. The longer time frame of sensitivity analysis complements VaR and helps the group to assess its market risk exposures. Details of sensitivity analysis for foreign currency risk and for interest rate risk are set below.

IFRS 7:33-34

(c)(i) Foreign currency risk management

The group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities denominated in the principal currencies at the reporting date are as follows:

	Currency B		Currency C	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU
Assets				
Liabilities				
Net exposure before impact of forward foreign exchange contracts				
Forward foreign exchange contracts				
Net exposure after impact of forward foreign exchange contracts				

Source	International GAAP Holdings Limited

Foreign currency sensitivity analysis

The group is mainly exposed to the currency of [*B Land*] ([*Currency B*]) and the currency of [*C Land*] ([*Currency C*]).

IFRS 7:34(a)
IFRS 7:40(b)

The following table details the group's sensitivity to a __ per cent increase and decrease in currency units against the relevant foreign currencies. __ per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a __ per cent change in foreign currency rates.

The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where currency units strengthens __ per cent against the relevant currency. For a __ per cent weakening of currency units against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

IFRS 7:40(c)

[*Where the assumptions used have changed from previous years, include detail of and reasons for those changes*]

		[*Currency B*] impact		[*Currency C*] impact	
		31/12/2026	31/12/2025	31/12/2026	31/12/2025
		CU	CU	CU	CU
IFRS 7:40(a)	Profit or loss		(i)		(iii)
IFRS 7:40(a)	Other equity		(ii)		(iv)

(i) This is mainly attributable to the exposure outstanding on [*Currency B*] receivables and payables in the group at the reporting date.

(ii) This is the result of the changes in fair value of derivative instruments designated as cash flow hedges and net investment hedges.

(iii) This is mainly attributable to the exposure to outstanding [*Currency C*] payables at the reporting date.

(iv) This is mainly as a result of the changes in fair value of derivative instruments designated as cash flow hedges.

IFRS 7:33(c)

The group's sensitivity to foreign currency has decreased during the current year mainly due to the disposal of [*Currency B*] denominated investments and the reduction in [*Currency B*] sales in the last quarter of the financial year which has resulted in lower [*Currency B*] denominated trade receivables.

IFRS 7:42

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

[*Currency B*] denominated sales are seasonal with lower sales volumes in the last quarter of the financial year, which results in a reduction in [*Currency B*] receivables at year end.

In addition, the change in equity due to a __ per cent change in the currency units against all exchange rates for the translation of net investment hedging instruments would be a decrease of CU__ million (2025: CU__ million). However, there would be no net effect on equity because there would be an offset in the currency translation of the foreign operation.

IFRS 7:22A-22B
IFRS 7:33-34

Foreign exchange forward contracts

It is the policy of the group to enter into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated sales and purchase transactions out to 6 months within __ per cent to __ per cent of the exposure generated. Basis adjustments are made to the initial carrying amounts of inventories when the anticipated purchases take place.

In the current year, the group has designated certain forward contracts as a hedge of its net investment in [*name of foreign operation*], which has [*Currency B*] as its functional currency. The group's policy has been reviewed and, due to the increased volatility in [*Currency B*], it was decided to hedge up to 50 per cent of the net assets of the [*name of foreign operation*] for foreign currency forward risk arising on translation of the foreign operation. The group utilises a rollover hedging strategy, using contracts with terms of up to 6 months. Upon the maturity of a forward contract, the group enters into a new contract designated as a separate hedging relationship.

Source	International GAAP Holdings Limited
IFRS 7:22B	For hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and underlying) of the foreign exchange forward contracts and their corresponding hedged items are the same, the group performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates. The group uses the hypothetical derivative method for the hedge effectiveness assessment and measurement of hedge ineffectiveness. As for the hedge of the net investment in [*name of foreign operation*], the group assesses effectiveness by comparing the nominal amount of the net assets designated in the hedge relationship with the nominal amount of the hedging instruments. This is a simplified approach because the currency of the exposure and hedging instruments perfectly match and the group excludes from the designation the foreign currency basis spread.
IFRS 7:23C IFRS 7:23E	The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the group's own credit risk on the fair value of the forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness emerged from these hedging relationships.
IFRS 7:24A(a) IFRS 7:24A(c)-(d)	The following tables detail the foreign currency forward contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Foreign currency forward contract assets and liabilities are presented in the line 'Derivative financial instruments' (either as assets or as liabilities) within the statement of financial position (see note 34 for further details):

Hedging instruments – Outstanding contracts	Average exchange rate		Notional value: Foreign currency		Notional value: Local currency		Change in fair value for recognising hedge ineffectiveness		Carrying amount of the hedging instruments assets/(liabilities)	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	[*rate*]	[*rate*]	[*FC*]	[*FC*]	CU	CU	CU	CU	CU	CU
Cash flow hedges										
Buy [Currency B]										
Less than 3 months										
3-6 months										
Sell [Currency B]										
Less than 3 months										
Buy [Currency C]										
Less than 3 months										
Net investment hedges										
Sell [Currency B]										
3-6 months										

Source	International GAAP Holdings Limited					
IFRS 7:24B(b)	Hedged items	Change in value used for calculating hedge ineffectiveness		Balance in cash flow hedge reserve/foreign currency translation reserve for continuing hedges		Balance in cash flow hedge reserve/foreign currency translation reserve arising from hedging relationships for which hedge accounting is no longer applied	
		31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
		CU	CU	CU	CU	CU	CU
	Cash flow hedges						
	Forecast sales (i)						
	Forecast purchases (ii)						
	Net investment hedges						
	Investment in [*name of foreign operation*] (iii)						
	Investment in [*name of foreign operation*] (iii)						

(i) The group expects to supply goods to customers in [*B Land*]. The expected sales are highly probable. The group has entered into foreign exchange forward contracts (for terms not exceeding three months) to hedge the exchange rate risk arising from these anticipated future transactions. It is anticipated that the sales will take place during the first three months of the next financial year, at which time the amount deferred in equity will be reclassified to profit or loss.

(ii) The group expects to purchase raw materials from suppliers in [*B Land*] and [*C Land*]. The expected purchases are highly probable. The group has entered into foreign exchange forward contracts (for terms not exceeding six months) to hedge the exchange rate risk arising from these anticipated future purchases.

As at 31 December 2026, the aggregate amount of gains under foreign exchange forward contracts deferred in the cash flow hedge reserve relating to these anticipated future purchase transactions is CU__ million (2025: gains of CU__ million). It is anticipated that the purchases will take place during the first six months of the next financial year at which time the amount deferred in equity will be removed from equity and included in the carrying amount of the raw materials. It is anticipated that the raw materials will be converted into inventory and sold within 12 months after purchase.

(iii) The group had, in previous years, hedged its investment in [*name of foreign operation*] against the foreign currency risk arising from the translation of [*name of foreign operation*]'s net assets from [*Currency A*] into the group's functional currency. However, the group ceased to hedge this investment in 2021 based on management's expectation of the continued strength of [*Currency A*]. The investment in [*name of foreign operation*] was fully disposed of in the current year and the cumulative amount arising from the previous hedging relationships which was deferred in equity was reclassified to profit or loss on disposal.

Source	International GAAP Holdings Limited

IFRS 7:24C(b) The following table details the effectiveness of the hedging relationships and the amounts reclassified from hedging reserve to profit or loss.

31/12/2026

	Change in the fair value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included	Cost of hedging recognised in OCI	Amount from cash flow hedge reserve transferred to inventory	Amount from cost of hedging reserve transferred to inventory	Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss	Amount reclassified from cash flow hedge reserve due to hedged future cash flows being no longer expected to occur (i)	Amount reclassified from cost of hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
	CU	CU		CU	CU	CU	CU	CU	CU	
Cash flow hedges										
Forecast sales			Other gains and losses							Revenue
Forecast purchases			Other gains and losses							N/A
Net investment hedges										
Investment in [*name of foreign operation*]			N/A							Profit for the year from discontinued operations
Investment in [*name of foreign operation*]			N/A							N/A

31/12/2025

	Change in the fair value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included	Cost of hedging recognised in OCI	Amount from cash flow hedge reserve transferred to inventory	Amount from cost of hedging reserve transferred to inventory	Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss	Amount reclassified from cash flow hedge reserve due to hedged future cash flows being no longer expected to occur (i)	Amount reclassified from cost of hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
	CU	CU		CU	CU	CU	CU	CU	CU	
Cash flow hedges										
Forecast sales			Other gains and losses							Revenue
Forecast purchases			Other gains and losses							N/A
Net investment hedges										
Investment in [*name of foreign operation*]			N/A							Profit for the year from discontinued operations
Investment in [*name of foreign operation*]			N/A							N/A

IFRS 7:23F (i) At the start of the third quarter of 2025, the group reduced its forecasts on sales of electronic equipment to [*B Land*] due to increased local competition and higher shipping costs. The group had previously hedged CU__ million of future sales of which CU__ are no longer expected to occur, and CU__ remain highly probable. Accordingly, the group has reclassified CU__ of gains on foreign currency forward contracts relating to forecast transactions that are no longer expected to occur from the cash flow hedging reserve to profit or loss.

Source	International GAAP Holdings Limited

Commentary:

The tables above provide an example of summary quantitative data about exposure to foreign exchange risks at the end of the reporting period that an entity may provide internally to key management personnel. Other presentations may also be appropriate.

IFRS 7:33-34

(c)(ii) Interest rate risk management

The group is exposed to interest rate risk because entities in the group borrow funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.

The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The group is exposed to the following risk-free rates: [*SOFR, EURIBOR, SONIA*]. The exposures arise on derivatives and non-derivative financial assets and liabilities (e.g. bills of exchange, debt and leases).

The carrying amounts of the group's fixed and floating rate assets and liabilities at the reporting date are as follows:

	Fixed rate		Floating rate	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU
Assets				
Liabilities				
Net exposure before impact of interest rate swaps				
Interest rate swaps				
Net exposure after impact of interest rate swaps	N/A	N/A		

IFRS 7:34(a)

Interest rate sensitivity analysis

IFRS 7:34(a)
IFRS 7:40(b)

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A __ per cent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

IFRS 7:40(c)

[*Where the assumptions used have changed from previous years, include detail of and reasons for those changes*]

IFRS 7:40(a)

If interest rates had been __ per cent higher/lower and all other variables were held constant, the group's:

- profit for the year ended 31 December 2026 would decrease/increase by CU__ million (2025: decrease/increase by CU__ million). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings
- other comprehensive income would decrease/increase by CU__ million (2025: decrease/increase by CU__ million) mainly as a result of the changes in the fair value of investment in corporate bonds classified as at FVTOCI.

IFRS 7:33(c)

The group's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments and the increase in interest rate swaps to swap floating rate debt to fixed rate debt.

Interest rate swap contracts

IFRS 7:22A-22B
IFRS 7:33-34

Under interest rate swap contracts, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

Source	International GAAP Holdings Limited

IFRS 7:22B
IFRS 7:23D-23E

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the group's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

IFRS 7:23B
IFRS 7:24A(b)

The following tables detail various information regarding interest rate swap contracts outstanding at the end of the reporting period and their related hedged items. Interest rate swap contract assets and liabilities are included in note 34.

IFRS 7:24A(a)
IFRS 7:24A(c)-(d)

Cash flow hedges

Hedging instruments – outstanding receive floating, pay fixed contracts	Average contracted fixed interest rate		Notional principal value		Carrying amount of the hedging instrument assets/(liabilities)		Change in fair value used for calculating hedge ineffectiveness	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	%	%	CU	CU	CU	CU	CU	CU
Less than 1 year								
1-2 years								
2-5 years								
5 years +								

IFRS 7:24B(b)

Hedged items	Nominal amount of the hedged item: liabilities		Change in value used for calculating hedge ineffectiveness		Balance in cash flow hedge reserve for continuing hedges		Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU	CU	CU	CU	CU
Variable rate borrowings								

Commentary:

The tables above provide an example of summary quantitative data about exposure to foreign exchange risks at the end of the reporting period that an entity may provide internally to key management personnel. Other presentations may also be appropriate.

IFRS 7:23C
IFRS 7:23E

The following table details the effectiveness of the hedging relationship and the amounts reclassified from hedging reserve to profit or loss:

Hedged items	Current period gains (losses) on hedging instruments recognised in OCI		Amount of hedge ineffectiveness recognised in profit or loss (P/L)		Line item in P/L in which hedge ineffectiveness is included	Amount reclassified to P/L				Line item in P/L in which reclassification adjustment is included
						Due to hedged future cash flows being no longer expected to occur		Due to hedged item affecting P/L		
	31/12/2026	31/12/2025	31/12/2026	31/12/2025		31/12/2026	31/12/2025	31/12/2026	31/12/2025	
	CU	CU	CU	CU		CU	CU	CU	CU	
Variable rate borrowings					Other gains and losses					Finance costs

Source	International GAAP Holdings Limited

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is SOFR. The group will settle the difference between the fixed and floating interest rate on a net basis.

IFRS 7:22A
IFRS 7:23A

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

IFRS 7:23B
IFRS 7:24A(a), (c)-(d)
IFRS 7:34(a)

Fair value hedges

Hedging instruments – outstanding receive fixed pay floating contracts	Notional principal amount		Carrying amount of the hedging instrument assets/(liabilities)		Change in fair value used for recognising hedge ineffectiveness	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU	CU	CU
Less than 1 year [*describe*]						

IFRS 7:24B(a)

Hedged item	Carrying amount of the hedged item: assets		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item: debit/(credit)		Change in fair value used for recognising hedge ineffectiveness		Accumulated amount of fair value hedge adjustments in SOFP for hedged items that have ceased to be adjusted for gains and losses on hedging instruments	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU	CU	CU	CU	CU
Fixed rate borrowings								

IFRS 7:24C(a)

The following table details the hedge ineffectiveness arising from the hedging relationship and the line item in profit or loss in which the hedge ineffectiveness is included:

Hedged item	Amount of hedge ineffectiveness recognised in profit or loss (P/L)		Line item in P/L in which hedge ineffectiveness is included
	31/12/2026	31/12/2025	
	CU	CU	
Fixed rate borrowings			Other gains and losses

Commentary:

The tables above provide an example of summary quantitative data about exposure to foreign exchange risks at the end of the reporting period that an entity may provide internally to key management personnel. Other presentations may also be appropriate.

Source	International GAAP Holdings Limited

IFRS 7:33-34

(c)(iii) Commodity price risk

Commodity price risk in the group primarily arises from price fluctuations and the availability of [*type of commodity*]. The group may enter into derivative transactions to limit these risks. Hedging activities are evaluated regularly to align with group expectations about the price changes and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.

IFRS 7:40

Commodity price sensitivity analysis

If the commodity prices of the hedged commodity had been __ per cent higher (lower) as of December 2026, profit after tax would have been CU__ million (2025: CU__ million) higher (lower).

If the commodity prices of the hedging transactions accounted for using cash flow hedge accounting had been __ per cent higher (lower) as of December 2026, equity would have been CU__ million (2025: CU__ million) higher (lower).

Commodity options

It is the policy of the group to enter into commodity options to manage the commodity price risk associated with anticipated purchase transactions out to 24 months. The group policy is to hedge up to 80 per cent of exposure generated within 3 months, about 60 per cent of exposure with maturity between 3 months and 12 months and no more than 40 per cent of exposure generated in 2 years. Basis adjustments are made to the initial carrying amounts of inventories when the anticipated purchases take place. The group always designates the intrinsic value of the options.

In the current year, the group has designated certain commodity options as a cash flow hedge of highly probable purchases. Because the critical terms (i.e. the quantity, maturity and underlying) of the commodity option and their corresponding hedged items are the same, the group performs a qualitative assessment of effectiveness and it is expected that the intrinsic value of the commodity option and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the price of underlying commodity if the price of the commodity increases above the strike price of the derivative.

The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the group's own credit risk on the fair value of the option contracts, which is not reflected in the fair value of the hedged item and if the forecast transaction will happen earlier or later than originally expected.

IFRS 7:23C
IFRS 7:23E

The following tables detail the commodity options outstanding at the end of the reporting period, as well as information regarding their related hedged items. Commodity options are presented in the line 'Derivative financial instruments' within the statement of financial position (see note 34 for further details):

IFRS 7:24A(a), (c)-(d)
IFRS 7:30B

Cash flow hedges

Hedging instruments—outstanding contracts	Average strike price		Quantity		Carrying amount of the hedging instruments		Change in fair value for recognising hedge ineffectiveness	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	[*rate*]	[*rate*]	[...]	[...]	CU	CU	CU	CU
[*Type of commodity*] **options**								
Less than 3 months								
3-6 months								
6-12 months								
1-2 years								

Source	International GAAP Holdings Limited

IFRS 7:24B(b)

Hedged items	Change in value used for calculating hedge ineffectiveness		Balance in cash flow hedge reserve for continuing hedges		Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU	CU	CU
Forecast purchases of [*type of commodity*]						

31/12/2026

Hedging instruments	Change in the fair value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included	Cost of hedging recognised in OCI	Amount from cash flow hedge reserve transferred to inventory	Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss
	CU	CU		CU	CU	CU
[type of commodity] options			Other gains and losses			

31/12/2025

Hedging instruments	Change in the fair value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss in which hedge ineffectiveness is included	Cost of hedging recognised in OCI	Amount from cash flow hedge reserve transferred to inventory	Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss
	CU	CU		CU	CU	CU
[type of commodity] options			Other gains and losses			

IFRS 7:33-34

(c)(iv) Other price risks

The group is exposed to equity price risks arising from equity investments.

Equity investments in unlisted entities (see note 24) are held for strategic rather than trading purposes. The group does not actively trade these investments.

The group invested in a portfolio of listed shares which are held for trading (see note 24). This type of investment is approved by the board [*or insert name of the relevant committee*] as the alternative to investment in money market funds in order to generate higher investment return on the spare funds. In accordance with the policy, the group may invest only in the entities that form part of the following indices: FTSE 100, DJIA, S&P 500, NASDAQ 100, etc.

Equity price sensitivity analysis

IFRS 7:40(b)

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

IFRS 7:40(a)

If equity prices had been __ per cent higher/lower:

- net profit for the year ended 31 December 2026 and 2025 would increase/decrease by CU__ million (2025: increase/decrease by CU__ million) as a result of the changes in fair value of the investments in listed shares
- other comprehensive income would increase/decrease by CU__ million (2025: increase/decrease by CU__ million) as a result of the changes in fair value of the investments in equity instruments

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from the prior year.

Source	International GAAP Holdings Limited
IFRS 7:40(c)	[*Where the assumptions used have changed from previous years, include detail of and reasons for those changes*]
IFRS 7:33-34 IFRS 7:35B	***(d) Credit risk management*** Note 62(d)(ii) details the group's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.
IFRS 7:35F(a)(i)	In order to minimise credit risk, the group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The group only transacts with entities that are rated the equivalent of investment grade. Investments in instruments, including bills of exchange, debentures and redeemable notes as detailed in note 24, where the counterparties have a minimum BBB- credit rating, are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies where available and, if not available, the group uses other publicly available financial information and its own trading records to rate its major customers. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.
IFRS 7:34(c)	Before accepting any new customer, a dedicated team responsible for the determination of credit limits uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed and approved twice a year by the risk management committee. 80 per cent of the trade receivables have the best credit scoring attributable under the external credit scoring system used by the group. Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the parent entity consider that the group's credit risk is significantly reduced. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.
IFRS 7:B8 IFRS 7:34(c) IFRS 7:35B(c)	Of the trade receivables balance at the end of the year, CU__ million (2025: CU__ million) is due from Entity A, the group's largest customer. Apart from this, the group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to Entity A did not exceed 20 per cent of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5 per cent of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.
IFRS 7:B10(b)	The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.
IFRS 7:B10(c)	In addition, the group is exposed to credit risk in relation to financial guarantees given to banks. The group's maximum exposure in this respect is the maximum amount the group could have to pay if the guarantee is called on (see below). As at 31 December 2026, an amount of CU__ (2025: CU__) has been estimated as a loss allowance in accordance with IFRS 9, however, no loss allowance was recognised in profit or loss because the premium received less cumulative amount recognised in profit or loss was higher than the expected amount of loss allowance (see note 37).

Source	International GAAP Holdings Limited

IFRS 7:35K(b)

(d)(i) Collateral held as security and other credit enhancements

The group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with finance lease receivables is mitigated because they are secured over the leased store equipment. The carrying amount of finance lease receivables amounts to CU__ million (2025: CU__ million) and the fair value of the leased assets is estimated to be approximately CU__ million (2025: CU__ million). The group is not permitted to sell or repledge the collateral in the absence of default by the lessee. There have not been any significant changes in the quality of the collateral held for finance lease receivables. The group has not recognised a loss allowance for the finance lease receivables as a result of these collaterals.

Commentary:

For all financial instruments to which the impairment requirements in IFRS 9 are applied, IFRS 7:35K(b) and (c) specify that entities should disclose the following:

- *a narrative description of collateral held as security and other credit enhancements, including:*
  - *a description of the nature and quality of the collateral held*
  - *an explanation of any significant changes in the quality of that collateral or credit enhancements as a result of deterioration or changes in the collateral policies of the entity during the reporting period*
  - *information about financial instruments for which an entity has not recognised a loss allowance because of the collateral*
- *quantitative information about the collateral held as security and other credit enhancements (for example, quantification of the extent to which collateral and other credit enhancements mitigate credit risk) for financial assets that are credit-impaired at the reporting date. For all financial instruments within the scope of IFRS 7, but to which the impairment requirements in IFRS 9 are not applied, IFRS 7:36(b) specifies that entities should give a description of collateral held as security and of other credit enhancements, and their financial effect (e.g. a quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk.*

IFRS 7:7
IFRS 7:31
IFRS 7:35K(a)

(d)(ii) Overview of the group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. As at 31 December 2026, the group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position

IFRS 7:35M
IFRS 7:B10(c)

- the maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed in note 62(e)(i). The related loss allowance is disclosed in note 38.

The group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery	Amount is written off

Source	International GAAP Holdings Limited

Commentary:

IFRS 7:35M requires the disclosure of information about an entity's credit risk exposure and significant concentrations of credit risk by credit risk grading at the reporting date. The number of credit risk rating grades used to disclose such information should be consistent with the number that the entity reports to key management personnel for credit risk management purposes. However, in some cases, delinquency and past due information may be the only borrower-specific information available without undue cost or effort, which is used to assess whether credit risk has increased significantly since initial recognition. In such cases, an entity should provide an analysis of those financial assets by past due status.

IFRS 7:35M-35N
IFRS 7:36(a)

The tables below detail the credit quality of the group's financial assets, contract assets and financial guarantee contracts, as well as the group's maximum exposure to credit risk by credit risk rating grades:

31/12/2026	Note	External credit rating	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
					CU	CU	CU
Loans to associates	24	N/A	Doubtful	Lifetime ECL (not credit impaired)			
Loan to joint venture	24	N/A	Performing	12-month ECL (low credit risk asset)			
Loans to other parties	24	N/A	Doubtful	Lifetime ECL (not credit impaired)			
Bills of exchange	24	A	Performing	12-month ECL (low credit risk assets)			
Corporate bonds	24	BBB	Performing	12-month ECL (low credit risk assets)			
Green bonds	24	AA	Performing	12-month ECL (low credit risk assets)			
Redeemable notes	24	AA	Performing	12-month ECL (low credit risk assets)			
Debentures	24	BBB-	Performing	12-month ECL (low credit risk assets)			
Trade receivables	31	N/A	(ii)	Lifetime ECL (simplified approach)			
Other receivables	31	N/A	Performing	12-month ECL			
Finance lease receivables	29	N/A	(ii)	Lifetime ECL (simplified approach)			
Contract assets	27	N/A	(ii)	Lifetime ECL (simplified approach)			
Financial guarantee contracts (i)	38	N/A	Performing	12-month ECL		N/A	N/A

Source **International GAAP Holdings Limited**

31/12/2025	Note	External credit rating	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
					CU	CU	CU
Loans to related parties	24	N/A	Doubtful	Lifetime ECL (not credit impaired)			
Loan to joint venture	24	N/A	Performing	12-month ECL (low credit risk asset)			
Loans to other parties	24	N/A	Doubtful	Lifetime ECL (not credit impaired)			
Bills of exchange	24	A	Performing	12-month ECL (low credit risk assets)			
Corporate bonds	24	BBB	Performing	12-month ECL (low credit risk assets)			
Redeemable notes	24	AA	Performing	12-month ECL (low credit risk assets)			
Debentures	24	BBB-	Performing	12-month ECL (low credit risk assets)			
Trade receivables	31	N/A	(ii)	Lifetime ECL (simplified approach)			
Other receivables	31	N/A	Performing	12-month ECL			
Finance lease receivables	29	N/A	(ii)	Lifetime ECL (simplified approach)			
Contract assets	27	N/A	(ii)	Lifetime ECL (simplified approach)			
Financial guarantee contracts (i)	38	N/A	Performing	12-month ECL		N/A	N/A

(i) For financial guarantee contracts, the gross carrying amount represents the maximum amount the group has guaranteed under the respective contracts.

(ii) For trade receivables, finance lease receivables and contract assets, the group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Notes 27, 29 and 31 include further details on the loss allowance for these assets respectively.

Source	International GAAP Holdings Limited
	The loss allowance on corporate bonds measured at FVTOCI is recognised against other comprehensive income and accumulated in the investment revaluation reserve. See note 43.
IFRS 7:36(a)-(b) IFRS 7:B10(b)	The carrying amount of the group's financial assets at FVTPL as disclosed in note 24 best represents their respective maximum exposure to credit risk. The group holds no collateral over any of these balances.
	Commentary: *For all financial instruments within the scope of IFRS 7, but to which the impairment requirements in IFRS 9 are not applied, IFRS 7:36(a) requires an entity to disclose by class of financial instrument the amount that best represents the entity's maximum credit risk exposure at the end of the reporting period, excluding the effect of any collateral and other amounts that do not qualify for offset in accordance with IAS 32. Examples of financial instruments that are within the scope of IFRS 7 but that are not subject to the IFRS 9 impairment requirements include:* • *financial assets and derivatives measured at FVTPL* • *financial guarantee contracts issued measured at FVTPL* • *loan commitments issued measured at FVTPL.* *Equity investments, regardless of whether they are measured at FVTPL or FVTOCI, are also in the scope of IFRS 7 but not subject to the IFRS 9 impairment requirements; however, they do not give rise to an exposure to credit risk and therefore are not subject to the IFRS 7 credit risk disclosures.*
IFRS 7:33-34	**(e) Liquidity risk management** Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of additional undrawn facilities that the group has at its disposal to further reduce liquidity risk are set out below.
IFRS 7:34-35 IFRS 7:39(c)	**(e)(i) Liquidity and interest risk tables** The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the reporting date.
IFRS 7:B10(c)	The amounts included in the following table for financial guarantee contracts are the maximum amount the group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee (see note 38). Based on expectations at the end of the reporting period, the group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses. The contractual maturity is based on the earliest date on which the group may be required to pay.
	Commentary: *The tables below include the weighted average effective interest rate and the carrying amount of the respective financial liabilities as reflected in the consolidated statement of financial position as an example of summary quantitative data about exposure to interest rates at the end of the reporting period that an entity may provide internally to key management personnel.*

Source | **International GAAP Holdings Limited**

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1–2 years	2–5 years	5+ years	Total	Carrying amount
	%	CU	CU	CU	CU	CU	CU	CU	CU
31 December 2026									
Trade and other payables									
Accruals									
Variable interest rate instruments (nominal)									
Fixed interest rate instruments (nominal)									
Interest on the interest bearing instruments									
Financial guarantee contracts									
Contingent consideration									
31 December 2025									
Trade and other payables									
Accruals									
Variable interest rate instruments (nominal)									
Fixed interest rate instruments (nominal)									
Interest on the interest bearing instruments									
Financial guarantee contracts									
Contingent consideration									

IFRS 7:39(b)

The following table details the group's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

	Less than 1 month	1-3 months	3 months to 1 year	1–2 years	2–5 years	5+ years
	CU	CU	CU	CU	CU	CU
31 December 2026						
Net settled (derivative liabilities):						
Interest rate swaps						
Commodity options						
Gross settled:						
Foreign exchange forward contracts – gross outflows						
Currency swaps – gross outflows						
31 December 2025						
Net settled (derivative liabilities):						
Interest rate swaps						
Commodity options						
Gross settled:						
Foreign exchange forward contracts – gross outflows						
Currency swaps – gross outflows						

Source	International GAAP Holdings Limited

(e)(ii) Financing facilities

The group is using a combination of the cash inflows from the financial assets and the available bank facilities to manage the liquidity.

The table below presents the cash inflows from financial assets:

	Less than 1 month	1-3 months	3 months to 1 year	1-2 years	2-5 years	5+ years	Total
	CU	CU	CU	CU	CU	CU	CU
31 December 2026							
Trade and other receivables							
Contract assets							
Lease receivables							
Investments in debt and equity instruments							
Derivative assets settled net							
Gross inflow on derivatives settled gross							
31 December 2025							
Trade and other receivables							
Contract assets							
Lease receivables							
Investments in debt and equity instruments							
Derivative assets settled net							
Gross inflow on derivatives settled gross							

Source	International GAAP Holdings Limited		
	The group has access to financing facilities as described below, of which CU__ million were unused at the reporting date (2025: CU__ million). The group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.		
		31/12/2026	31/12/2025
		CU	CU
IAS 7:50(a)	**Unsecured bank overdraft facility, reviewed annually and payable at call:**		
	amount used		
	amount unused		
	Unsecured bill acceptance facility, reviewed annually:		
	amount used		
	amount unused		
	Secured bank overdraft facility:		
	amount used		
	amount unused		
	Secured bank loan facilities with various maturity dates through to 2026 and which may be extended by mutual agreement:		
	amount used		
	amount unused		
IAS 1:134-135	***(f) Capital risk management***		
	The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2025.		
	The capital structure of the group consists of net debt and equity of the group.		
	Debt is defined by the group as long- and short-term borrowings and lease liabilities (excluding derivatives, contingent consideration, and financial guarantee contracts) as disclosed in notes 32, 33 and 36. Net debt is defined as debt after deducting cash and cash equivalents (including cash and bank balances in a disposal group held for sale).		
	Equity includes capital, reserves, retained earnings and non-controlling interests as disclosed in notes 40 to 51.		
	The group is not subject to any externally imposed capital requirements.		
	The group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The group has a target gearing ratio of __ per cent to __ per cent determined as the proportion of net debt to equity. The gearing ratio at 31 December 2026 of __ per cent (see below) was at below the target range, and has returned to a more typical level of __ per cent since the reporting date.		

Source	International GAAP Holdings Limited

Gearing ratio

The gearing ratio at the year-end is as follows:

	31/12/2026	31/12/2025
	CU	CU
Debt		
Cash and cash equivalents (including cash and bank balances in a disposal group held for sale)		
Net debt		
Equity		
Net debt to equity ratio	%	%

IAS 10:21

63. Events after the reporting period

On [*date*] the premises of [*name of subsidiary*] were seriously damaged by fire. Insurance claims have been put in hand but the cost of refurbishment is currently expected to exceed these by CU__.

IAS 24:13

64. Related party transactions

Balances and transactions between entities in the group have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its associates/joint ventures are disclosed below.

IAS 24:18-19

Trading transactions

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

	Sale of goods		Purchase of goods	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU
X Holdings				
Associates				
Joint ventures				

The following amounts were outstanding at the reporting date:

	Amounts owed by related parties		Amounts owed to related parties	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU
X Holdings				
Associates				
Joint ventures				



Additional related party disclosures are required in relation to parent entities and/or ultimate controlling parties incorporated or otherwise constituted outside Australia. Illustrative disclosures can be found in Note 64 in Appendix 3.

Source	International GAAP Holdings Limited

X Holdings is a related party of the group because [*give reasons*].

IAS 24:23 Sales of goods to related parties were made at the group's usual list prices, less average discounts of __ per cent. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Amounts repayable to X Holdings carry interest of __ per cent to __ per cent (2025: __ per cent to __ per cent) per annum charged on the outstanding loan balances (see note 32).

IAS 24:17 ***Remuneration of key management personnel***

The remuneration of the directors, who are the key management personnel of the group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	31/12/2026	31/12/2025
	CU	CU
Short-term employee benefits		
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Share-based payments		

IAS 24:18 ***Loans to related parties***

	31/12/2026	31/12/2025
	CU	CU
Loans to associates:		
Associate A Limited		
Associate B Limited		
Loan to joint venture		
JV A Limited		
Loans to other related parties:		
[*Name of related party*]		

The group has provided its associates and joint venture with short-term loans at rates comparable to the average commercial rate of interest (see note 24).

IAS 10:17 **65. Approval of the financial statements**

The financial statements were approved by the board of directors and authorised for issue on [*date*].

Australian entities are also required to provide information about the remuneration of auditors and summarised parent entity information in the notes to the financial statements. See Notes 66 and 67 in Appendix 3 for illustrative examples.

In addition, public companies are required to include a consolidated entity disclosure statement separately from the financial statements. An illustrative example of the statement can be found in Appendix 3.

Appendix 1 – Areas of the model financial statements affected by climate change



This appendix gives an overview of all disclosure areas impacted by climate change. These impacts are also highlighted in the core model financial statements with icons.

Contents

Climate change **172**

Source	International GAAP Holdings Limited

Appendix 1—Areas of the illustrative financial statements affected by climate change

Risks and uncertainties arising from climate change or the transition to a lower carbon economy could affect the following areas of the financial statements.

Section	Area	Commentary
3. Accounting policies	Going concern assessment	IAS 1 requires disclosure of material uncertainties relating to events or conditions which may cast significant doubt upon an entity's ability to continue as a going concern, or of significant judgements made in concluding there are no material uncertainties related to the going concern assumption. Such uncertainties may arise from climate-related factors. For example, the introduction of legislation directly affecting an entity's business model, or giving rise to increased compliance costs, may cast significant uncertainty upon the entity's ability to continue as a going concern. Alternatively, management may have applied significant judgement about the effectiveness of the entity's planned response in concluding that there is no material uncertainty.
4. Critical accounting judgements and key sources of estimation uncertainty 16. Goodwill 17. Intangible assets 18. Property, plant and equipment 21. Associates 22. Joint ventures 30. Leases (group as a lessee)	Impairment of non-financial assets	Exposure to climate-related risks could be an indicator of impairment, for example, a significant decline in demand for products or services, or new regulations that have a negative impact on an entity. Such factors could also affect the estimated cash flows used in determining the recoverable amount of an asset or group of assets. Sensitivity disclosures under IAS 36:134 should reflect all reasonably possible changes in the values assigned to key assumptions. Unlike IAS 1:125, this is not limited to changes within the next year and should address all reasonably possible changes over the period of the impairment assessment. An entity should consider the long-term impacts of climate change and consider disclosing climate-related assumptions as key assumptions.
3. Accounting policies 18. Property, plant and equipment 17. Intangible assets 30. Leases (group as a lessee)	Changes in the recognition, useful life or residual value of assets	When climate-related risks are significant, concerns over viability could mean that the criterion (in IAS 16:7 for property, plant and equipment and paragraph 21 of IAS 38 *Intangible Assets* for intangible assets) that costs are only recognised as an asset when it is probable that future economic benefits associated with the asset will flow to the entity is not met. Adaption of an entity's business to address climate change issues could also result in additional research and development activities, requiring consideration of the criteria for recognition as intangible assets under IAS 38:57. In addition, intangible assets related to carbon offset schemes may need to be recognised. Climate-related risks may also affect the depreciation or amortisation of assets (property, plant and equipment, right-of-use assets and intangible assets) through a change in their useful lives or residual values. Such factors should be incorporated into a review of an asset's useful life and residual value.

Source	International GAAP Holdings Limited		
	Section	**Area**	**Commentary**
	39. Provisions 55. Contingent liabilities	Provisions, contingencies and onerous contracts	The pace and severity of climate change, as well as accompanying government policy and regulatory measures, may affect the recognition, measurement and disclosure of provisions, contingencies and onerous contracts. Major assumptions about future events must be disclosed, which may include an explanation of how climate-related risks have been factored into the best estimate of the provision. Information may also need to be included to help users understand the potential effect of changes in major assumptions used.
	4. Critical accounting judgements and key sources of estimation uncertainty	Key judgements and estimates disclosures	If assumptions related to the impact of climate change or the transition to a lower carbon economy have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, then information about the assumptions should be disclosed in accordance with IAS 1:125. This includes longer-term assumptions which are at risk of significant revision within the next year. It may also be necessary to disclose other uncertainties that are not expected to cause a material adjustment within one year to enable a better understanding of the financial statements. Such disclosure should, however, be clearly separated from uncertainties that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year, per IAS 1:125. In the process of applying the entity's accounting policies, management may make various judgements, other than those involving estimations, that can significantly affect the amounts recognised in the financial statements. Such judgements are required to be disclosed in accordance with IAS 1:122. The IFRS Foundation has published educational material that includes an example of an entity operating in an industry particularly affected by climate-related matters. In the example, the entity tests an asset for impairment applying IAS 36 but recognises no impairment loss. The entity should disclose judgements management has made, for example, in identifying the asset's cash-generating unit, if such judgements could significantly affect the amounts recognised in the entity's financial statements. The transition to a low carbon economy will also give rise to new transactions for which significant judgements may be required in developing accounting policies. For example, 'green' bonds, carbon offsetting or emission trading schemes.
	4. Critical accounting judgements and key sources of estimation uncertainty	Information that is relevant to understanding the financial statements	If users of the financial statements could reasonably expect that climate change-related risks will have significant impact on the parent entity and this would qualitatively influence their decisions, then management should clearly disclose information about the climate change assumptions that they have made (if not disclosed elsewhere), including disclosures around the sensitivity of those assumptions. This is to enable users to understand the basis of forecasts on which the financial statements are prepared. This may mean that disclosure is provided even if the effects of climate change on the parent entity may only be experienced in the medium to longer term.

Source	International GAAP Holdings Limited		
	Section	**Area**	**Commentary**
	4. Critical accounting judgements and key sources of estimation uncertainty 24. Investments 27. Contract assets 29. Finance lease receivables 31. Trade and other receivables	Impairment of financial assets	Climate-related events, such as floods and hurricanes, can affect the creditworthiness of borrowers due to business interruption, impacts on economic strength, asset values and unemployment. In addition, borrowers' ability to pay debts might be diminished if they are in industries that have fallen out of favour and are therefore depressed. The impact on receivables in entities operating in non-financial industries is likely to be less severe because the economic conditions are less likely to change during the collection period of the debtors. However, where a significant climate-related event has occurred, the effect of this event on trade receivables at balance sheet date should be assessed.
	18. Property, plant and equipment 19. Investment property 62. Financial Instruments	Assets measured on a fair value basis	The requirements of IFRS 13 on fair value measurement apply to a broad range of assets and liabilities whether for measurement or disclosure purposes. This includes assets or cash-generating units tested for impairment on a fair value less costs of disposal basis, as well as the initial measurement at fair value of assets acquired in a business combination. The broad scope of IFRS 13's requirements could mean that the effects of climate-related risks on fair values become significant for entities whose own business might not be thought of as being directly affected by the more apparent physical and transition risks of climate change.
	58. Retirement benefit plans	Impact on pension risks from climate	Pension trustees are required to consider all material financial risks, including the exposure of pension assets to climate change risk. Demographic assumptions and investment performance can vary significantly under different climate change scenarios, affecting the measurement of pension asset and liability balances at the balance sheet date.
	35. Deferred tax	Recoverability of deferred tax assets	Climate-related factors may cause a decrease in estimates of future taxable profits. Assumptions underlying the forecast of future taxable profits that supports the recoverability of deferred tax assets should be consistent with assumptions underlying other profit forecasts used in the preparation of the financial statements or disclosed in the narrative reports.
	4. Critical accounting judgements and key sources of estimation uncertainty 12. Income Tax 39. Provisions 55. Contingent liabilities	New levies or taxes	New levies or taxes may be introduced to encourage decarbonisation. Any levy liabilities should be recognised as the obligation is triggered under law (per IFRIC 21 *Levies*) and any income tax effects should be incorporated into normal IAS 12 accounting. Care should be taken when distinguishing between a levy and income tax and the application of IFRIC 21 or IAS 12 as this has proven to be a challenging area as new taxes/levies have been introduced in the past.
	17. Intangible assets	Carbon trading schemes	There are currently different acceptable approaches to account for carbon trading schemes. The accounting policy applied by the entity should be disclosed if this is relevant for users to understand the financial statements.

Source	International GAAP Holdings Limited		
	Section	**Area**	**Commentary**
	57. Share-based payments	Incentive schemes	Entities may introduce schemes to incentivise management to decarbonise. Such schemes may either fall in the scope of IAS 19 or IFRS 2 depending on the nature of the awards. Decarbonisation targets should be treated as any other uncertainties or actuarial assumptions for IAS 19 benefits, and as any other performance conditions for share-based payments under IFRS 2.
	25. Inventories	Net realisable value of inventories	The net realisable value of inventories could be impacted by climate-related factors, when either selling prices decline or costs of completion increase. Changing consumer behaviour could cause a fall in demand for a product, raw material sourcing constraints could cause an increase in completion costs, a regulatory change could render inventories obsolete, or a significant weather event could cause physical damage to inventories. If such instances mean that the cost of inventory is no longer recoverable, IAS 2 *Inventories* requires that such inventories be written down to their net realisable value.
	5. Revenue 6. Operating Segments	Segmental and disaggregated revenue disclosures	IFRS 8 requires disclosure of information about operating segments. Such information may only be aggregated when segments have similar economic characteristics and are similar in various other respects as set out in IFRS 8:12. The anticipated impact of climate change is an indicator that segments may not have similar economic characteristics in the long term. IFRS 15:114 requires revenue recognised from contracts with customers to be disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This could include climate-related factors which result in different categories of revenue being subject to substantially different risks or opportunities.
	7. Profit for the year 59. Deferred income—government grant	Government grants	Governments may increasingly provide government grants and other forms of government assistance to entities to encourage the transition to a lower carbon economy in line with the government's commitments to reduce greenhouse gas emissions. IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* prescribes the accounting for, and disclosure of, government grants and other forms of government assistance. Whether government grants which are intended to compensate entities for costs related to 'green' capital or operating expenditure are within the scope of IAS 20 and how such grants should be recognised in profit or loss on a systematic basis, will depend on the nature of the grants and the conditions attaching to them.

Appendix 2 – Initial application of the Amendments to IFRS 9 and IFRS 7 titled *Contracts Referencing Nature-dependent Electricity*

Source	International GAAP Holdings Limited

Appendix 2

Initial application of the Amendments to IFRS 9 and IFRS 7 titled *Contracts Referencing Nature-dependent Electricity*

Introduction

This appendix has been produced to complement the International GAAP Holdings Limited illustrative financial statements for the year ended 31 December 2026. It focuses on the changes introduced by the amendments to IFRS 9 and IFRS 7 titled *Contracts Referencing Nature-dependent Electricity*, published by the IASB in December 2024 (the "December 2024 amendments").

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. A Deloitte *iGAAP in Focus* explains the key changes introduced by the December 2024 amendments.

Key assumptions used in the preparation of this appendix

- The group is assumed to have adopted the December 2024 amendments for the annual period ending 31 December 2026.
- The group has chosen not to restate prior periods and has recognised any difference between the previous carrying amount and the carrying amount at the date of initial application of the December 2024 amendments in the opening retained earnings (or other component of equity, as appropriate) at the beginning of that reporting period. This appendix does not illustrate the impact of this adjustment.
- This appendix does not include a full set of financial statements; only the notes directly affected by the application of the December 2024 amendments are included. Notes that are indirectly affected, e.g. note 10 presenting gains and losses, have not been illustrated in this appendix. Entities should consider the impact of the December 2024 amendments on all notes to the financial statements.
- To effectively demonstrate the new disclosures required by the December 2024 amendments, this appendix assumes that the group has entered a power purchase agreement accounted for as a derivative at FVTPL. This arrangement was not included in the International GAAP Holdings Limited illustrative financial statements for the year ended 31 December 2026.

Source	International GAAP Holdings Limited
	2. Change in accounting policies and prior period errors (extract)
	New and amended IFRS Accounting Standards that are early adopted in the current year
IAS 8:28(a)	**Amendments to IFRS 9 and IFRS 7 titled *Contracts Referencing Nature-dependent Electricity***
IFRS 9.7.1.15	In the current year, the group has applied the amendments to IFRS 9 and IFRS 7 titled *Contracts Referencing Nature-dependent Electricity* for the first time.
IAS 8:28(c)	The amendments are as follows: • the own use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent • the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument: – to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met, and – to measure the hedged item using the same volume assumptions as those used for the hedging instrument • new disclosure requirements were added to IFRS 7 in respect of contracts for nature-dependent electricity with specified characteristics.
	Impact of the initial application of the December 2024 amendments
	In February 2023, the group entered into a long-term physical power purchase agreement (PPA). The physical PPA has a term of 15 years. Prior to applying the December 2024 amendments the group accounted for the PPA as a derivative measured at FVTPL because the group concluded that the contract did not meet the own use exception. As at 31 December 2025, the PPA was recognised in the statement of financial position at CU__ (financial liability). Upon application of the December 2024 amendments, the group has determined that the PPA meets the amended criteria for the own use exception for contracts referencing nature-depending electricity and, accordingly, the PPA is now accounted for as an executory contract.
IFRS 9:7.2.51	The group has chosen not to restate prior periods. Accordingly, on 1 January 2026, the carrying amount of the derivative instrument recognised in respect of the physical PPA of CU__ million was derecognised with a corresponding credit recorded in opening retained earnings.

Source	International GAAP Holdings Limited		
	34. Derivative financial instruments (extract)		
		31/12/2026	31/12/2025
		CU	CU
	Derivative financial assets		
IFRS 7:8(a)	Derivatives that are designated and effective as hedging instruments carried at fair value:		
	Foreign currency forward contracts		
	Interest rate swaps		
	Commodity options		
	VPPA contract		N/A
	Derivative financial liabilities		
IFRS 7:8(e)	Derivatives that are designated and effective as hedging instruments carried at fair value:		
	Foreign currency forward contracts		
	Interest rate swaps		
IFRS 7:8(e)	Held for trading derivatives that are not designated in hedge accounting relationships:		
	Interest rate swap	N/A	
	PPA contract(*)		

(*) Prior to applying the December 2024 amendments, the group accounted for the PPA as a derivative measured at FVTPL because the group concluded that the contract did not meet the own use exception. The group has not restated prior periods. On 1 January 2026, the derivative of CU__ million was derecognised with a corresponding credit recorded in opening retained earnings.

Nature-dependent electricity contracts

IFRS 7:30A(a) In February 2023, the group signed an offshore wind energy deal with *[name of the entity]*. The physical PPA has a term of 15 years. The long-term PPA is for 90 per cent of the output of carbon-free energy from the offshore wind farm in *[location]* representing __ MWh on an annualised basis. This will allow the group's UK operations to operate at or near 70 per cent carbon-free energy on an hourly basis. The contract's terms expose the group to the variability of wind speed and the potential for oversupply if the wind is strong when the group does not need the electricity. As the result of oversupply, the group will have to sell unused electricity as market design does not offer any alternatives and the group has no practical ability to store electricity. As explained in note 2, following the adoption of the December 2024 amendments, the physical PPA is accounted for as an executory contract, whereas it was accounted for as a derivative financial instrument at FVTPL in prior periods.

IFRS 7:30A(b)(i) The committed future cash outflows from buying electricity under this contract are as follows:

	31/12/2026
	CU
< 1 year	
1 to 2 years	
2 to 5 years	
5 to 10 years	
> 10 years	
Total	

IFRS 7:30A(c) During the year under the PPA contract the group purchased __ MWh for CU__ million out of which __ MWh was unused and sold for CU__ million. The group purchased __ MWh for CU__ million to offset sales of unused electricity. Overall, during the year the group was a net purchaser of the electricity.

Source	International GAAP Holdings Limited

IFRS 7:30A(b)(ii)

On 31 December 2026, the fixed purchase price of the electricity under the contract is lower than the market price for the electricity. However, the contracted purchase price is expected to be higher than the expected market price (i.e. the forward price) for the electricity throughout the period until maturity of the contract. The group does not consider the contract to be onerous because *[provide a qualitative information on how the entity assessed whether the contract might become onerous, including the assumptions used in the assessment].*

62. Financial instruments (extract)

IFRS 13:91

(a)(i) Fair value of the group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

IFRS 13:93(d)
IFRS 13:93(g)
IFRS 13:IE65(e)
IFRS 13:93(d)
IFRS 13:93(h)(i)

Financial assets/financial liabilities	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
1) Foreign currency forward contracts and interest rate swaps (note 34)	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
2) Commodity options (note 34)	Black-Scholes model. The following variables were taken into consideration: current underlying price of the commodity, options strike price, time until expiration (expressed as a per cent of a year), implied volatility of the commodity and risk-free rate (RFR).	N/A	N/A
3) VPPA contract (note 34)	Discounted cash flow. Future cash flows are estimated based on projected baseload power prices, contracted rate and P50 data that projects wind output per month over the contract. Cash flows are discounted at a rate that reflects the credit risk of various counterparties.	Quoted power prices in an active market are available for the first 5 years only, after which the curve is extrapolated. The power curve is also adjusted to match the timing of production (both seasonal and intraday).	The higher the adjustment to the original curves, the higher the fair value. If the curve was adjusted by __% up/down while all other variables were held constant, the carrying amount would increase/decrease by CU__ million
4) Held-for-trading shares (note 24)	Quoted bid prices in an active market.	N/A	N/A

Source	International GAAP Holdings Limited

VPPA contract

In February 2026, the group entered into a VPPA contract to manage the power price risk associated with anticipated purchase transactions out to 15 years.

As explained in note 2, the group has designated the VPPA contract as a cash flow hedge of highly probable purchases. Based on the probability assessment, the group has determined that it is highly probable that the amount of the group's forecast electricity purchases will be higher than or equal to the variable nominal amount designated as the hedged item. The group uses the hypothetical derivative and regression analysis to assess the hedge effectiveness. Based on the group's quantitative assessment, it is expected that the value of the VPPA contract, and the value of the corresponding hedged item will systematically change in opposite directions in response to movements in the underlying electricity prices.

The group has identified two potential sources of hedge ineffectiveness in this hedge relationship. Firstly, structural price differences i.e. the difference in the forecast market prices of the electricity at the time of purchases to meet the electricity demand of the group (reflected in the hedged item) and forecast market prices at the time of delivery by windfarm under the contract referencing nature-dependent electricity that are used to calculate the cash flows for net settlement (reflected in the hedging instrument). Secondly, the effect of the counterparty and the group's own credit risk on the fair value of the VPPA contract, which is not reflected in the fair value of the hedged item.

IFRS 7:23C
IFRS 7:23E

The following tables detail the commodity options and VPPA contract outstanding at the end of the reporting period, as well as information regarding their related hedged items. Commodity options and VPPA contract are presented in the line 'derivative financial instruments' within the statement of financial position (see note 34 for further details):

IFRS 7:24A(a)
IFRS 7:24A(c)-(d); IFRS 7:30B

Cash flow hedges

Hedging instruments—outstanding contracts	Average strike price		Quantity		Carrying amount of the hedging instruments		Change in fair value for recognising hedge ineffectiveness	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	[rate]	*[rate]*	[...]	[...]	CU	CU	CU	CU
***[Type of commodity]* options**								
Less than 3 months								
3 to 6 months								
6 to 12 months								
1 to 2 years								
VPPA contract								
until 2041 (quantity p.a.)		N/A		N/A		N/A		N/A

Source	International GAAP Holdings Limited

IFRS 7:24B(b)

Hedged items	Change in value used for calculating hedge ineffectiveness		Balance in cash flow hedge reserve for continuing hedges		Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied	
	31/12/2026	31/12/2025	31/12/2026	31/12/2025	31/12/2026	31/12/2025
	CU	CU	CU	CU	CU	CU
Forecast purchases of *[type of commodity]*						
Forecast purchases of electricity		N/A		N/A		N/A

31/12/2026

Hedging instruments	Change in the fair value of hedging instrument recognised in OCI	Hedge ineffective-ness recognised in profit or loss	Line item in profit or loss in which hedge ineffective-ness is included	Cost of hedging recognised in OCI	Amount from cash flow hedge reserve transferred to inventory	Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss	Amount from cost of hedging reserve transferred to inventory	Line item in profit or loss affected by the reclassification
	CU	CU		CU	CU	CU	CU	
[Type of commodity] options			Other gains and losses					N/A
VPPA contract			Other gains and losses	N/A	N/A		N/A	Cost of sales

31/12/2025

Hedging instruments	Change in the fair value of hedging instrument recognised in OCI	Hedge ineffective-ness recognised in profit or loss	Line item in profit or loss in which hedge ineffective-ness is included	Cost of hedging recognised in OCI	Amount from cash flow hedge reserve transferred to inventory	Amount from cost of hedging reserve transferred to inventory
	CU	CU		CU	CU	CU
[Type of commodity] options			Other gains and losses			

Appendix 3 – Australian-specific disclosures

This appendix includes the various reports required under the Corporations Act, additional Australian Accounting Standards disclosures, ASX Listing Rules requirements and ACNC requirements.

Contents

About these disclosures 191
Appendix 4E 192
Directors' report 196
Auditor's independence declaration 229
Independent auditor's report 232
Directors' declaration 235
Consolidated statement of financial position 237
Notes to the consolidated financial statements
- **1. General information** 240
- **2. Adoption of new and revised Australian Accounting Standards** 242
- **3. Accounting policies** 252
- **4. Critical accounting judgements and key sources of estimation uncertainty** 255
- **5. Revenue (not-for-profit entities)** 256
- **14. Dividends** 257
- **20. Subsidiaries** 259
- **30. Leases (Group as a lessee) (not-for-profit and public sector)** 267
- **54. Notes to the cash flow statement** 268
- **64. Related party transactions** 269
- **66. Remuneration of auditors** 270
- **67. Parent entity information** 273

Consolidated entity disclosure statement 277
ASX Corporate Governance Principles and Recommendations 289
Tax transparency report 295

About these disclosures

We have designed these Australian specific illustrative disclosures to be used as a guide, in conjunction with the core model financial statements, to assist most for-profit and not-for-profit Tier 1 entities meet their general financial reporting requirements.

This section contains illustrative disclosures that are suitable for use as a **guide** only and will not be appropriate for use by all entities. Each entity should consider its respective circumstances and develop transparent entity-specific disclosures.

The illustrative disclosures in this appendix only illustrate Australian specific disclosures and requirements that are in addition to, or instead of, the disclosures included in the core model financial statements.

Section *About the model financial report* (starting on page 1) of the *Core model financial statements* illustrates how a complete financial report can be developed using the information in this appendix and the core model financial statements.

Not-for-profit and public sector entities

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

Appendix 4E

Source

Appendix 4E, Item 1	**Current reporting period**	Year ended 31 December 2026
Appendix 4E, Item 1	**Prior corresponding period**	Year ended 31 December 2025

Results for announcement to the market

Appendix 4E, Item 2, Footnote

The information below required by Appendix 4E, Items 2.1-2.6 must be placed at the beginning of the report. The other information required by Appendix 4E may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately.

Key information

			% Change		**$'000**
Appendix 4E, Item 2.1	Total revenue from ordinary activities	*[Up/down]*	___ %	to	*[Amount]*
Appendix 4E, Item 2.2	Profit (loss) from ordinary activities after tax attributable to members	*[Up/down]*	___ %	to	*[Amount]*
Appendix 4E, Item 2.3	Net profit (loss) for the period attributable to members	*[Up/down]*	___ %	to	*[Amount]*

Appendix 4E, Item 7

Details relating to dividends

		Amount per share	**Franking[(1)]**	**Total amount $'000**
Appendix 4E, Item 2.4	Final dividend paid on 10 April 2026 (prior year)	___ cents	___ %	*[Amount]*
Appendix 4E, Item 2.4	Interim dividend paid on 9 October 2026	___ cents	___ %	*[Amount]*
Appendix 4E, Item 2.4	Final dividend declared on 18 February 2027[(2)]	___ cents	___ %	*[Amount]*

Appendix 4E, Item 2.5 Record date for determining entitlements to dividends 24 March 2027

Appendix 4E, Item 2.6 (1) All dividends are fully franked at a 30% tax rate.

Appendix 4E, Item 7 (2) The final dividend is payable on 5 April 2027 and is not recognised as a liability as at 31 December 2026.

Appendix 4E, Item 2.4 If no dividends have been paid or proposed, the entity is required to make a statement that it is not proposed to pay dividends.

Additional information

Appendix 4E, Item 2.6 An entity is required to provide a brief explanation of any figures provided in relation to Items 2.1 to 2.4 necessary to enable the figures to be understood.

For example, an entity may include information including:

- Abnormal items of income and expense during the period or corresponding period
- Details of discontinued operations
- Additional line items or subtotals explaining the composition of amounts.

Source

Results for announcement to the market (continued)

Additional requirements for dividends and distributions

Appendix 4E, Item 7

Item 7 of Appendix 4E requires the disclosure of details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.

Dividend or distribution reinvestment plans

Appendix 4E, Item 8

The entity is required to provide details of any dividend or distribution reinvestment plans in operation and the last date for receipt of an election notice for participation in any dividend or distribution reinvestment plan.

Commentary on results for the period

Appendix 4E, Item 14

The preliminary final report must contain a commentary on results for the period that is sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of:

- The earnings per security and the nature of any dilution aspects
- Returns to shareholders including distributions and buy-backs
- Significant features of operating performance
- The results of segments that are significant to an understanding of the business as a whole
- A discussion of trends in performance
- Any other factors which have affected the results in the period or which are likely to affect the results in the future including those where the effect could not be quantified.

Net tangible assets per share

	31/12/2026	31/12/2025*
Appendix 4E, Item 9 Net tangible assets per share	____ cents	____ cents

* The information for 31 December 2025 has been restated for the *[describe the change in accounting policy or error]* as explained in Note 2 to the attached financial statements.

Calculation of net tangible assets per share

Appendix 4E does not provide explicit guidance on how net tangible assets are calculated, although that term is used in many places in the ASX Listing Rules in addition to Appendix 4E. The following information may be used as guidance:

- Chapter 19 of the ASX Listing Rules provides a definition of "net tangible asset backing" for the purposes of disclosure by listed investment entities under ASX Listing Rules 4.10.2 and 4.12
- The ASX Clear (Futures) Operating Rules provides a definition of net tangible assets (in Part 1) for the purposes of those rules. The definition references "excluded assets" which include intangible assets (within the meaning of AASB 138 *Intangible Assets*, including goodwill) and deferred tax assets as being excluded from net tangible assets for the purposes of those rules
- The ASX *Introduction to Investment Products* publication explains that net tangible assets of listed investment companies and trusts are the assets of the entity less any liabilities and intangible assets.

It is understood that the ASX will accept a lease right-of-use asset being classified as tangible or intangible following the character of the underlying asset. So, for example, a lease right-of-use asset associated with a lease of plant and equipment would be classified as tangible for the purposes of the net tangible assets per share calculation.

Where judgement is applied in determining the net tangible assets per share, additional explanation may be required.

Source	
	Financial statements
	The preliminary financial report must contain:
Appendix 4E, Item 3	• A statement of comprehensive income together with notes to the statement, prepared in compliance with AASB 101 *Presentation of Financial Statements*, or the equivalent foreign accounting standard
Appendix 4E, Item 4	• A statement of financial position together with notes to the statement. The statement may be condensed but must report as line items each significant class of asset, liability and equity element with appropriate subtotals
Appendix 4E, Item 5	• A statement of cash flows together with notes to the statement. The statement may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 107 *Statement of Cash Flows*, or equivalent foreign accounting standard
Appendix 4E, Item 6	• A statement of retained earnings, or a statement of changes in equity, showing movements.
Appendix 4E, Item 12	The preliminary financial report must also contain any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.
Appendix 4E, Item 2, Footnote	With the exception of the information required by Appendix 4E, Item 2, the information required by Appendix 4E may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately. Accordingly, where the financial report is included with the preliminary final report, the above information is not required to be duplicated in the preliminary final report. If the entity does not include an attached financial report, then the financial statements should be included in the preliminary financial report.
	Entities over which control has been gained or lost during the period
Appendix 4E, Item 10	Details provided must include the following: • Name of the entity • The date of the gain or loss of control • Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.
	Details of associates and joint ventures
Appendix 4E, Item 11	Details to be provided include: • Name of the associate or joint venture • Details of the reporting entity's percentage holding in each of these entities • Where material to an understanding of the report – aggregated share of profits (losses) of these entities, details of contributions to net profit for each of these entities, with comparative figures for each of these disclosures for the previous corresponding period.
	Foreign entities
Appendix 4E, Item 13	Foreign entities are required to disclose which set of accounting standards is used in compiling the report (e.g. IFRS Accounting Standards).

Source	
	Information about the audit
Appendix 4E, Item 15	This preliminary final report is based on the attached financial report which has been audited by the Group's auditors, Deloitte Touche Tohmatsu. A copy of Deloitte's unqualified audit report can be found on page 232.
Appendix 4E, Item 15	The Appendix 4E is required to include a statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.
Appendix 4E, Item 16	If the accounts have not been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.
Appendix 4E, Item 17	If the accounts have been audited and contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

Directors' report

Source

s.292(1)
s.298(1)

A company, registered scheme, registrable superannuation entity[87], sub-fund of a CCIV[88] or disclosing entity must prepare a directors' report for each financial year.

s.1308(7)

Where the directors' report contains information in addition to that required by the Corporations Act, the information will be regarded as part of the directors' report for the purposes of s.1308 "False or misleading statements".

Transfer of information from the directors' report into another document forming part of the annual report

s.300(2)

Information required by s.300 need not be included in the directors' report where such information is disclosed in the financial statements.

ASIC-CI 2026/468 Section 12

Part 2, Section 12 of *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* 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, transferred to the financial statements themselves.

This flexibility is designed so that related information is located in the same place, allowing it to be presented more effectively. For instance, information about the directors and their qualifications, experience and special responsibilities may be included elsewhere in the annual report instead of the directors' report itself, and the auditor's independence declaration can be presented outside of the directors' report.

Conditions for applying the relief include:

- The directors' report must include a cross reference to the page or pages where the information has been transferred
- The directors' report and financial report must be lodged with ASIC together with the transferred information (in other words, the entire report which contains the transferred information is lodged)
- The directors' report and financial report should not be distributed without the transferred information.

Not all information can be transferred from the directors' report under the Corporations Instrument. For example, the remuneration report must be presented as part of the directors' report. Entities wishing to apply the relief should familiarise themselves with Part 2, Section 12 of 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.

[87] Registrable superannuation entities should refer to the latest edition of our model superannuation entity model financial report for guidance on preparing directors' reports. These are available at www.deloitte.com/au/models.
[88] The requirements in s.292(1) and s.298(1) for the preparation of a directors' report extends to each sub-fund of a CCIV by virtue of s.1232C(1)(b). S.1232(1) and s.1232C(4) modify the meaning of a director to instead to refer to the corporate director of the CIV or a director of the corporate director of the CCIV.

Source

The directors of International GAAP Holdings Limited present the annual report of the company for the financial year ended 31 December 2026. 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, appointed non-executive director in November 2020 and appointed chairman of the board in May 2023. *[Describe the director's experience e.g. Mr C.J. Chambers has [number of years] experience in the [sectors/industry] holding various senior management and executive level roles with the most recent being [describe the experience] from [date] to [date]. Prior to this Mr C.J. Chambers [describe the directors experience].* Mr C.J. Chambers is also a director of Eastwood Limited. He is a member of the audit committee and the risk management committee.
Mr P.H. Taylor	Chief Executive Officer, appointed executive director in February 2022. Since joining *[Company]* in *[date]*, Mr P.H. Taylor has held roles in *[describe the experience].* Mr P.H. Taylor was previously the CEO at a large manufacturing company.
Ms F.R. Ridley	Chartered Accountant, appointed non-executive director in June 2023. *[Describe the director's experience e.g. Ms F.R. Ridley has [number of years] experience in the [sectors/industry]. Between [date] to [date] Ms F.R. Ridley was Head of the [Division A] of [Land A] at [Company]. Prior to this Ms F.R. Ridley [describe the directors experience].* Ms F.R. Ridley is a member of the nomination and remuneration committee, and of the audit committee.
Mr A.K. Black	Industrial Engineer, appointed non-executive director on 12 January 2026. He previously held various senior management positions in manufacturing and wholesale companies.
Ms B.M. Stavrinidis	Director of Merchant Bank Limited, appointed non-executive director in May 2021 in a non-executive capacity. *[Describe the director's experience e.g. Ms B.M. Stavrinidis has [number of years] experience in the [sectors/industry] holding various senior management and executive level roles with the most recent being [describe the experience] from [date] to [date]. Prior to this Ms B.M. Stavrinidis [describe the directors experience].* Ms B.M. Stavrinidis is a member of the nomination and remuneration committee, the audit committee, and the risk management committee.

Source

Information about the directors (continued)

Name *[all entities]*	**Particulars *[public companies only]***
Mr W.K. Flinders	Practicing Solicitor appointed non-executive director in October 2018 and resigned during the year. *[Describe the director's experience e.g. Mr W.K. Flinders has [number of years] experience in the [sectors/industry]. Between [date] to [date] Mr W.K. Flinders was Head of the [Division A] of [Land A] at [Company]. Prior to this Mr W.K. Flinders [describe the directors experience].* Mr W.K. Flinders was a member of the nomination and remuneration committee until his resignation.
Ms S.M. Saunders	Practicing Solicitor, appointed non-executive director on 11 February 2026 and resigned after year end. *[Describe the director's experience e.g. Ms S.M. Saunders has [number of years] experience in the [sectors/industry] holding various senior management and executive level roles with the most recent being [describe the experience] from [date] to [date]. Prior to this Ms S.M. Saunders [describe the directors experience].* 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 12 January 2026
- Ms S.M. Saunders – appointed 11 February 2026, resigned 15 January 2027
- Mr A.K. Black – appointed 12 January 2026.

s.300(10)(a) Particulars include each director's qualifications, experience and special responsibilities.

s.300(10) A public company that is a wholly-owned subsidiary of another company is not required to disclose each director's qualifications, experience and special responsibilities, the number of meetings of the board of directors and each board committee, or the qualifications and experience of each company secretary.

Directorships of other listed companies *[listed companies only]*

s.300(11)(e) Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	**Company**	**Period of directorship**
Mr C.J. Chambers	Eastwood Limited	Since 2022
	Yarwood Limited	2023 – 2026

Former partners of the audit firm

s.300(1)(ca) The directors' report must disclose the name of each person who:

- Is an officer of the company, registered scheme or disclosing entity at any time during the year
- Was a partner in an audit firm, or a director of an audit company, that is an auditor of the company, disclosing entity or registered scheme for the year
- Was such a partner or director at a time when the audit firm or the audit company undertook an audit of the company, disclosing entity or registered scheme.

Source

Directors' shareholdings *[listed companies only]*[89]

s.300(11)(a), (b), (c) The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the company or a related body corporate as at the date of this report:

	International GAAP Holdings Limited		
Directors	**Fully paid ordinary shares Number**	**Share options Number**	**Convertible notes Number**
C.J. Chambers			
P.H. Taylor			
A.K. Black			

s.608 Directors are considered to have a relevant interest where the director:

- Is the holder of the securities
- Has power to exercise, or control the exercise of, a right to vote attached to the securities, or
- Has power to dispose of, or control the exercise of a power to dispose of, the securities.

s.608 It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

s.608, s.609 Refer s.608 and s.609 of the Corporations Act for more information about when a person has a relevant interest in a security.

Although s.300(11)(a)-(c) only requires relevant interests in shares, debentures, and rights or options in shares or debentures to be disclosed, where considered necessary (i.e. to satisfy the information needs of the likely users of the annual report), directors may consider disclosing interests in other equity instruments.

s.300(11)(d) For each director who is party to or entitled to a benefit under a contract that confers a right to call for or deliver shares in, or debentures of or interests in a registered scheme made available by the company or a related body corporate, disclosure should be made of such contracts.

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in the remuneration report section of this directors' report (starting on page 212). The term "key management personnel" refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity (i.e. group), directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

[89] Although not specifically stated in s.300(11), directors' shareholdings *[listed companies only]* disclosed in the directors' report should be as at the date of the directors' report. However, in accordance with Regulation 2M.3.03 (e.g. item 18) of the Corporations Regulations, shareholdings of key management personnel in the remuneration report should be as at 31 December 2026 (i.e. the end of the reporting period).

Source

Share options granted to directors and senior management

s.300(1)(d) The directors' report should include details of options that are:

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

s.300(3) The disclosures required by s.300(1)(d) cover:

- Options over unissued shares and interests of the company, registered scheme or disclosing entity
- If consolidated financial statements are required – options over unissued shares and interests of any controlled entity that is a company, registered scheme or disclosing entity.

s.300(5) The details of an option granted during or since the end of the financial year should include:

- The identity of the company, registered scheme or disclosing entity granting the option
- The name of the person to whom the option is granted
- The number and class of shares or interests over which the option is granted.

s.300(1)(d), s.300(3), s.300(5) During and since the end of the financial year, an aggregate _____ share options were granted to the following directors and to the five highest remunerated officers of the company and its controlled entities as part of their remuneration[90]:

Directors and senior management	Number of options granted	Issuing entity	Number of ordinary shares under option
P.H. Taylor		International GAAP Holdings Limited	
T.L. Smith		International GAAP Holdings Limited	
W.L. Lee		International GAAP Holdings Limited	
L.J. Jackson		International GAAP Holdings Limited	
C.P. Daniels		International GAAP Holdings Limited	
N.W. Wright		International GAAP Holdings Limited	

Company secretary *[public companies only]*

s.300(10)(d) Mr A.B. Grey, Chartered Accountant, held the position of company secretary of International GAAP Holdings Limited at the end of the financial year. He joined International GAAP Holdings Limited in 2024 and previously held the company secretary position at a large manufacturing company. He is a member of the Governance Institute of Australia Ltd.

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

Principal activities

s.299(1)(c), AASB 101:138(b) The consolidated entity's principal activities during the financial year were the manufacture of electronic equipment and leisure goods, and the construction and renovation of residential properties.

During the financial year the consolidated entity sold its *[describe]* business. Details of the sale are contained in note 13 and note 52 to the financial statements. During the year the board of directors decided to dispose of the *[describe]* business. Details of the planned disposal are contained in note 13 to the financial statements.

[90] While s.300A(1)(a) has been amended to remove remuneration disclosures for the five highest remunerated officers in the remuneration report section of the directors' report, disclosure of options granted to such officers as part of their remuneration continues to be required in the general directors' report section in accordance with s.300(1)(d).

Source	
	Review of operations
s.299(1)(a), ASX-LR 4.10.17	The directors' report must contain a review of the entity's[91] operations during the financial year and the results of those operations. The Corporations Act contains additional general requirements for listed public companies.
	Additional requirements for listed companies, listed registered schemes and listed disclosing entities
s.299A(1), (2)	The directors' report for a company, registered scheme or disclosing entity that is listed must also contain information that members of the listed entity would reasonably require to make an informed assessment of: • The operations of the entity • The financial position of the entity • The business strategies, and prospects for future financial years, of the entity.
s.299A(3)	The directors' report may omit material that would otherwise be included under s.299A(1)(c) concerning the entity's business strategies and prospects for future financial years, if it is likely to result in unreasonable prejudice to the entity or any entity (including the company, registered scheme or disclosing entity) that is part of the entity. If material is omitted, the report must say so.
	ASIC 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 an operating and financial review* (RG 247) as it is designed to provide guidance on preparing an operating and financial review (OFR) in the directors' report of a listed entity under s.299A of the Corporations Act. ***Preparing an operating and financial review*** An OFR should: • Contain information about an entity's operations and financial position, discuss the impact of relevant events throughout the reporting period and provide an overview of business strategies and prospects • Present a narrative and analysis about the entity's results and financial position • Contain information that shareholders would reasonably require to make an informed assessment of the entity's operations, financial position and business strategies and prospects for future financial years. ***Operations and financial position*** Information about an entity's operations involves an explanation of the underlying drivers of its results, and of key developments in the reporting period. In this regard, RG 247 outlines that the OFR should: • Explain the underlying drivers of its results and key developments in the reporting period, and discuss significant factors affecting the entity's results • Explain the entity's business model and its effect on the entity's operations • Discuss the results of the key operating segments and major components of the overall result • Often involve a consideration of the underlying drivers of, and reasons for, the financial position of the entity, and include discussion of exposures not recognised in the financial statements • Consider the guidance in ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information* (see page 205).

[91] If Australian Accounting Standards require the entity to prepare consolidated financial statements, the review must cover the consolidated entity.

Source

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

Business strategies and prospects for future financial years

Information on business strategies and prospects for future financial years should focus on what may affect the future financial performance and position of the entity. RG 247 outlines that the OFR should describe:

- The overall business strategies relevant to the entity's future financial position and performance
- The entity's prospects in terms of future financial performance and financial outcomes

If an entity intends to rely on the unreasonable prejudice exemption in s.299A(3) to omit information, the basis for relying on the exemption needs to be carefully evaluated and established.

Material business risks

RG 247 notes that it is likely to be misleading to discuss prospects for future financial years without referring to the material business risks that could adversely affect the achievement of the financial prospects described for those years:

- ASIC considers "material business risks" to mean the most significant areas of uncertainty or exposure, at a whole-of-entity level, that could have an adverse impact on the achievement of the financial performance or outcomes disclosed in the OFR. Equally, it may be appropriate to disclose factors that could materially improve the financial prospects disclosed
- An OFR should (1) only include a discussion of the risks that could affect the entity's achievement of the financial prospects disclosed, taking into account the nature and business of the entity and its business strategy, and (2) not contain an exhaustive list of generic risks that might potentially affect a large number of entities
- An OFR should include a discussion of environmental, social and governance risks where those risks could affect the entity's achievement of its financial performance or outcomes disclosed, taking into account the nature and business of the entity and its business strategy. Examples of the risks that could have material impact on the future financial performance of a particular entity include: climate change, digital disruption, new technologies, geopolitical risks and cyber security.

Presenting the narrative and analysis

Directors and preparers of an OFR should present the narrative and analysis in a way that maximises its usefulness to shareholders. RG 247 notes that as a matter of good practice, an OFR should present information in a single section and in a manner that is:

- Complimentary to and consistent with the annual financial report
- Balanced and unambiguous
- Clear, concise and effective.

Source

ASIC Regulatory Guide 280 *Sustainability reporting*

Sustainability-related financial information in the OFR

ASIC-RG 280.122 The objective of the OFR requirements is to provide members with an overarching narrative and analysis that supplements the financial report and, where required, the sustainability report to the extent required to satisfy s.299A. It assists members in understanding the operations, financial position, business strategies and prospects of an entity.

ASIC-RG 280.123 s.299A(1) Listed entities must disclose sustainability-related financial information, including climate-related financial information, if it would be reasonably required by members in making an informed assessment of the entity's operations, financial position, business strategies and prospects for future financial years.

ASIC-RG 280.124 When disclosing sustainability-related financial information in the OFR entities are encouraged to adopt relevant definitions from AASB S1 and AASB S2 where those terms are used in the OFR and apply the principles for disclosing useful sustainability-related financial information from those standards when disclosing sustainability-related financial information in the OFR.

ASIC-REP 809:76 The extent to which it is appropriate to include sustainability-related information in the OFR and the level of detail that should be included, depends on the nature of the entity's business and other relevant circumstances. Where climate-related financial disclosures are included in the OFR to satisfy s.299A requirements, these should be contextualised within the overarching summary of the entity's operations, financial position, and business strategies and prospects for future financial years.

Interaction between the OFR and sustainability report

ASIC-RG 280.125 A sustainability report is a separate report to both the directors' report and annual financial report under s314(1)(a). Therefore, the sustainability report cannot form part of a directors' report, including the OFR under s.299A(1)(c).

ASIC-RG 280.128 The Corporations Act may require a listed reporting entity to disclose strategy, risk and opportunity-related information in both the OFR and sustainability report. This is because the disclosure of:

- Business strategies and prospects for future financial years is required under s.299A(1)(c). This may include opportunities and material business risks to prospects
- Information about climate-related financial risks and opportunities is required under s296D(1)(a)
- Information about the climate-related strategy of the reporting entity in relation to those risks and opportunities and climate-related metrics and targets is required under s.296D(1)(c)(i).

ASIC-RG 280.129 To the extent required to satisfy s.299A, the OFR may play an expanded role in situating the specific climate-related strategies and material financial risks and opportunities relating to climate that are disclosed in a listed reporting entity's sustainability report, within the broader context of the listed reporting entity's corporate strategy (including risks and opportunities) and prospects for future financial years.

Source

ASX-GN 10

ASX Guidance Note 10 Review of Operations and Activities: Listing Rule 4.10.17 and G100's Guide to Review of Operations and Financial Condition

In addition, entities may wish to refer to ASX Guidance Note 10 *Review of Operations and Activities: Listing Rule 4.10.17* and to the G100's *Guide to Review of Operations and Financial Condition* reproduced as an attachment to Guidance Note 10, providing guidance on the form and content of the entity's review of operations and the results of those operations, including specific guidance on items which might be appropriately included in such a review.

It is recommended that the review should provide users, being shareholders, prospective investors and other interested stakeholders, an understanding of the entity by providing short and long-term analysis of the business as seen through the eyes of the directors. As such, the review should aim to meet the information needs of users of financial reports relating to the current reporting period and provide them with a basis for forming a view as to likely future performance in the context of the strategies of the entity for achieving long-term value creation and known trends in performance. This requires that the review contain a discussion of the operations of the period, including an explanation of unusual or infrequent events and transactions, and an analysis of the opportunities and risks facing the entity, together with the planned approach to managing those opportunities and risks. Given this context, preparers of annual reports are encouraged to provide:

- An overview of the entity and its strategy
- A review of operations, considering both short and longer-term value creation in the context of the entity's strategy
- Information on investments made to enhance future value creating potential
- A review of the entity's financial condition
- An overview of risk management and governance practices.

This is aimed at anchoring the review in a strategic context of how the entity is aiming to enhance shareholder value, both in the short and long-term. This includes discussion of both financial and non-financial elements of performance, including analysis using relevant financial and non-financial key performance indicators. The latter may include sustainability related indicators. The recommended contents of the review include:

- Entity overview and strategy:
    - Explaining the objectives of the entity and how they are to be achieved
    - Including a discussion and analysis of key financial and non-financial performance indicators used by management in their assessment of the entity and its performance (including relevant sustainability performance indicators)
    - Discussing the main factors and influences that may have a major effect on future results (including potential longer-term effects), whether or not they were significant in the period under review. This may include discussion of market opportunities and risks; competitive advantage; changes in market share or position; economic factors; key customer and other relationships; employee skills and training; environmental, occupational health and safety aspects; significant legal issues; and innovation and technological developments
- Review of operations:
    - Discussing the main activities of the entity, including significant features of operating performance for the period under review. It should cover all aspects of operations, focusing on the entity as a whole "through the eyes of the directors". It should not be boilerplate, and should cover significant financial and non-financial aspects of the entity's performance in the period. Consideration should be given to unusual or infrequent events or transactions, including material acquisitions or disposals, major sources of revenues and expenses, and changes in factors which affect the results to enable users to assess the significance of the ongoing and core activities of the entity to identify the sustainability of performance over the longer-term

Source

ASX Guidance Note 10 Review of Operations and Activities: Listing Rule 4.10.17 and G100's Guide to Review of Operations and Financial Condition (continued)

Providing the overall return attributable to shareholders in terms of dividends and increases in shareholders' funds, including a commentary on the comparison between the results of the financial year and dividends, both in total and in per share terms, and indicating the directors' overall distribution policy

- Providing information on investments made for future performance, including capital expenditure and other expenditure enhancing future performance potential. This may include marketing and advertising spend to enhance brand loyalty and reputation; staff training and development programmes; quality improvement and health and safety programs; customer relationship management; and expansion of production capacity
- Review of financial conditions:
  - Capital structure of the entity including capital funding and treasury policies and objectives
  - Cash from operations and other sources of capital
  - Discussion of the liquidity and funding at the end of the period under review, including restrictions on funds transfer, covenants entered into and the maturity profile of borrowings
  - Discussing the resources available to the entity not reflected in the statement of financial position, for example mineral reserves, key intellectual property (e.g. databases or specific entity competences); market-position; employee competences or resources/skills and their role in creating longer-term value
  - Impact of legislation and other external requirements having a material effect on the financial condition in the reporting period or expected to have a material effect on the financial condition in future periods
- Risk management and corporate governance practices, including management of both financial and non-financial risks.

Non-IFRS financial information

ASIC-RG 230

If the directors consider it appropriate to include non-IFRS financial information in the OFR, the directors' report or another document in the annual report, the guidelines in Section D of ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information* should be followed to assist in reducing the risk of non-IFRS financial information being misleading[92].

Important considerations include that:

- IFRS financial information should be given equal or greater prominence compared to non-IFRS financial information, in particular IFRS profit
- Non-IFRS information should be:
  - Explained and reconciled to IFRS financial information
  - Calculated consistently from period to period
  - Unbiased and not used to remove "bad news".

Entities should refer to the complete document when preparing their reports as it provides detailed guidance for presenting non-IFRS financial information.

A clear statement should be made about whether or not the non-IFRS financial information has been audited or reviewed in accordance with Australian Auditing Standards.

[92] Non-IFRS financial information is financial information presented other than in accordance with all relevant Australian Accounting Standards.

Source

Changes in state of affairs

s.299(1)(b) During the financial year, the consolidated entity disposed of its toy business. The consolidated entity is also seeking to dispose of its bicycle business, to focus its operations towards the manufacture and distribution of electronic equipment and leisure goods as proposed and agreed at the company's last Annual General Meeting. Other than the above, there was no significant change in the state of affairs of the consolidated entity during the financial year.

Subsequent events

s.299(1)(d) On 4 February 2027, the premises of Subfive Limited were seriously damaged by fire. Insurance claims are in process, but the cost of refurbishment is currently expected to exceed the amount that will be reimbursed by $___ million.

Other than the above, no matter or circumstance has arisen subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future developments

s.299(1)(e), s.299(3) Directors must bring likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations to the attention of the users of the annual report. These disclosures are not required where they would result in unreasonable prejudice to the entity.

s.299A(1)(c), (2) The directors' report for a company, registered scheme or disclosing entity that is listed must also contain information that members of the listed entity would reasonably require to make an informed assessment of the consolidated entity's prospects for future financial years.

Use of the "unreasonable prejudice" exemption
In determining whether any information should be omitted in the case of "unreasonable prejudice", RG 247 suggests that:

- Unreasonable prejudice means the consequence would be unreasonable if, for example, disclosing the information is likely to give third parties (such as competitors, suppliers and buyers) a commercial advantage, resulting in a material disadvantage to the entity
- Likely means "more than a possibility" or "more probable than not".

Even where the exemption is relied upon it is still expected that some information should be able to be disclosed about an entities business strategies and prospects.

Environmental regulations

s.299(1)(f) If the consolidated entity's operations are subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory, the directors' report should disclose details of the consolidated entity's performance in relation to the environmental regulation.

ASIC-RG 68.74 ASIC has provided the following guidance on completing environmental regulations disclosures:

- Prima facie, the requirements would normally apply where an entity is licensed or otherwise subject to conditions for the purposes of environmental legislation or regulation
- The requirements are not related specifically to financial disclosures (e.g. contingent liabilities and capital commitments) but relate to performance in relation to environmental regulation. Hence, accounting concepts of materiality in financial statements are not applicable
- The information provided in the directors' report cannot be reduced or eliminated because information has been provided to a regulatory authority for the purposes of any environmental legislation
- The information provided in the director's report would normally be more general and less technical than information which an entity is required to provide in any compliance reports to an environmental regulator.

Source

Dividends

s.300(1)(a) For the financial year ended 31 December 2025, as detailed in the directors' report for that financial year, a final dividend of ____ cents per share franked to ____% at the 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 10 April 2026.

s.300(1)(a) For the financial year ended 31 December 2026, an interim dividend of ____ cents per share franked to ____% at the 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 9 October 2026.

s.300(1)(a) For the financial year ended 31 December 2026, a dividend of ____ cents per share franked to ____% at the 30% corporate income tax rate was paid to the holders of convertible non-participating preference shares on *[insert date]*.

s.300(1)(a) For the financial year ended 31 December 2026, an interim dividend of ____ cents per share franked to ____% at the 30% corporate income tax rate was paid to the holders of redeemable cumulative preference shares on *[insert date]*.

s.300(1)(b) For the financial year ended 31 December 2026, the directors recommend the payment of a final dividend of ____ cents per share franked to ____% at the 30% corporate income tax rate on 5 April 2027 to the holders of fully paid ordinary shares on 24 March 2027.

Where no dividends have been paid or declared since the start of the financial year, and/or the directors do not recommend the payment of a dividend in respect of the financial year, the directors' report should disclose that fact.

AASB 110.13 If dividends are declared (i.e. the dividends are appropriately authorised and no longer at the discretion of the entity) after the reporting date but before the financial statements are authorised for issue, the dividends are not recognised as a liability at the reporting date because no obligations exist at that time. Such dividends are disclosed in the notes to the financial statements in accordance with AASB 101 *Presentation of Financial Statements*.

Shares under option or issued on exercise of options

The directors' report should include details of:

s.300(1)(f)
- Shares or interests issued during or since the end of the financial year as a result of the exercise of an option over unissued shares or interests

s.300(1)(e)
- Unissued shares or interests under option as at the date of the directors' report.

s.300(3) The disclosures required by s.300(1)(e) and s.300(1)(f) cover:

- Options over unissued shares and interests of the company, registered scheme or disclosing entity
- If consolidated financial statements are required – options over unissued shares and interests of any controlled entity that is a company, registered scheme or disclosing entity.

s.300(6) The details of unissued shares or interests under option should include:

- The company, registered scheme or disclosing entity that will issue shares or interests when the options are exercised
- The number and classes of those shares or interests
- The issue price, or the method of determining the issue price, of those shares or interests
- The expiry date of the options
- Any rights that option holders have under the options to participate in any share issue or interest issue of the company, registered scheme or disclosing entity or of any other body corporate or registered scheme.

Source

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

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.

s.300(1)(e), s.300(3), s.300(6)

Details of unissued shares or interests under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
International GAAP Holdings Limited	*[Number]*	Ordinary	$ ___	*[Insert date]*
International GAAP Holdings Limited	*[Number]*	Ordinary	$ ___	*[Insert date]*

The above share options can only be exercised once the share price of International GAAP Holdings Limited exceeds $ ____.

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the company or of any other body corporate or registered scheme.

s.300(1)(f), s.300(3), s.300(7)

Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:

Issuing entity	Number of shares issued	Class of shares	Amount paid for shares	Amount unpaid on shares
International GAAP Holdings Limited	*[Number]*	Ordinary	$ ____	$nil

Indemnification of officers and auditors

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

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named earlier in this report), the company secretary, Mr A.B. Grey, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Where the company has not indemnified or agreed to indemnify an officer or auditor against a liability incurred, or paid an insurance premium in respect of a contract insuring against a liability incurred by an officer or auditor, the following disclosure is encouraged:

"During or since the end of the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor."

Source

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.

Registered schemes *[registered schemes only]*

s.300(12) The directors' report for a listed registered scheme should disclose the following details for each director of the company that is the responsible entity for the scheme:

- Their relevant interests in the scheme
- Their rights or options over interests in the scheme
- Contracts to which the director is a party or under which the director is entitled to a benefit and that confer a right to call for or deliver interests in the scheme.

s.300(13) The directors' report for a registered scheme (whether listed or unlisted) should disclose details of:

- The fees paid to the responsible entity and its associates out of scheme property during the financial year
- The number of interests in the scheme held by the responsible entity or its associates as at the end of the financial year
- Interests in the scheme issued during the financial year
- Withdrawals from the scheme during the financial year
- The value of the scheme's assets as at the end of the financial year, and the basis for the valuation
- The number of interests in the scheme as at the end of the financial year.

Proceedings on behalf of the company

s.300(14) The directors' report should disclose, with respect to persons applying for leave under s.237 to bring, or intervene in, proceedings on behalf of the company, the applicant's name and a statement whether leave was granted.

s.300(15) Where leave is granted under s.237, the directors' report should disclose the following details of any proceedings that a person has brought, or intervened in, on behalf of the company:

- The person's name
- The names of the parties to the proceedings
- Sufficient information to enable members to understand the nature and status of the proceedings (including the cause of action and any orders made by the court).

Source

Non-audit services *[listed companies only]*

s.300(2A), s.300(11B)(a)
Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 66 to the financial statements (see page 270).

s.300(11B)(b)
The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

s.300(11B)(c)
The directors are of the opinion that the services as disclosed in note 66 to the financial statements do not compromise the external auditor's independence, for the following reasons:

s.300(11B)(c)
APES 110 para R600.22

- All non-assurance services have been approved by Those Charged with Governance as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (APES 110)
- All the services comply with the general principles relating to auditor independence as set out in APES 110, including not assuming management responsibilities or reviewing or auditing the auditor's own work, and ensuring threats to independence are either eliminated or reduced to an acceptable level.

s.300C(11D)(a)
The above directors' statements are in accordance with the advice received from the audit committee.

s.300(11D)
The statements under s.300(11B)(b) and (c) must be made in accordance with:

- Advice provided by the listed company's audit committee if the company has an audit committee, or
- A resolution of the directors of the listed company if the company does not have an audit committee.

s.300(11E)
A statement is taken to be made in accordance with advice provided by the company's audit committee only if:

- The statement is consistent with that advice and does not contain any material omission of material included in that advice
- The advice is endorsed by a resolution passed by the members of the audit committee
- The advice is written advice signed by a member of the audit committee on behalf of the audit committee and given to the directors.

Auditor's independence declaration

s.298(1AA)(c)
ASIC-CI 2026/468 Section 12
The auditor's independence declaration is included after this report on page 229.

Extension of audit rotation period *[listed companies only]*

s.300(11AA)
Where, in accordance with s.324DAA, the directors of the company by resolution grant an approval for an individual to play a significant role in the audit of a listed company by extending the audit involvement period from the normal five successive financial years to six or seven successive financial years, the report must include details of and the reasons for the approval.

s.300(11A)
Where, in accordance with s.342A, ASIC has made a declaration to enable an individual who is a registered company auditor to continue to play a significant role (as defined in s.9 of the Corporations Act) in the audit of a listed company (by extending the audit involvement period from the normal five successive financial years to six or seven successive financial years), the directors' report must include details of the declaration.

Source

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.

Rounding off of amounts



Updates to ASIC's rounding instrument

The illustrative wordings below have been updated to reflect the issue of *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* applicable to full and half-year reports at 31 December 2016 and Part 2, Section 10 of *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* applicable to financial reports for periods ending after 31 December 2026. See sections A4.3 and A4.4 for more details.

If the company is an entity to which section 7 of *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* or Part 2, Section 10 of *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* applies and consequently the amounts in the directors' report and the financial statements are rounded, that fact must be disclosed in the financial statements or the directors' report.

Where the conditions of the relevant 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 2026/183 Section 7(2)(f)

The company is an entity to which section 7 of *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* applies and in accordance with that section amounts in the directors' report are rounded off to the nearest *[dollar / thousand dollars / hundred thousand dollars / million dollars]*, unless otherwise required.

ASIC-CI 2026/468 Section 10

[Applicable to financial reports for periods ending after 31 December 2026]

The company is an entity to which Part 2, Section 10 of *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* applies and in accordance with that section amounts in the directors' report are rounded off to the nearest *[dollar / thousand dollars / hundred thousand dollars / million dollars],* unless otherwise required.

Source

s.300A(1), (1A), (2)

Remuneration report *[all listed disclosing entities that are companies]*

This model remuneration report is suitable for use as a guide only and will not be appropriate for use by all companies required to prepare a remuneration report. Each company should consider its respective circumstances and amend the disclosures as necessary.

Defined terms

s.9, AASB 124:9

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

s.9

Closely related party of a member of the key management personnel for an entity is defined to include:

- A spouse or child of the member
- A child of the member's spouse
- A dependant of the member or of the member's spouse
- Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity
- A company the member controls
- A person prescribed by the regulations for the purposes of this paragraph.

s.206K(2)(b)

A remuneration committee is a committee of the board of directors of the company that has functions relating to the remuneration of key management personnel for the company.

s.9

Remuneration consultant means a person:

- Who makes a remuneration recommendation under a contract for services with the company to whose key management personnel the recommendation relates
- Who is not an officer or employee of the company.

s.9B(1)-(4)

1. A remuneration recommendation is:
    1. A recommendation about either or both of the following:
        (i) How much the remuneration should be
        (ii) What elements the remuneration should have
        for one or more members of the key management personnel for a company, or
    2. A recommendation or advice about a matter or of a kind prescribed by the regulations.

2. None of the following is a remuneration recommendation (even if it would otherwise be covered by s.9B(1) above):
    1. Advice about the operation of the law (including tax law)
    2. Advice about the operation of accounting principles (for example, about how options should be valued)
    3. Advice about the operation of actuarial principles and practice
    4. The provision of facts
    5. The provision of information of a general nature relevant to all employees of the company
    6. A recommendation, or advice or information, of a kind prescribed by the regulations. (Regulation 1.2.01 of the of the *Corporations Regulations 2001* prescribes that for s.9B(2)(f), a recommendation, or advice or information, provided in relation to one or more members of the key management personnel for a company by an employee of a company within the same consolidated entity, is not a remuneration recommendation).

3. s.9B(2) does not limit the things that are not remuneration recommendations, nor does it mean that something specified in that subsection would otherwise be a remuneration recommendation within the meaning of s.9B(1)
4. ASIC may by writing declare that s.9B(1) above does not apply to a specified recommendation or specified advice, but may do so only if ASIC is satisfied that it would be unreasonable in the circumstances for the advice or recommendation to be a remuneration recommendation. The declaration has effect accordingly. The declaration is not a legislative instrument.

Source

Prescribed details in relation to remuneration

s.300A(1)(c), Reg2M.3.03

The prescribed details in relation to remuneration referred to in s.300A(1)(c) are detailed in Regulation 2M.3.03 of the Corporations Regulations. The prescribed details must be provided in respect of the following persons:

- If consolidated financial statements are required – each member of the key management personnel for the consolidated entity, or
- If consolidated financial statements are not required – each member of the key management personnel for the company.

s.300A(1)(d), (1)(e)

Note, s.300A(1)(d) and s.300A(1)(e) specify further remuneration details that must be made in the remuneration report in respect of the persons noted above.

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of International GAAP Holdings Limited's key management personnel for the financial year ended 31 December 2026. The term "key management personnel" refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity. The prescribed details for each person covered by this report are detailed below under the following headings:

- Key management personnel
- Remuneration policy
- Relationship between the remuneration policy and company performance
- Remuneration of key management personnel
- Key terms of employment contracts.

Key management personnel

Reg2M.3.03 (1) (Item 1-5)

The directors and other key management personnel of the consolidated entity during or since the end of the financial year were:

Non-executive directors	**Position**
C.J. Chambers	Chairman, Non-executive director
F.R. Ridley	Non-executive director
A.K. Black (appointed 12 January 2026)	Non-executive director
B.M. Stavrinidis	Non-executive director
W.K. Flinders (resigned 11 February 2026)	Non-executive director
S.M. Saunders (appointed 11 February 2026, resigned 15 January 2027)	Non-executive director
Executive officers	**Position**
P.H. Taylor	Executive Director, Chief Executive Officer
W.L. Lee	Chief Financial Officer
L.J. Jackson	Chief Marketing Officer
C.P. Daniels (resigned 19 January 2026)	Chief Operations Officer
N.W. Wright (resigned 15 June 2026)	General Manager – *[describe]*
T.L. Smith (appointed 19 January 2026)	General Manager – *[describe]*

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

Source

Remuneration policy

s.300A(1)(a) The directors' report for a financial year for a company must include (in a separate and clearly identified section of the report) discussion of board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of the key management personnel for:

(a) The company, if consolidated financial statements are not required, or
(b) The consolidated entity, if consolidated financial statements are required.

The report must also include:

s.300A(1)(f)
- Such other matters related to the policy or policies referred to in s.300A(1)(a) above as are prescribed by the regulations, and

s.300A(1)(g)
- If:
  - At the company's most recent AGM, comments were made on the remuneration report that was considered at that AGM, and
  - When a resolution that the remuneration report for the last financial year be adopted was put to the vote at the company's most recent AGM, at least 25% of the votes cast were against adoption of that report,

  an explanation of the board's proposed action in response or, if the board does not propose any action, the board's reasons for inaction.

s.300A(1)(h)
- If a remuneration consultant made a remuneration recommendation in relation to any of the key management personnel for the company or, if consolidated financial statements are required, for the consolidated entity, for the financial year:

  (i) The name of the consultant
  (ii) A statement that the consultant made such a recommendation
  (iii) If the consultant provided any other kind of advice to the company or entity for the financial year – a statement that the consultant provided that other kind or those other kinds of advice
  (iv) The amount and nature of the consideration payable for the remuneration recommendation
  (v) The amount and nature of the consideration payable for any other kind of advice referred to in subparagraph (iii)
  (vi) Information about the arrangements the company made to ensure that the making of the remuneration recommendation would be free from undue influence by the member or members of the key management personnel to whom the recommendation relates
  (vii) A statement about whether the board is satisfied that the remuneration recommendation was made free from undue influence by the member or members of the key management personnel to whom the recommendation relates
  (viii) If the board is satisfied that the remuneration recommendation was made free from undue influence by the member or members of the key management personnel to whom the recommendation relates – the board's reasons for being satisfied of this.

Source	
	Relationship between the remuneration policy and company performance
	A disclosing entity that is a company must disclose:
s.300A(1)(e)(i)	• An explanation of the relative proportions of those elements of the remuneration of a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, that are related to performance and those elements of the person's remuneration that are not

s.300A(1)(ba)	• If an element of the remuneration of a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, is dependent on the satisfaction of a performance condition:
	  • A detailed summary of the performance condition
	  • An explanation of why the performance condition was chosen
	  • A summary of the methods used in assessing whether the performance condition is satisfied and an explanation of why those methods were chosen
	  • If the performance condition involves a comparison with factors external to the company:
	  • A summary of the factors to be used in making the comparison
	  • If any of the factors relates to the performance of another company, of 2 or more other companies or of an index in which the securities of a company or companies are included – the identity of that company, of each of those companies or of the index

s.300A(1)(d)	• If an element of the remuneration of a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity consists of securities of a body and that element is not dependent on the satisfaction of a performance condition – an explanation of why that element of the remuneration is not dependent on the satisfaction of a performance condition must be disclosed.
	No hedging of remuneration of key management personnel
s.206J(1)	A member of the key management personnel for a company that is a disclosing entity, or a closely related party of such a member, must not enter into an arrangement (with anyone) if the arrangement would have the effect of limiting the exposure of the member to risk relating to an element of the member's remuneration that: • Has not vested in the member, or • Has vested in the member but remains subject to a holding lock.
s.206J(2)	Without limiting s.206J(1)(a), remuneration that is not payable to a member until a particular day is, until that day, remuneration that has not vested in the member.
s.206J(3)	In determining whether an arrangement has the effect described in s.206J(1) in relation to an element of remuneration described in that subsection, regard is to be had to the regulations made for the purposes of this subsection (see Regulation 2D.7.01 of the *Corporations Regulations 2001*).

Source

Discussion of the relationship between the remuneration policy and company performance

s.300A(1)(b) The directors' report must include discussion of the relationship between the remuneration policy for key management personnel and the company's performance.

s.300A (1AA) Without limiting the requirements of s.300A(1)(b), the discussion under that subsection of the company's performance must specifically deal with:

- The company's earnings
- The consequences of the company's performance on shareholder wealth,

in the financial year to which the report relates and in the previous 4 financial years.

s.300A (1AB) In determining the consequences of the company's performance on shareholder wealth in a financial year, the entity must have regard to:

- Dividends paid by the company to its shareholders during that year
- Changes in the price at which shares in the company are traded between the beginning and the end of that year
- Any return of capital by the company to its shareholders during that year that involves:
  - The cancellation of shares in the company
  - A payment to the holders of those shares that exceeds the price at which shares in that class are being traded at the time when the shares are cancelled
- Any other relevant matter.

s.300A(1)(b) Illustrated below is an example of how an entity may present information to comply with s.300A(1AA) and s.300A(1AB). Alternatively, an entity may elect to present such information graphically. The illustrative tables must be accompanied by discussion relevant to explaining the relationship between the remuneration policy and company performance.

s.300A (1AA), (1AB) The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 31 December 2026:

	31 Dec 26 $'000	**31 Dec 25 $'000**	**31 Dec 24 $'000**	**31 Dec 23 $'000**	**31 Dec 22 $'000**
Revenue					
Net profit before tax					
Net profit after tax					

	31 Dec 26	**31 Dec 25**	**31 Dec 24**	**31 Dec 23**	**31 Dec 22**
Share price at start of year	$ ____	$ ____	$ ____	$ ____	$ ____
Share price at end of year	$ ____	$ ____	$ ____	$ ____	$ ____
Interim dividend[(i)]	____ cps	____ cps	____ cps	____ cps	____ cps
Final dividend[(i),(ii)]	____ cps	____ cps	____ cps	____ cps	____ cps
Basic earnings per share	____ cps	____ cps	____ cps	____ cps	____ cps
Diluted earnings per share	____ cps	____ cps	____ cps	____ cps	____ cps

(i) Franked to ___% at 30% corporate income tax rate.
(ii) Declared after the end of the reporting period and not reflected in the financial statements.

In addition, during the financial year International GAAP Holdings Limited repurchased ___ shares for $___. The shares were repurchased at the prevailing market price on the date of the buy-back.

Source

Remuneration of key management personnel

Reg2M.3.03(1)
(Item 6-9, 11)

	Short-term employee benefits				Post-employ-ment benefits	Long-term employee benefits	Share-based payments	
2026	**Salary & fees $**	**Cash bonus $**	**Non-monetary $**	**Other $**	**Super-annuation $**	**Long service leave $**	**Options & rights (i) $**	**Total $**
Non-executive directors								
C.J. Chambers								
F.R. Ridley								
A.K. Black								
B.M. Stavrinidis								
W.K. Flinders								
S.M. Saunders								
Executive officers								
P.H. Taylor								
W.L. Lee								
L.J. Jackson								
C.P. Daniels								
N.W. Wright								
T.L. Smith								
Total								

Reg2M.3.03(1)
(Item 6-9, 11)

	Short-term employee benefits				Post-employ-ment benefits	Long-term employee benefits	Share-based payments	
2025	**Salary & fees $**	**Cash bonus $**	**Non-monetary $**	**Other $**	**Super-annuation $**	**Long service leave $**	**Options & rights (i) $**	**Total $**
Non-executive directors								
C.J. Chambers								
F.R. Ridley								
B.M. Stavrinidis								
W.K. Flinders								
O.H. O'Brien								
Executive officers								
P.H. Taylor								
W.L. Lee								
L.J. Jackson								
C.P. Daniels								
N.W. Wright								
E.P Hart								
Total								

(i) The value of the options and rights granted to key management personnel as part of their remuneration is calculated as at the grant date using a binomial pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

Source

Remuneration of key management personnel (continued)

s.300A(1)(e)(i) The relative proportions of those elements of remuneration of key management personnel that are linked to performance:

	Fixed remuneration		Remuneration linked to performance	
	2026	**2025**	**2026**	**2025**
Non-executive directors				
C.J. Chambers	100%	100%	-	-
F.R. Ridley	100%	100%	-	-
A.K. Black (i)	100%	-	-	-
B.M. Stavrindis	100%	100%	-	-
W.K. Flinders	100%	100%	-	-
S.M Saunders (ii)	100%	-	-	-
O.H. O'Brien (iii)	-	100%	-	-
Executive officers				
P.H. Taylor	77.5%	85.3%	22.5%	14.7%
W.L. Lee	92.5%	100.0%	7.5%	-
L.J. Jackson	96.8%	100.0%	3.2%	-
C.P. Daniels	97.8%	100.0%	2.2%	-
N.W. Wright	97.7%	100.0%	2.3%	-
E.P Hart	95.9%	100.0%	4.1%	-
T.L. Smith (iv)	96.5%	-	3.5%	-

(i) A.K. Black was appointed 12 January 2026 therefore amounts for 2025 are zero.
(ii) S.M Saunders was appointed 11 February 2026 therefore amounts for 2025 are zero.
(iii) O.H. O'Brien resigned 12 May 2025 therefore amounts for 2026 are zero.
(iv) T.L. Smith was appointed 19 January 2026 therefore amounts for 2025 are zero.

Reg2M.3.03(1) (Item 10) No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Source

Payments and benefits

Reg2M.3.03(1) (Item 6-11)

The tables above do not illustrate all the payments and benefits specified by Regulation 2M.3.03 that must be disclosed, if present. Disclosure of the following payments and benefits in respect of each s.300A(1)(c) identified person is required:

- The person's short-term employee benefits, divided into at least the following components:
  - Cash salary, fees and short-term compensated absences
  - Short-term cash profit-sharing and other bonuses
  - Non-monetary benefits
  - Other short-term employee benefits

- The person's post-employment benefits, divided into at least the following components:
  - Pension and superannuation benefits
  - Other post-employment benefits

- The person's long-term employee benefits other than benefits mentioned in items 6 and 7 (i.e. short-term employee benefits and post-employment benefits) and long-term, separately identifying any amount attributable to a long-term incentive plan
- The person's termination benefits
- For any position the person started to hold during the financial year, payments (if any) made to the person, before the person started to hold the position, as part of the consideration for the person agreeing to hold the position, including:
  - The monetary value of the payment
  - The date of the payment

- Share-based payments made to the person, divided into at least the following components:
  - Equity-settled share-based payment transactions, showing separately:
    - Shares and units
    - Options and rights
  - Cash-settled share-based payment transactions
  - All other forms of share-based payment compensation (including hybrids).

Total of a person's compensation

Disclosure of the total compensation for each identified person is not specifically required by s.300A or Regulation 2M.3.03, however we recommend that it be made as a matter of good practice.

Comparative information

Reg2M.3.03(2)

For items 6-9 and 11 of Regulation 2M.3.03, information of the kind described in the item for the previous financial year must also be disclosed in the financial year to which the item relates (to give comparative information for the purposes of the item), but this does not apply in relation to the first financial year in which paragraph 300A(1)(c) of the Corporations Act applies in relation to a person.

Bonuses and share-based payments granted as compensation for the current financial year

Reg2M.3.03(1) (Item 12)

Cash bonuses

W.L. Lee was granted a cash bonus of $10,000 on *[date]*. The cash bonus was given on successful acquisition by the consolidated entity, for his identification of the manufacturing business of Subseven Limited as an advantageous investment opportunity earlier in the reporting period.

No other cash bonuses were granted during the financial year.

Source

Reg2M.3.03 (1)(Item 12(b), (c), 15(b)(ii), (b)(iii), (b)(v))

Employee share option plan

International GAAP Holdings Limited operates an ownership-based scheme for executives and senior employees of the consolidated entity. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees with more than five years service with the company may be granted options to purchase parcels of ordinary shares at an exercise price of $ ____ per ordinary share.

Each employee share option converts into one ordinary share of International GAAP Holdings Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance based formula approved by shareholders at a previous annual general meeting and is subject to approval by the Remuneration Committee. The formula rewards executives and senior employees against the extent of the consolidated entity's and individual's achievement against both qualitative and quantitative criteria from the following financial and customer service measures:

- Improvement in share price
- Improvement in net profit
- Improvement in return to shareholders
- Reduction in warranty claims
- Results of client satisfaction surveys
- Reduction in rate of staff turnover

The options granted expire within twelve months of their issue, or one month of the resignation of the executive or senior employee, whichever is the earlier.

Reg2M.3.03(1) (Item 12(a), (b), (g), 15(b)(i), (b)(ii), (b)(iv), (b)(vi))
s.300A(e)(ii)

Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or future financial years:

Options series	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date
Series 3	30/03/24	$ ____	$ ____	30/03/27	Vests at the date of grant.
Series 4	30/09/25	$ ____	$ ____	30/09/27	Vests on the date that the International GAAP Holdings Limited share price exceeds $ ___, and provided that the eligible recipient is employed by the company on that date

Reg2M.3.03(1) (Item 12(d), 14)

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

Details of share-based payments granted as compensation to key management personnel during the current financial year:

Reg2M.3.03(1) (Item 12(e), (f) 15(a))

		During the financial year			
Name	Option series	No. granted	No. vested	% of grant vested	% of grant forfeited
P.H. Taylor	Series 3	88,000	88,000	100%	n/a
W.L. Lee	Series 3	6,250	6,250	100%	n/a
L.J. Jackson	Series 3	6,250	6,250	100%	n/a
C.P. Daniels	Series 3	4,167	4,167	100%	n/a
N.W. Wright	Series 3	4,167	4,167	100%	n/a
T.L. Smith	Series 4	32,036	nil	nil	nil

Source

Employee share option plan (continued)

Reg2M.3.03(1) (Item 16)

During the year, the following key management personnel exercised options that were granted to them as part of their compensation. Each option converts into one ordinary share of International GAAP Holdings Limited.

Name	No. of options exercised	No. of ordinary shares of International GAAP Holdings Limited issued	Amount paid	Amount unpaid
P.H. Taylor	50,000	50,000	$50,000	$nil
W.L. Lee	6,250	6,250	$6,250	$nil
L.J. Jackson	6,250	6,250	$6,250	$nil
C.P. Daniels	4,167	4,167	$4,167	$nil
N.W. Wright	4,167	4,167	$4,167	$nil

s.300A(1)(e)(ii)-(iii)

The following table summarises the value of options granted and exercised during the financial year, in relation to options granted to key management personnel as part of their remuneration:

Name	Value of options granted at the grant date (i) $	Value of options exercised at the exercise date (ii) $
P.H. Taylor	105,600	88,000
W.L. Lee	7,500	15,750
L.J. Jackson	7,500	15,750
C.P. Daniels	5,000	10,501
N.W. Wright	5,000	10,501
T.L. Smith	33,638	-

(i) The value of options granted during the financial year is calculated as at the grant date using a binomial pricing model. This grant date value is allocated to remuneration of key management personnel on a straight-line basis over the period from grant date to vesting date.
(ii) The value of options exercised during the financial year is calculated as at the exercise date using a binomial pricing model.

s.300A(1) (e)(iv)

The following table summarises the number of options that lapsed during the financial year, in relation to options granted to key management personnel as part of their remuneration:

Name	Financial year in which the options were granted	No. of options lapsed during the current year
[name]	*[year]*	-

Source

Compensation

Reg2M.3.03(1) (Item 12)

For each grant of a cash bonus, performance related bonus or share-based payment compensation benefit made to a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, whether part of a specific contract for services or not, the remuneration report must include the terms and conditions of each grant affecting compensation in the reporting period or a future reporting period, including the following:

- The grant date
- The nature of the compensation
- The service and performance criteria used to determine the amount of compensation
- If there has been any alteration of the terms or conditions of the grant since the grant date – the date, details and effect of each alteration (see also "alterations and modifications" below)
- The percentage of the bonus or grant for the financial year that was paid to the person or that vested in the person, in the financial year
- The percentage of the bonus or grant for the financial year that was forfeited by the person (because the person did not meet the service and performance criteria for the bonus or grant) in the financial year
- The financial years, after the financial year which the report relates, for which the bonus or grant will be payable if the person meets the service and performance criteria for the bonus or grant
- Estimates of the maximum and minimum possible total value of the bonus or grant (other than option grants) for financial years after the financial year to which the report relates.

Source	
	Options and rights over equity instruments

Reg2M.3.03(3)	A disclosure required by Regulation 2M.3.03(1)(Items 15-19) must:
	• Be separated into each class of equity instrument
	• Identify each class of equity instrument by:
	  • The name of the disclosing entity or the relevant subsidiary that issued the equity instrument
	  • The class of equity instrument
	  • If the instrument is an option or right – the class and number of equity instruments for which it may be exercised.

Reg2M.3.03(1) (Item 15)	If options and rights over an equity instrument issued or issuable by the disclosing entity or any of its subsidiaries have been provided as compensation to a member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity, during the reporting period:
	• The number of options and the number of rights that, during the reporting period:
	  • Have been granted
	  • Have vested
	• The terms and conditions of each grant made during the reporting period, including:
	  • The fair value per option or right at grant date
	  • The exercise price per share or unit
	  • The amount, if any, paid or payable, by the recipient
	  • The expiry date
	  • The date or dates when the options or rights may be exercised
	  • A summary of the service and performance criteria that must be met before the beneficial interest vests in the person.

Reg2M.3.03(1) (Item 16)	If an equity instrument that is issued or issuable by the disclosing entity or any of its subsidiaries has been provided as a result of the exercise during the reporting period of options and rights that have been granted as compensation to a person: • The number of equity instruments • If the number of options or rights exercised differs from the number of equity instruments disclosed under paragraph (a) – the number of options or rights exercised • The amount paid per instrument • The amount unpaid per instrument.

Source

Alterations and modifications

Reg2M.3.03(1) (Item 14)

If the terms of share-based payment transactions (including options or rights) granted as compensation to key management personnel have been altered or modified by the disclosing entity or any of its subsidiaries during the reporting period:

- The date of the alteration
- The market price of the underlying equity instrument at the date of the alteration
- The terms of the grant of compensation immediately before the alteration, including:
  - The number and class of the underlying equity instruments, exercise price
  - The time remaining until expiry
  - Each other condition in the terms that affects the vesting or exercise of an option or other right
- The new terms
- The difference between:
  - The total of the fair value of the options or other rights affected by the alteration immediately before the alteration
  - The total of the fair value of the options or other rights immediately after the alteration.

Key terms of employment contracts

s.300A(1)(e)(vii) Reg2M.3.03(1) (Item 13)

The report must also include, for each member of key management personnel for the company, or if consolidated financial statements are required, for the consolidated entity:

- If the person is employed by the company under a contract – the duration of the contract, the periods of notice required to terminate the contract and the termination payments provided for under the contract
- For each contract for services between a person and the disclosing entity (or any of its subsidiaries), any further explanation that is necessary in addition to those prescribed in s.300A(1)(ba) and Regulation 2M.3.03(1)(Item 12) to provide an understanding of:
  - How the amount of compensation in the current reporting period was determined
  - How the terms of the contract affect compensation in future periods.

Source

Loans to key management personnel

Reg2M.3.03(1) (Item 20)

The Group has provided several of its key management personnel with short-term loans at a 2% interest rate per annum.

The loans to key management personnel are unsecured.

The following table outlines aggregate amounts in respect of loans made to key management personnel of the Group.

Reg 2M.3.03 (3A)

The disclosures required by Regulation 2M3.03(1)(Item 20) and Regulation 2M3.03(1)(Item 21) below do not include loans involved in transactions that are in-substance options, including non-recourse loans.

Where such loan arrangements exist and are excluded from the table the following disclosure is recommended: "These balances do not include loans that are in-substance options and are non-recourse to the Group."

Reg2M.3.03(1) (Item 20)

Balance at 01/01/2026 $	Interest charged $	Arm's length interest differential (i) $	Allowance for doubtful receivables $	Balance at 31/12/2026 $	Number of key management personnel
[amount]	*[amount]*	*[amount]*	*[amount]*	*[amount]*	*[number]*

(i) The amount above refers to the difference between the amount of interest paid and payable in the reporting period and the amount of interest that would have been charged on an arms-length basis.

Key management personnel with loans above $100,000 in the reporting period:

Reg2M.3.03(1) (Item 21)

The Group has provided several of its key management personnel with short-term loans at rates comparable to the average commercial rate of interest.

The loans to key management personnel are unsecured.

The following table outlines amounts in relation to loans above $100,000 made to key management personnel of the Group:

Reg2M.3.03(1) (Item 21)

Name	Balance at 01/01/2026 $	Interest charged $	Arm's length interest differential (i) $	Allowance for doubtful receivables $	Balance at 31/12/2026 $	Highest loan balance during the period $
F.R. Ridley						
B.M. Stavrinidis						
C.P. Daniels						

(i) The amount above refers to the difference between the amount of interest paid and payable in the reporting period and the amount of interest that would have been charged on an arms-length basis.

Source

Key management personnel equity holdings

Reg2M.3.03 (1) (Item 18)

Fully paid ordinary shares of International GAAP Holdings Limited

Name	Balance at 01/01/2026 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Balance at 31/12/2026 No.	Balance held nominally No.
C.J. Chambers	5,000	-	-	-	5,000	-
P.H. Taylor	1,500	-	50,000	(1,500)	50,000	-
A.K. Black	9,000	-	-	(8,000)	1,000	-
W.L. Lee	2,520	-	6,250	3,500	12,270	3,500
L.J. Jackson	1,250	-	6,250	(1,500)	6,000	800
C.P. Daniels	4,584	-	4,167	-	8,751	-
N.W. Wright (i)	2,000	-	4,167	-	6,167	-

(i) It should be noted N.W. Wright resigned on 15 June 2026 and therefore the balance of securities held as at 31 December 2026 represents the balance held at the date of resignation, accordingly all movements in equity holdings disclosed reflect only those movements which took place during the period that N.W. Wright was a key management person.

Convertible notes of International GAAP Holdings Limited

Name	Balance at 01/01/2026 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Balance at 31/12/2026 No.	Balance held nominally No.
C.J. Chambers	-	-	-	3,000	3,000	-
P.H. Taylor	-	-	-	15,000	15,000	-

Share options of International GAAP Holdings Limited

Reg2M.3.03 (1) (Item 17)

Name	Bal at 01/01/2026 No.	Granted as compen-sation No.	Exercised No.	Net other change No.	Bal at 31/12/2026 No.	Bal vested at 31/12/2026 No.	Vested but not exer-cisable No.	Vested and exer-cisable No.	Options vested during year No.
P.H. Taylor	50,000	88,000	(50,000)	-	88,000	88,000	-	88,000	88,000
W.L. Lee	-	6,250	(6,250)	-	-	-	-	-	6,250
L.J. Jackson	-	6,250	(6,250)	-	-	-	-	-	6,250
C.P. Daniels	-	4,167	(4,167)	-	-	-	-	-	4,167
N.W. Wright	-	4,167	(4,167)	-	-	-	-	-	4,167
T.L. Smith	-	32,036	-	-	32,036	-	-	-	-

All share options issued to key management personnel were made in accordance with the provisions of the employee share option plan.

During the financial year, 70,834 options were exercised by key management personnel at an exercise price of $1 per option for 70,834 ordinary shares in International GAAP Holdings Limited. No amounts remain unpaid on the options exercised during the financial year at year end.

Further details of the employee share option plan and of share options granted during the 2026 and 2025 financial years are contained in note 57 to the financial statements.

Source

Key management personnel equity holdings (continued)

Reg2M.3.03 (1) (Item 19)

For a transaction (other than share-based payment compensation) that:

- Involves an equity instrument issued or issuable by the disclosing entity or any of its subsidiaries
- Has occurred, during the reporting period, between the disclosing entity or any of its subsidiaries and any of the following:
  - A key management person
  - A close member of the family of that person
  - An entity over which the person or the family member has, either directly or indirectly, control, joint control or significant influence

If the terms or conditions of the transaction were more favourable than those that it is reasonable to expect the entity would adopt if dealing at arms-length with an unrelated person, the remuneration report must detail:

- The nature of each different type of transaction
- For each transaction, the terms and conditions of the transaction.

Other transactions with key management personnel of the Group

Reg 2M.3.03(1) (Item 22)

During the financial year, the Group recognised interest revenue of $____ in relation to debentures with a carrying value of $____ offered by a company related to Ms B.M. Stavrinidis and held by Subone Finance Pty Ltd. The debentures return interest of ____ % p.a., payable monthly. The debentures mature on *[insert date]*.

Reg 2M.3.03(1) (Item 23-24)

Profit for the year includes the following items of revenue and expense that resulted from transactions, other than compensation, loans or equity holdings, with key management personnel or their related entities:

	2026
Consolidated revenue includes the following amounts arising from transactions with key management personnel of the Group or their related parties:	
- Interest revenue	
- Dividend revenue	
- Other	
Consolidated profit includes the following expenses arising from transactions with key management personnel of the Group or their related parties:	
- Interest expense	
- Net amounts written-off and allowances for doubtful receivables	
- Other	
Total assets arising from transactions other than loans and amounts receivable in relation to equity instruments with key management personnel or their related parties:	
- Current	
- Allowance for doubtful receivables	
- Non-current	
Total liabilities arising from transactions other than compensation with key management personnel or their related parties:	
- Current	
- Non-current	

Source	
	Other transactions with key management personnel of the Group (continued)
Reg 2M.3.03 (3B)	A transaction with, or an amount that is receivable from or payable under a transaction to, a key management person, a close member of the family of that person, or an entity over which the person or the family member has, directly or indirectly, control, joint control or significant influence, is excluded from the requirements of items 22 to 24 of Regulation 2M.3.03 if: • The transaction occurs within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing at arms-length with an unrelated person • Information about the transaction does not have the potential to affect adversely decisions about the allocation of scarce resources made by users of the financial statements, or the discharge of accountability by the key management person • The transaction is trivial or domestic in nature.
s.298(2)	This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*. On behalf of the Directors (Signature) C.J. Chambers Director Sydney, 11 March 2027

Auditor's independence declaration

Source

The wording below reflects the impacts of the introduction of mandatory sustainability reporting in Australia. The illustrative wording has been developed based on the requirements of the Corporations Act. It is possible that guidance may be provided by ASIC or professional bodies on the wording of the declaration, or practice may develop over time, which may be differ from the wording below. Entities should monitor developments in this area.

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000
Australia

Phone: +61 (02) 9322 7000
www.deloitte.com

The Board of Directors
International GAAP Holdings Limited
167 Admin Ave
Sydney NSW 2000

11 March 2027

Dear Board Members

Auditor's Independence Declaration to International GAAP Holdings Limited

s.298(1AA)(c), s.307C, ASIC-CI 2026/468 Section 12

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of International GAAP Holdings Limited.

As lead audit partner for the audit of the financial report and review of the sustainability report of International GAAP Holdings Limited for the financial year ended 31 December 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report and review of the sustainability report; and

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

Yours faithfully

DELOITTE TOUCHE TOHMATSU

T.L. Green
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Source

s.307C(1), (3)

If an audit firm, audit company or individual auditor conducts an audit or review of the financial report or an audit or review[93] of the sustainability report for the financial year, the individual or lead auditor must give the directors of the company, registered scheme, registrable superannuation entity or disclosing entity a written declaration that, to the best of the individual or lead auditor's knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act in relation to the audit or review
- No contraventions of any applicable code of professional conduct in relation to the audit or review.

Alternatively, if contraventions have occurred, the auditor is required to set out those contraventions in a written declaration that, and include a statement in the declaration that to the best of the individual or lead auditor's knowledge and belief, those contraventions are the only contraventions of:

- The auditor independence requirements of the Corporations Act in relation to the audit or review, or
- Any applicable code of professional conduct in relation to the audit or review.

s.307C(5)(a)

The auditor's independence declaration must be given when the audit report is given to the directors of the company, registered scheme, registrable superannuation entity or disclosing entity (other than when the conditions in s.307(5A) are satisfied – see below) and must be signed by the person making the declaration.

s.307C(5A)

A declaration under s.307C(1) or s.307C(3) in relation to financial report or sustainability report for a financial year satisfies the conditions in this subsection if:

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

s.307C(5B)

An individual auditor or lead auditor is not required to give a declaration under s.307C(1) and s.307C(3) in respect of a contravention if:

- The contravention was a contravention by a person of s.324CE(2) or s.324CG(2) (strict liability contravention of specific independence requirements by individual auditor or audit firm), or s.324CF(2) (contravention of independence requirements by members of audit firms)
- The person does not commit an offence because of s.324CE(4), s.324CF(4) or s.324CG(4) (quality control system defence).

[93] Though s.307C of Corporations Act refers to an audit of sustainability report only, s.1707E clarifies that references to audit include a reference to a review of a sustainability report where AUASB requires a sustainability report to be reviewed to any extent. Further, the Explanatory Memorandum to *Treasury Law Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* (which modified the Corporations Act to introduce mandatory sustainability reporting in Australia) states that the auditor's independence declaration must be provided when the auditor is conducting an audit or a review of the sustainability report (par. 4.138).

Source	
s.301(5), 298(1AA), (1AC)	A company that is eligible to adopt the corporate governance concessions available to certain crowd-sourced funded public companies is not required to include a copy of the auditor's independence declaration in its financial report where an auditor has not been appointed or where an audit is not required due to the operation of the concessions.

Independent auditor's report

Source

An independent auditor's report is prepared by the auditor in accordance with the Australian Auditing Standards.

Duty to form an opinion

The auditor is required to form an opinion on the following:

s.307(a), s.308(1)
- Whether the financial report is in accordance with the Corporations Act, including:
  - Whether the financial report complies with Australian Accounting Standards
  - Whether the financial report gives a true and fair view of the financial performance and position of the entity (or consolidated entity)

s.307(aa)
- If the financial report includes additional information under s.295(3)(c) (information included to give true and fair view of financial position and performance) – whether the inclusion of that additional information was necessary to give the true and fair view required by s.297

s.307(b)
- Whether the auditor has been given all information, explanations and assistance necessary for the conduct of the audit

s.307(c)
- Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept financial records sufficient to enable a financial report to be prepared and audited

s.307(d)
- Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept other records and registers as required by the Corporations Act

s.308(3C)
- If the directors' report for the financial year includes a remuneration report, whether the auditor is of the opinion that the remuneration report complies with s.300A of the Corporations Act. If not of that opinion, the auditor's report must say why

s.308(3)(b)
The auditor is required to include in the audit report particulars of any deficiency, failure or shortcoming in respect of any matter referred to in s.307(b), (c) or (d) above (see "Duty to report" below).

Qualified audit opinions

s.308(2)
Where, in the auditor's opinion, there has been a departure from a particular Australian Accounting Standard, the audit report must, to the extent that is practicable to do so, quantify the effect that non-compliance has on the financial report. If it is not practicable to quantify the effect fully, the report must say why.

Source	
	Duty to report
s.308(3)	The auditor's report must describe:
s.308(3)(a) s.308(3)(b)	• Any defect or irregularity in the financial report • Any deficiency, failure or shortcoming in respect of the matters referred to in s.307(b), (c) or (d), i.e.:
s.307(b)	• Whether the auditor has been given all information, explanations and assistance necessary for the conduct of the audit
s.307(c)	• Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept financial records sufficient to enable a financial report to be prepared and audited
s.307(d)	• Whether the company, registered scheme, registrable superannuation entity or disclosing entity has kept other records and registers as required by the Corporations Act.
s.308(3A)	The audit report must include any statements or disclosures required by the auditing standards.
s.308(3B)	If the financial report includes additional information under s.295(3)(c) (information included to give true and fair view of financial position and performance), the audit report must also include a statement of the auditor's opinion on whether the inclusion of that additional information was necessary to give the true and fair view required by s.297.
s.308(3C)	If the directors' report for the financial year includes a remuneration report, whether the auditor is of the opinion that the remuneration report complies with s.300A of the Corporations Act. If not of that opinion, the auditor's report must say why.
	Duty to inform
s.311	The auditor must inform ASIC in writing if the auditor is aware of circumstances that: • The auditor has reasonable grounds to suspect amount to a contravention of the Corporations Act, or • Amount to an attempt, in relation to the audit, by any person to unduly influence, coerce, manipulate or mislead a person involved in the conduct of the audit, or • Amount to an attempt, by any person, to otherwise interfere with the proper conduct of the audit. The auditor is required to notify ASIC in writing of the circumstances of the matters outlined above as soon as practicable and in any case within 28 days, after the auditor becomes aware of those circumstances.
ASIC-RG 34	ASIC Regulatory Guide 34 *Auditor's obligations: Reporting to ASIC* provides guidance on the procedures to be followed by registered company auditors in complying with s.311 of the Corporations Act, including specific reference to evidence of a contravention, examples of contraventions and timing of notification.
	Communicating Key Audit Matters ***Requirement to report***
ASA701.5	ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report* applies to audits of general purpose financial reports of listed entities and circumstances when the auditor otherwise decides to communicate key audit matters in the auditor's report. ASA 701 also applies when the auditor is required by law or regulation to communicate key audit matters in the auditor's report. However, ASA 705 *Modifications to the Opinion in the Independent Auditor's Report* prohibits the auditor from communicating key audit matters when the auditor disclaims an opinion on the financial report, unless such reporting is required by law or regulation.

Source

Communicating Key Audit Matters (continued)

What is required to be reported

ASA701.11 The auditor describes each key audit matter, using an appropriate subheading, in a separate section of the auditor's report under the heading "Key Audit Matters," unless the circumstances in ASA 701.14 or ASA 701.15 apply. The introductory language in this section of the auditor's report states that:

- Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial report (of the current period), and
- These matters were addressed in the context of the audit of the financial report as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

ASA701.14 The auditor describes each key audit matter in the auditor's report unless:

- Law or regulation precludes public disclosure about the matter, or
- In extremely rare circumstances, the auditor determines that the matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. This does not apply if the entity has publicly disclosed information about the matter.

ASA701.15 A matter giving rise to a modified opinion in accordance with ASA 705, or a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with ASA 570, are by their nature key audit matters. However, in such circumstances, these matters are not described in the Key Audit Matters section of the auditor's report.

Description of individual Key Audit Matters

ASA701.13 The description of each key audit matter in the Key Audit Matters section of the auditor's report includes a reference to the related disclosure(s), if any, in the financial report and addresses:

- Why the matter was considered to be one of most significance in the audit and therefore determined to be a key audit matter
- How the matter was addressed in the audit.

Directors' declaration

Source

The directors declare that, in the directors' opinion:

s.295(4)(d) (a) the attached consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2026 and its performance for the year ended on that date; and

(ii) complying with the Australian Accounting Standards and the *Corporations Regulations 2001*;

s.295(4)(c) (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

s.295(4)(ca) (c) the attached financial statements are in compliance with IFRS® Accounting Standards[94], as stated in note 1 to the consolidated financial statements; and

s.295(4)(da) (d) the attached consolidated entity disclosure statement is true and correct[95].

The following statement is required for listed companies, listed disclosing entities and listed registered schemes:

s.295(4)(e) The directors have been given the declarations required by s.295A of the *Corporation Act 2001*.

[94] The IFRS Foundation refers to International Financial Reporting Standards as comprising IFRS Accounting Standards (issued by the IASB) and IFRS Sustainability Disclosure Standards (issued by the ISSB). Section 295(4)(ca) of the Corporations Act requires "if the company, registered scheme or disclosing entity has included in the notes to the financial statements, in compliance with the accounting standards, an explicit and unreserved statement of compliance with *international financial reporting standards*—that this statement has been included in the notes to the financial statements" (emphasis added). AASB 101 *Presentation of Financial Statements* requires that "[a]n entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes". This illustrative example refers to "IFRS Accounting Standards" but other wording may also be acceptable.

[95] This statement is required by public companies (listed and unlisted) as only those entities are required to present a consolidated entity disclosure statement. For listed public companies, the chief executive officer and chief financial officer must also include a statement in their declaration to the directors given under s.295A that the consolidated entity disclosure statement is true and correct.

Source

Wholly-owned company relief

On 28 September 2026, ASIC released *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* (ASIC-CI 2026/533) to extend existing financial reporting relief for wholly-owned groups that enter into a deed of cross guarantee and meet other specified conditions.

The new instrument replaces *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* (ASIC-CI 2016/785), as that instrument was due to sunset on 1 October 2026.

ASIC-CI 2026/533 adopts transitional measures which means the relief provided applies to financial years ending on or after 1 January 2027. ASIC-CI 2016/785 will continue to apply (despite its repeal) to a financial year ending before 1 January 2027. This means that financial reports for financial years ending on 31 December 2026 will continue to refer to ASIC-CI 2016/785. However, financial reports for periods ending after 31 December 2026 will need to refer to ASIC-CI 2026/533. This is consistent with the application of the updated rounding relief included in ASIC-CI 2026/468[96].

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:

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

ASIC-CI 2016/785, s.6(w)

In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* applies, as detailed in note 20 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

s.295(5)

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

(Signature)
C.J. Chambers
Director

Sydney, 11 March 2027

[96] Refer to section A4.3 for further information about *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* and to section A4.4 for a discussion about the broader ASIC regulatory simplification project.

Consolidated statement of financial position

as at 31 December 2026

Source		Notes	31/12/2026 $'000	31/12/2025 $'000 (restated)*	01/01/2025 $'000 (restated)*
AASB 101:10(a),(ea),(f) 51(b),(c), 113 AASB 101:51(d), (e) AASB 101:10(f), 40A					
	Assets				
AASB 101:60-61, 66-68	***Current assets***				
AASB 101:54(i)	Cash and cash equivalents				
AASB 101:54(h), AASB 15:116(a)	Trade and other receivables	31			
AASB 15:105, 116(a)	Contract assets	27			
AASB 15:105	Contract costs	28			
AASB 15:B21	Right to returned goods asset	26			
AASB 101:54(d), 55	Finance lease receivables	29			
AASB 101:54(d), 55	Investments in financial assets	24			
AASB 101:54(d), 55	Derivative financial assets	34			
AASB 101:54(g)	Inventories	25			
AASB 101:55(n)	Current tax assets				
AASB 101:55	Other *[describe]*				
AASB 101:54(j) AASB 5:38-39	Assets classified as held for sale	13			
	Total current assets				
AASB 101:60-61, 66-68	***Non-current assets***				
AASB 15:105, 116(a)	Contract assets	27			
AASB 15:105	Contract costs	28			
AASB 101:54(d), 55	Investments in financial assets	24			
AASB 101:54(d), 55	Finance lease receivables	29			
AASB 101:54(d), 55	Derivative financial instruments	34			
AASB 101:54(a)	Property, plant and equipment	18			
AASB 16:47(a)	Right-of-use assets	30			
AASB 101:54(b)	Investment property	19			
AASB 101:54(e), 55	Investments in associates	21			
AASB 101:54(e), 55	Investments in joint ventures	22			
AASB 101:55	Goodwill	16			
AASB 101:54(c)	Intangible assets	17			
AASB 101:54(o), 56	Deferred tax assets	35			
AASB 101:55	Other *[describe]*				
	Total non-current assets				
	Total assets				

Source		Notes	31/12/2026 $'000	31/12/2025 $'000 (restated)*	01/01/2025 $'000 (restated)*
AASB 101:10(a),(ea),(f) 51(b),(c), 113 AASB 101:51(d), (e) AASB 101:10(f), 40A					
	Liabilities				
AASB 101:60-61	***Current liabilities***				
AASB 101:54(k)	Trade and other payables	37			
AASB 15:105, 116(a)	Contract liabilities	60			
AASB 15:B21, 119(d)	Refund liability	61			
AASB 101:54(m), 55 AASB 16:47(b)	Lease liabilities	36			
AASB 101:54(m), 55	Borrowings	32			
AASB 101:54(m), 55	Derivative financial instruments	34			
AASB 101:54(m), 55	Other financial liabilities	38			
AASB 101:54(n)	Current tax liabilities				
AASB 101:54(m), 55	Deferred income – government grant	59			
AASB 101:54(l)	Provisions	39			
AASB 101:55	Other *[describe]*				
AASB 101:54(p) AASB 5:38-39	Liabilities directly associated with assets classified as held for sale	13			
	Total current liabilities				
AASB 101:60-61	***Non-current liabilities***				
AASB 15:105, 116(a)	Contract liabilities	60			
AASB 16:47(b)	Lease liabilities	36			
AASB 101:54(m), 55	Borrowings	32			
AASB 101:54(m), 55	Convertible loan notes	33			
AASB 101:54(m)	Other financial liabilities	38			
AASB 101:54(m), 55	Liability for share-based payments	57			
AASB 101:55	Retirement benefit obligations	58			
AASB 101:55	Deferred income – government grant	59			
AASB 101:54(l)	Provisions	39			
AASB 101:54(o), 56	Deferred tax liabilities	35			
AASB 101:55	Other *[describe]*				
	Total non-current liabilities				
	Total liabilities				
	Net assets				
	Equity				
	Capital and reserves				
AASB 101:55	Share capital	40			
AASB 101:55	Reserves	43 - 49			
AASB 101:55	Retained earnings	50			
AASB 101:54(r)	***Equity attributable to owners of the parent entity***				
AASB 101:54(q), 10:22	Non-controlling interests	51			
AASB 101:55-55A	**Total equity**				

*The comparative information has been restated as a result of *[describe]* as discussed in note 2

Source

AASB 101:40A
AASB 101:40C

AASB 101:40A requires an entity to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) if:

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

Other than disclosures of certain specified information as required by AASB 101:41-44 and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the related notes to the third statement of financial position are not required to be disclosed.

Notes to the consolidated financial statements

Source

1. General information

Statement of compliance

AASB 1054:7, 8, 9

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

AASB 1054:8(b)

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

AASB 101:16

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS Accounting Standards as issued by the IASB[97].

Summary of requirements

AASB 1054:7

An entity whose financial statements comply with Australian Accounting Standards makes an explicit and unreserved statement of such compliance in the notes. An entity does not describe financial statements as complying with Australian Accounting Standards unless they comply with all the requirements of Australian Accounting Standards.

AASB 1054:8

An entity discloses in the notes:

- The statutory basis or other reporting framework, if any, under which the financial statements are prepared
- Whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.

AASB 1054:9

An entity discloses in the notes whether the financial statements are general purpose financial statements or special purpose financial statements.

[97] The IFRS Foundation refers to International Financial Reporting Standards as comprising IFRS Accounting Standards (issued by the IASB) and IFRS Sustainability Disclosure Standards (issued by the ISSB). Section 295(4)(ca) of the Corporations Act requires "if the company, registered scheme or disclosing entity has included in the notes to the financial statements, in compliance with the accounting standards, an explicit and unreserved statement of compliance with *international financial reporting standards*—that this statement has been included in the notes to the financial statements" (emphasis added). AASB 101 *Presentation of Financial Statements* requires that "[a]n entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes". This illustrative example refers to "IFRS Accounting Standards" but other wording may also be acceptable.

Source

1. General information (continued)

Presentation currency and rounding

AASB 101:51(d) These financial statements are presented in Australian Dollars ($). Foreign operations are included in accordance with the policies set out in note 3.

Updates to ASIC's rounding instrument

The illustrative wordings below have been updated to reflect the issue of *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* applicable to full and half-year reports at 31 December 2026 and Part 2, Section 10 of *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* applicable to financial reports for periods ending after 31 December 2026.

See sections A4.3 and A4.4 for additional information.

If the company is an entity to which section 7 of *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* or Part 2, Section 10 of *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468 applies* and consequently the amounts in the directors' report and the financial statements are rounded, that fact must be disclosed in the financial statements or the directors' report.

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

ASIC-CI 2026/183 Section 7(2)(f)
AASB 101:51(e) The company is an entity to which section 7 of *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* applies and in accordance with that section amounts the financial report are rounded off to the nearest *[dollar / thousand dollars / hundred thousand dollars / million dollars]*, unless otherwise required.

ASIC-CI 2026/468 Section 10 *[Applicable to financial reports for periods ending after 31 December 2026]*

The company is an entity to which Part 2, Section 10 of *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* applies and in accordance with that section amounts in the financial report are rounded off to the nearest *[dollar / thousand dollars / hundred thousand dollars / million dollars],* unless otherwise required.

ASIC-CI 2026/183 Section 7(2)(g) Where the Corporations Instrument is applied, certain amounts in the financial statements are required to be rounded to differing levels of precision. It is important to ensure these amounts are shown using the correct level of precision and column headings and narrative information uses the correct level of rounding as required by the Corporations Instrument.

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

Source

2. Adoption of new and revised Australian Accounting Standards

How to use this section in conjunction with the core model financial statements

Note 2 of the *Core model financial statements* sets out new and amended IFRS Accounting Standards that are effective for the current year and new and revised IFRS Accounting Standards in issue but not yet effective.

This note should be replaced with the illustrative disclosures below which set out:

- Amendments to Australian Accounting Standards that are mandatorily effective for the current period, i.e. for the year ending 31 December 2026
- New and revised Australian Accounting Standards that are not mandatorily effective (but allow early application) for the year ending 31 December 2026
- IFRS Accounting Standards and IFRIC Interpretations for which equivalent Australian Accounting Standards and Interpretations have not yet been issued.

Entities are required to disclose in their financial statements the potential impact of new and revised Australian Accounting Standards that have been issued but are not yet effective. The disclosures reflect a cut-off date of 30 October 2026. The potential impact of any new or revised Standards and Interpretations issued by the AASB or IASB after this date, but before the issue of the financial statements, should also be considered and disclosed where material.

The impact of the application of the new and revised Australian Accounting Standards (see below) is for illustrative purposes only. Entities should analyse and disclose the impact based on their specific facts and circumstances.

AASB 108:28
AASB 101:31

The example wording in this section has been provided to assist with compliance of the requirements of AASB 108:28. The disclosures required by AASB 108:28 are only provided where the effect on the current period or any prior period is material.

In this section we have illustrated how this information may be given in a succinct format, in order to avoid unnecessary disclosures in financial statements. Where the first-time or future application of a pronouncement has, or is expected to have, a significant impact on the financial statements, additional disclosures should be considered.

Source

2. Adoption of new and revised Australian Accounting Standards (continued)

Considering Australian Sustainability Reporting Standards in the disclosures about Standards effective for the current year or not yet effective

The following Australian Sustainability Reporting Standards have been issued by the AASB:

- AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (voluntary)
- AASB S2 *Climate-related Disclosures* (mandatory for sustainability reports under the Corporations Act) (as amended).

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

The question then becomes whether disclosure about those Standards is required in financial statements prepared after their issue, either for the periods when they are not effective or are applied for the first time.

Australian Sustainability Reporting Standards are distinct from Australian Accounting Standards, although both series of Standards are made by the AASB. AASB 108 requires entities to disclose information about *Australian Accounting Standards* that have an effect on the current period or any prior period in the year of initial application and on issue but which are not effective.

Therefore, there is no requirement for entities to make disclosures about the impacts or likely impacts of AASB S1 and AASB S2 in their financial reports.

There is no prohibition on entities including additional information related to adoption of AASB S1 and/or AASB S2 in their financial statements. However, information about the adoption or future adoption of AASB S1 and/or AASB S2 may be more appropriately included in the directors' report accompanying the financial report (as the future sustainability report is, or will be, a separate report to the financial report).

Source

2. Adoption of new and revised Australian Accounting Standards (continued)

2.1 New and amended Australian Accounting Standards that are effective for the current year

AASB 101:31

There is no requirement to present a full listing of mandatorily effective standards. Disclosures should only include Australian Accounting Standards, amendments to Australian Accounting Standards and other pronouncements that:

- Are mandatorily effective for the current period
- Are applicable to the entity's circumstances
- Have a material impact on the entity, or where the information disclosed is material.

AASB 108:28(a), (b), (c), (d)

The Group has adopted all the new and revised Standards *[and Interpretations]* issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2026.

The revised Standard effective for the current year that is relevant to the Group is:

Pronouncement	Impact
AASB 2026-1 *Amendments to Australian Accounting Standards - Disclosures about uncertainties in the financial statements*	Additional illustrative examples were added to illustrate how entities disclose information about the effects of uncertainties on the recoverable amounts of assets and provisions. Information about key assumptions used in impairment testing and measurement of provisions is disclosed in Note 4.
AASB 2024-2 *Amendments to Australian Accounting Standards - Classification and measurement of financial instruments*	Amends AASB 9 *Financial Instruments* to introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements. As a result of the application of these amendments the Group reclassified its investment in green bonds issued by [name of entity] from the FVTPL category to the amortised cost category. As permitted under the transition requirements, the group has elected not to restate the comparative information. The carrying amount of the bonds immediately before reclassification as at 31 December 2025 was $___ million, the amortised cost immediately after reclassification as at 1 January 2026 was $___ million. The difference of $___ between the carrying amount determined immediately before and after application of the amendments was recognised as an adjustment to the opening balance of retained earnings at 1 January 2026.

Source

2. Adoption of new and revised Australian Accounting Standards (continued)

2.1 New and amended Australian Accounting Standards that are effective for the current year (continued)

Pronouncement	Impact
AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*	Amends AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures* by introducing additional guidance for contracts referencing nature-dependent electricity (often structured as power purchase agreements), including contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. Amendments added application guidance to AASB 9 to clarify the "own-use" criteria for contracts to buy electricity generated from nature-dependent sources. In respect of hedges for forecast electricity transactions the amendments to AASB 9 permit a variable nominal amount of the forecast electricity transaction to be designated as the hedged item that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument. As a result of the application of these amendments the Group determined that a certain physical power purchase agreement (PPA) that was previously accounted for as a derivative measured at fair value though profit or loss meets the amended criteria for the own use exception and, accordingly, the purchase power agreement is now accounted for as an executory contract. The group has chosen not to restate prior periods. Accordingly, on 1 January 2026, the carrying amount of the derivative instrument recognised in respect of the physical PPA of $__ million was derecognised with a corresponding credit recorded in opening retained earnings.[98]

Other pronouncements

The below mandatorily effective standards for the current year have not been included in the illustrative disclosures above as they are not material, or are not relevant to, the Group:

- AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*
- AASB 2025-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures*
- AASB 2025-3 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures*

[98] Please refer to Appendix 2 for additional illustrative disclosures required under AASB 2025-1.

Source

2. Adoption of new and revised Australian Accounting Standards (continued)

AASB 108:30 - 31

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

Entities are required to disclose in their financial statements the potential impact of new and revised Australian Accounting Standards that have been issued but are not yet effective. The disclosures below reflect a cut-off date of 30 October 2026. The potential impact of the application of any new and revised Australian Accounting Standards issued by the AASB or IASB after 30 October 2026 but before the financial statements are issued should also be considered and disclosed.

Having completed an assessment of the impact of the various pronouncements in issue but not yet effective, the example disclosures that follow should be tailored as appropriate for the entity. In some cases, an entity may not yet have determined the impact and therefore may state "*The potential effect of the revised Standards/Interpretations on the Group's financial statements has not yet been determined.*"

However, entities should consider the expectations of regulators (e.g. ASIC) when assessing the impact of pronouncements in issue but not yet effective and how detailed the disclosures need to be.

The impact of the application of the new and revised Australian Accounting Standards (see below) is for illustrative purposes only. Entities should analyse the impact based on their specific facts and circumstances.

AASB 108:30

When an entity has not applied a new Australian Accounting Standard that has been issued but is not yet effective, the entity discloses:

- This fact
- Known or reasonably estimable information relevant to assessing the possible impact that application of the new Accounting Standard will have on the entity's financial report in the period of initial application.

AASB 108:31

In complying with the requirements above, an entity considers disclosing:

- The title of the new Australian Accounting Standard
- The nature of the impending change or changes in accounting policy
- The date by which application of the Australian Accounting Standard is required
- The date as at which it plans to apply the Australian Accounting Standard initially
- Either:
    - A discussion of the impact that initial application of the Australian Accounting Standard is expected to have on the entity's financial report, or
    - If that impact is not known or reasonably estimable, a statement to that effect.

Source

2. Adoption of new and revised Australian Accounting Standards (continued)

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 108:30, 31

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

AASB 108:31(a), (c), (d)

Standard/amendment	Effective for annual reporting periods beginning on or after	Nature of the change and expected impact
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (as amended)[99]	1 January 2028[100]	Limits the recognition of gain or loss arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture to the extent of the unrelated investors' interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries. These amendments may impact the Group's consolidated financial statements in future periods should such transactions arise.
AASB 18 *Presentation and Disclosure in Financial Statements*	1 January 2027 *(for-profit entities)* 1 January 2028 *(not-for-profit entities and superannuation entities)*	AASB 18 replaces AASB 101 *Presentation of Financial Statements*. It will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements. The Group is assessing the expected impact of applying AASB 18 on the group's consolidated financial statements in future reporting periods [*disclose known or reasonably estimable information relevant to the group's assessment of the impact of AASB 18. This information should be entity-specific, factual and relevant*.]

[99] AASB 2014-10 has been amended by AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*, AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*, AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* and AASB 2024-4b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128.*

[100] In September 2024 the IASB published an exposure draft IASB/ED/2024/7 *Equity Method of Accounting* to address broader questions about application of the equity method of accounting, including accounting of transactions between an investor and its associate or joint venture. The IASB is now proposing to require an investor to recognise in full gains and losses resulting from all "upstream" and "downstream" transactions with its associates or joint ventures, including transactions involving the loss of control of a subsidiary. As this proposal is different from the previous amendments to IFRS 10 and IAS 28 (and the equivalent AASB 2014-10), the IASB is proposing to abandon the amendments. The Exposure Draft was open for comments to IASB until 20 January 2025 and to AASB until 22 November 2024. Please watch out for the updates from the AASB in respect of application of the progress with the Exposure Draft and the amendments in AASB 2014-10.

Source

2. Adoption of new and revised Australian Accounting Standards (continued)

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 108:31(a), (c), (d)

Standard/amendment	Effective for annual reporting periods beginning on or after	Nature of the change and expected impact
AASB 2026-3 *Amendments to Australian Accounting Standards – Fair Value Option for Investments in Associates and Joint Ventures*	1 January 2027 *(for-profit entities)* 1 January 2028 *(not-for-profit entities and superannuation entities)*	Amends AASB 128 *Investments in Associates and Joint Ventures* to clarify that entities that have a main business activity of investing in particular types of assets, as set out in AASB 18 *Presentation and Disclosure in Financial Statements* should be treated as 'similar entities' to venture capital organisations, mutual funds and unit trusts entities and are therefore eligible to measure investments in associates and joint ventures at fair value through profit or loss in accordance with AASB 9 *Financial Instruments* instead of applying the equity method under AASB 128 in accounting for the investments. The Group does not anticipate the application of the amendments will have an impact on the Group as the Group does not have the main business activity of investing in any particular type of assets.
AASB 2026-4 *Amendments to Australian Accounting Standards – Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation*	1 January 2027 *(for-profit entities, excluding superannuation entities)* 1 January 2028 *(superannuation entities and not-for-profit entities)*	Amends AASB 1054 *Australian Additional Disclosures* by requiring the use of operating profit or loss as a starting point for the operating cash flow reconciliation when an entity uses the direct method to present its statement of cash flows. This will affect the respective disclosure in the following reporting periods. In addition, amendments provide targeted relief for superannuation entities and not-for-profit public sector entities (other than higher education providers) applying AASB 18 *Presentation and Disclosure in Financial Statements* and related amendments to AASB 107 *Statement of Cash Flows,* including presentation, disclosure and cash flow requirements. For superannuation entities, it also preserves the presentation formats of AASB 1056 *Superannuation Entities* rather than requiring the formats in AASB 18 and AASB 107.

Source

2. Adoption of new and revised Australian Accounting Standards (continued)

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 108:31(a), (c), (d)

Standard/amendment	Effective for annual reporting periods beginning on or after	Nature of the change and expected impact
AASB 20 *Regulatory Assets and Regulatory Liabilities*	1 January 2029	The standard introduces a new accounting model for entities affected by rate regulation. It is designed to better align recognition of an entity's total allowed compensation with the period in which the related goods or services are provided. It specifies how to account for regulatory assets and regulatory liabilities and the resulting regulatory income and regulatory expense. The standard also includes detailed requirements on recognition, measurement, presentation and disclosure. The Group is not subject to rate regulation. Therefore AASB 20 is not applicable to the Group and therefore not expected to impact the Group's consolidated financial statements.

Source

2. Adoption of new and revised Australian Accounting Standards (continued)

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

New and revised Australian Accounting Standards and Interpretations on issue but not yet effective for not-for-profit and public sector entities

AASB 108:31(a), (c), (d)

Standard/amendment	Effective for annual reporting periods beginning on or after	Nature of the change and expected impact
AASB 17 *Insurance Contracts*, AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* and AASB 2022 9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* and other related amending Standards	1 July 2026	AASB 2022-8 applies to annual periods beginning on or after 1 January 2023, in order to defer the application of AASB 17 to public sector entities from that date until periods beginning on or after 1 July 2026. This Standard also makes amendments to all Australian Accounting Standards that refer to AASB 17 to permit public sector entities (both for-profit and not-for-profit entities) to continue to apply AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts* until annual periods beginning on or after 1 July 2026. AASB 2022-9 amends AASB 17 to include modifications that apply to public sector entities. This Standard also amends AASB 1050 *Administered Items* to provide an accounting policy choice for government departments to apply either AASB 17 or AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* in determining the information to be disclosed about administered captive insurer activities. The Group is not a public sector entity and does not issue insurance contracts. Therefore AASB 17 (and the related amending Standards) is not applicable to the Group and therefore not expected to impact the Group's consolidated financial statements.

Source

2. Adoption of new and revised Australian Accounting Standards (continued)

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 1054:17 In addition, at the date of authorisation of the financial statements the following IFRS Accounting Standards were on issue for which equivalent Australian Accounting Standards have not been issued:

Standard/amendment	Effective for annual reporting periods beginning on or after	Impact
[Describe if any]	*[Date]*	*[Describe]*

Other pronouncements

The pronouncement below which is not effective for the current year has not been included in the illustrative disclosures above as it is not material to the Group:

- AASB 2025-4 *Amendments to Australian Accounting Standards – Translation to a Hyperinflationary Presentation Currency*
- AASB 1061 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*
- AASB 2026-2 *Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*

In addition, the illustrative disclosures do not include the effect of the below pronouncements that were issued by the International Accounting Standards Board (IASB), but are not applicable to Tier 1 financial statements:

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* and *Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'*
- *IFRS for SMEs Accounting Standard (Third edition).*

Equivalent pronouncements have not been issued by the AASB at the date of this publication[101].

[101] IFRS 19 was developed in a process that ostensibly follows the approach adopted by the AASB in developing AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. However, disclosure differences exist between IFRS 19 and AASB 1060 (e.g. IFRS 19 requires more disclosures about financial instruments, impairment and pronouncements on issue which have not yet been applied). Furthermore, the scope of IFRS 19 is significantly narrower than AASB 1060 (as AASB 1060 applies to all entities without public accountability that are required to comply with Australian Accounting Standards). The AASB is considering whether, and if so, how, to introduce IFRS 19 in the Australian context. On 24 September 2025, the AASB issued Invitation to Comment ITC 56 *Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2* covering a post-implementation review of AASB 1060 and a review of AASB 1060 in light of changes to the *IFRS for SMEs Accounting Standard*, AASB 18 *Presentation and Disclosure in Financial Statements* and IFRS 19. The Invitation to Comment considered several options, including amendments to AASB 1060 to align with IFRS 19 or the *IFRS for SMEs Accounting Standard (Third edition)* AASB 1060 being replaced, or IFRS 19 issued alongside AASB 1060. The invitation to comment was open for comment until 22 January 2026. In June 2026 the AASB issued Exposure Draft ED 341 *Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18* proposing to align presentation of primary financial statements of Tier 2 entities with those of Tier 1 entities. The invitation for comment was open until 24 August 2026. In addition, the AASB is planning to release a feedback statement as a result of a post-implementation review of AASB 1060 and AASB 2020-*2 Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities* and decide further project direction in respect of adoption of IFRS 19 or amending AASB 1060 based on the third edition of the *IFRS for SMEs Accounting Standard.*

Source

3. Accounting policies

Example material accounting policy information for mining entities

The following example material accounting policy information may be relevant for entities operating in the resources industry. Entities will need to edit and adapt the illustrative examples below to reflect their entity's policies and circumstances. The matters disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgements and estimates made to the performance and financial position of the entity.

An entity may choose to include such disclosures in the relevant asset and liability notes, or as part of the relevant material accounting policy information disclosures.

Provision for restoration and rehabilitation[102]

AASB 6:11

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of *[exploration, development, production, transportation or storage]* activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of *[removing infrastructure, abandoning sites/wells and restoring the affected areas]*.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, *[based on current legal and other requirements and technology]*. Future restoration costs are reviewed annually and any changes in the estimates are reflected in the present value of the restoration provision at each reporting date. Changes in the estimates include:

- Updated cost estimates
- Changes to technology
- Changes in regulations and revised impact of climate change
- Revised discount rates
- Revised estimated operating lives
- Revised timing of activities relating to closure.

The initial estimate of the restoration and rehabilitation provision relating to *[exploration, development and milling/production facilities]* is capitalised into the cost of the related asset and *[depreciated/amortised]* on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Costs related to sites which are closed and *[describe]* expenses are recognised as an expense in *[describe the line item]* in profit or loss.

[102] As part of its surveillance activities, ASIC has raised a number of matters on the need for, and adequacy of, provisions (see section A4.2). Entities should consider ASIC's observations as a result of this surveillance. In addition, where restoration and rehabilitation provisions are material, consideration should be given to ensuring adequate disclosure of the judgements made that have the most significant effects on the amounts recognised. Disclosure of information about assumptions made about the future and the major sources of estimation uncertainty should also be considered, which may include sensitivity analyses where appropriate.

Source

3. Accounting policies (continued)

Example material accounting policy information for mining entities (continued)

Exploration and evaluation

The following illustrative accounting policy information disclosure assumes that an entity has adopted an "area of interest" approach towards the capitalisation of exploration and evaluation, as permitted by paragraph Aus7.2 of AASB 6 *Exploration for and Evaluation of Mineral Resources*[103]. Where other approaches are adopted, the following wording will need to be edited as appropriate:

AASB 6: Aus7.2

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- The rights to tenure of the area of interest are current
- At least one of the following conditions is also met:
    - The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale, or
    - Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

AASB 6:8-9

Exploration and evaluation assets are initially measured at cost which includes the following expenditures: *[acquisition of rights to explore, topographical, geological, geochemical and geophysical studies; exploratory drilling, trenching and sampling and associated activities]* and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation assets where they are related directly to operational activities in a particular area of interest.

AASB 6:18

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to *[development]*.

[103] AASB 6 *Exploration for and Evaluation of Mineral Resources* contains Australian-specific requirements that requires expenditures incurred in the exploration for and evaluation of mineral resources to either be (1) expensed as incurred; or (2) partially or fully capitalised and recognised as an exploration and evaluation asset (where additional conditions are met). This decision is required to be made on an 'area of interest' basis and the unit of account for exploration and evaluation expenditures is an area of interest. IFRS 6 *Exploration for and Evaluation of Mineral Resources* does not contain equivalent requirements in relation to identifying the unit of account (but the Australian-specific requirements are consistent with IFRS 6). Accordingly, entities may wish to provide additional detail as outlined in this illustrative disclosure to contribute toward the entity's compliance with IFRS Accounting Standards (as such information may be considered material accounting policy information under those standards). Judgement will be required on the extent and scope of any material accounting policy information disclosed.

Source

3. Accounting policies (continued)

Example material accounting policy information for mining entities (continued)

Development

Development expenditure is recognised at cost less accumulated *[amortisation/depletion]* and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs *[together with any forecast future capital expenditure necessary to develop proved and probable reserves]* are amortised over the estimated economic life of the *[mine/field]* on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

Example material accounting policy information for not-for-profit and public sector entities

Revenue recognition (not-for-profit and public sector)

AASB 108:28
AASB 108:31

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

- Government grants
- Donations and bequests
- Capital grants.

Capital grants – Buildings

For capital grants received under an enforceable agreement where it includes a transfer to enable the Group to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the Group when completed, the Group recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income as it satisfies its obligations under the transfer.

As the capital grants received by the Group are primarily for the construction of buildings, the Group recognises income as the buildings are constructed (when it satisfies its obligations).

Unrecognised revenue

Volunteer services (not-for-profit private sector entities only)

AASB 1058:19

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

AASB 102:Aus10.1-Aus10.2

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

3. Accounting policies (continued)

Example material accounting policy information for not-for-profit and public sector entities (continued)

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

For the concessionary leases, the Group has decided to make use of the option in AASB 16 to measure the right-of-use assets at cost on initial recognition. The Group has also made the necessary disclosures in note 31 for each material concessionary lease as required by AASB 16:Aus59.1-2.

The Group has also decided to apply AASB 16 to treat right-of-use assets arising under concessionary leases as a separate class of right-of-use assets to right-of-use assets arising under other leases for the purposes of AASB 16.

4. Critical accounting judgements and key sources of estimation uncertainty

Revenue recognition (not-for-profit entities and public sector)

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Group has to determine if the contract is "enforceable" and contains "sufficiently specific" performance obligations. When assessing whether the performance obligations are "sufficiently specific", the Group has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties.

Income recognition from grants received by the Group has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

[Expand as necessary to highlight any specific areas that were assessed, and the judgements made]

Source

5. Revenue (not-for-profit entities)

		31/12/2026 $'000	31/12/2025 $'000
AASB 1058:26	Government grant		
AASB 1058:26	Donations and bequests		
AASB 1058:26	Capital grants		
	Total		

Capital grants

The entity has recognised the following liabilities arising from capital grants received to construct an asset to be controlled by the entity:

		31/12/2026 $'000	31/12/2025 $'000
AASB 1058:31	Included in contract liabilities from contracts with customers are capital grants received as follows:		
	Balance as at 1 January		
	Additional grants received during the year		
	Revenue recognised in profit or loss		
	Refunds during the year		
	Balance as at 31 December		

AASB 1058:32 As the capital grants received by the Group are primarily for the construction of buildings, the Group recognises income as the buildings are constructed (as it satisfies its obligation).

Source

14. Dividends

This note illustrates the AASB 1054 disclosures to be provided in addition to those provided in note 14 of the core model financial statements:

AASB 101:137

On 18 February 2027, the directors declared a fully franked final dividend of ____ cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 31 December 2026 to be paid to shareholders on 5 April 2027. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated financial statements. If approved, the dividend will be paid to all shareholders on the Register of Members on 24 March 2027. The total estimated dividend to be paid is $____.

Imputation credits (franking credits)

AASB 1054:14

The information below is considered best practice for the disclosure of imputation credits (franking credits). AASB 1054 specifically requires only the disclosure of the amount of imputation credits available for use in subsequent reporting periods (i.e. the "adjusted franking account balance" in the information below). The disclosures below reconcile from the actual franking account balance at the reporting date to the adjusted franking account balance using the guidance in AASB 1054:14, and also discloses the impact of franking debits arising from declared dividends which have not been recognised as a liability in the financial statements.

		Company	
		31/12/2026 $'000	**31/12/2025 $'000**
	Franking account balance at 31 December		
AASB 1054:14(a)	Imputation credits that will arise from the payment of the current tax liability		
AASB 1054:14(b)	Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date		
AASB 1054:14(c)	Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date		
	Imputation debits that will arise from the receipt of tax loss carry backs		
AASB 1054:13	***Adjusted franking account balance***		
AASB 112:81(i)	Imputation debits that will arise from the payments of dividends declared by not recognised in the financial statements		
	Adjusted franking account balance after payment of unrecognised dividend amounts		

AASB 1054:12

The term "imputation credits" in AASB 1054:13-15 is used to also mean "franking credits". The disclosures required by AASB 1054 are made separately in respect of any New Zealand imputation credits and any Australian imputation credits.

AASB 1054:15

Where there are different classes of investors with different entitlements to imputation credits, disclosures are made about the nature of those entitlements for each class where this is relevant to an understanding of them.

Source

14. Dividends (continued)

Imputation credits (franking credits) (continued)

Deferred franking debits

The receipt of refundable R&D tax offsets gives rise to deferred franking debits which will reduce future franking credits. This is because a franking credit will not arise as a result of income tax payments until the deferred franking debits are recovered. The impacts of accrued refundable R&D tax offset amounts should be considered when disclosing the amount of franking credits available. This may require additional narrative or other disclosure so that users understand the future impacts of the deferred franking debits.

The following illustrative example can be adapted to develop relevant disclosures where an entity has deferred franking debits:

"As disclosed in Note *[x]*, under the R&D Tax Incentive available under Australian tax law, the Group is eligible to receive a refundable R&D tax offset in respect of its eligible research and development expenditure. The receipt of such amounts results in deferred franking debits in the entity's franking account. The Group will not generate franking credits on the payment of corporate income tax amounts in future periods until the deferred franking debits are recovered.

The aggregate deferred franking debits at reporting date is $ ___ (2025: $ ___). The entity will be required to make future income tax payments of this amount before further income tax payments will give rise to franking credits. In addition, the entity has recognised a receivable in respect of the current period R&D tax offset of $ ___ which will give rise to additional deferred franking debits when received."

For more information, see our Clarity publication *Accounting for the R&D tax offset.*

Exempting accounts

Exempting accounts are held by companies wholly-owned by non-residents or tax exempt institutions and are similar to franking accounts. AASB 1054 *Australian Additional Disclosures* does not specifically require the disclosure of exempting account balances, however, where considered necessary (i.e. to satisfy the information needs of the likely users of the financial report), directors may consider disclosing the exempting account balance.

Source

20. Subsidiaries

Wholly-owned company relief

On 28 September 2026, ASIC released *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* (ASIC-CI 2026/533) to extend existing financial reporting relief for wholly-owned groups that enter into a deed of cross guarantee and meet other specified conditions.

The new instrument replaces *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* (ASIC-CI 2016/785), as that instrument was due to sunset on 1 October 2026.

ASIC-CI 2026/533 adopts transitional measures which mean the relief provided applies to financial years ending on or after 1 January 2027. ASIC-CI 2016/785 will continue to apply (despite its repeal) to a financial year ending before 1 January 2027. This means that financial reports for financial years ending on 31 December 2026 will continue to refer to the ASIC-CI 2016/785. However, financial reports for financial years ending on or after 1 January 2027 will need to refer to ASIC-CI 2026/533.

Separately, as part of the 2026–27 Federal Budget, the government has proposed simplifying group reporting relief by replacing the existing deeds of cross guarantee regime with a statutory process. Until the proposal is legislated, entities should continue to comply with the applicable ASIC Corporations Instrument. Refer to sections A4.1 and A4.3 for more information.

Source

20. Subsidiaries (continued)

The disclosures below illustrate the requirements of *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* (or *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* for financial years ending on or after 1 January 2027) in respect of the consolidated financial statements. See note 20 in the core model financial statements for the remainder of the illustrative disclosures for subsidiaries.

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

AASB 124:13

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			31/12/2026	31/12/2025
Subzero Limited	Manufacture of toys	Australia	Nil	100%
Subone Limited	Manufacture of electronic equipment	Australia	90%	100%
Subtwo Limited	Manufacture of leisure goods	Australia	85%	85%
Subthree Limited (ii), (iii)	Construction of residential properties	Australia	100%	100%
Subfour Limited	Manufacture of leisure goods	B Land	70%	70%
Subfive Limited	Manufacture of electronic equipment and bicycles	C Land	100%	100%
Subsix Limited	Manufacture of leisure goods	Australia	80%	Nil
Subseven Limited (ii), (iii)	Manufacture of leisure goods	Australia	100%	Nil
C Plus Limited	Manufacture of electronic equipment	Australia	90%	90%
Subsidiary A Limited	Construction of commercial properties	Australia	45%	45%
Subsidiary B Limited	Manufacture of outdoor furniture	B Land	45%	45%
Partnership A	Manufacture of electronic equipment	C Land	75%	75%
AGAAP Trust	Service entity	Australia	100%	100%
B JV Limited	Manufacture of electronic equipment	Australia	95%	95%

Int. 1052:16(a)

(i) International GAAP Holdings Limited is the head entity within the tax-consolidated group.

(ii) These companies are members of the tax-consolidated group.

ASIC-CI 2016/785 s.6(v)(ii),(iii)

(iii) These wholly-owned subsidiaries have entered into a deed of cross guarantee with International GAAP Holdings Limited pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* and are relieved from the requirement to prepare and lodge an audited financial report. Subseven Limited became a party to the deed of cross guarantee on 5 December 2026.

Source

20. Subsidiaries (continued)

ASIC-CI 2016/785
ASIC-CI 2026/533

Details required

ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (or *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* for financial years ending on or after 1 January 2027) 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 *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* or ASIC Class Order 98/1418 at the end of the immediately preceding financial year but which were ineligible for relief in respect of the relevant financial year.

Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee

ASIC-CI 2016/785 s.6(v)

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

Statement of comprehensive income	**Year ended**	
	31/12/2026 $'000	**31/12/2025 $'000**
Revenue		
Finance income – interest income		
Finance income - other		
Changes in inventories of finished goods and work in progress		
Raw materials and consumables used		
Employee benefits expense		
Depreciation and amortisation expense		
Finance costs		
Transport costs		
Advertising costs		
Impairment of property, plant and equipment		
Impairment of goodwill		
Other expenses		
Restructuring costs		
Share of results of associates		
Share of results of joint ventures		
Gains and losses arising from the derecognition of financial assets measured at amortised costs		
Gains and losses on reclassification of financial assets from amortised cost to fair FVTPL		
Impairment losses (including reversals) on financial assets and contract assets		
Gains and losses on reclassification of financial assets from FVTOCI to FVTPL		
Other gains and losses		
Profit before tax		
Income tax expense		
Profit for the year from continuing operations		
Loss for the year from discontinued operations		
Profit for the year		

Source

20. Subsidiaries (continued)

Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)

Statement of comprehensive income (continued)

	31/12/2026 $'000	31/12/2025 $'000
Other comprehensive Income		
Items that will not be reclassified subsequently to profit or loss:		
Gains/(losses) on property revaluation		
Remeasurement of net defined benefit liability		
Fair value gain/(loss) on investments in equity instruments designated as FVTOCI		
Fair value gain/(loss) on financial liabilities designated as FVTPL attributable to changes in credit risk		
Share of other comprehensive income of associates		
Share of other comprehensive income of joint ventures		
Income tax relating to items that will not be reclassified subsequently to profit or loss		
Items that may be reclassified subsequently to profit or loss:		
Debt instruments measured at FVTOCI		
- Fair value gain/(loss) on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal		
- Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon disposal		
- Less: Cumulative (gain)/loss on investments in debt instruments classified as at FVTOCI reclassified to profit or loss upon reclassification from FVTOCI to FVTPL		
Cash flow hedges:		
- Fair value gain/(loss) arising on hedging instruments during the period		
- Less: Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss		
Foreign currency translation, net of investment hedges of a foreign operation:		
- Foreign exchange differences on translation of foreign operations		
- Less: (Gain)/loss reclassified to profit or loss on disposal of foreign operation		
- Gain/(loss) arising on hedging instruments designated in hedges of the net assets in foreign operation		
- Less: (Gain)/loss on hedging instruments reclassified to profit or loss on disposal of foreign operation		

Source

20. Subsidiaries (continued)

Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)

Statement of comprehensive income (continued)

	31/12/2026 $'000	31/12/2025 $'000
Cost of hedging:		
- Changes in the fair value during the period in relation to transaction-related hedged items		
- Changes in the fair value during the period in relation to time-period related hedged items		
- Less: Cumulative (gain)/loss arising on changes in the fair value in relation to transaction-related hedged items reclassified to profit or loss		
- Less: Amortisation to profit or loss of cumulative (gain)/loss arising on changes in the fair value in relation to time-period related hedged item		
Share of other comprehensive income of associates		
Share of other comprehensive income of joint ventures		
Income tax relating to items that may be reclassified subsequently to profit or loss		
Other comprehensive income for the year, net of income tax		
Total comprehensive Income for the year		

Source

20. Subsidiaries (continued)

Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)

Statement of financial position

	31/12/2026 $'000	31/12/2025 $'000
Current assets		
Cash and cash equivalents		
Inventories		
Investments		
Rights to returned goods asset		
Contract assets		
Contract costs		
Financial lease receivables		
Trade and other receivables		
Derivative financial instruments		
Assets classified as held for sale		
Total current assets		
Non-current assets		
Goodwill		
Intangible assets		
Property, plant and equipment		
Right-of-use assets		
Investment property		
Investments in associates		
Investments in joint ventures		
Investments in financial assets		
Finance lease receivables		
Deferred tax asset		
Derivative financial assets		
Contract assets		
Contract costs		
Total non-current assets		
Total assets		

Source

20. Subsidiaries (continued)

Consolidated income statement, consolidated statement of financial position and movements in consolidated retained earnings of entities party to the deed of cross guarantee (continued)

Statement of financial position (continued)

	31/12/2026 $'000	31/12/2025 $'000
Current liabilities		
Trade and other payables		
Current tax liabilities		
Lease liabilities		
Borrowings		
Derivative financial liabilities		
Other financial liabilities		
Provisions		
Deferred income – government grant		
Contract liabilities		
Refund liability		
Liabilities directly associated with non-current assets classified as held for sale		
Total current liabilities		
Non-current liabilities		
Borrowings		
Convertible loan notes		
Retirement benefit obligations		
Deferred tax liabilities		
Provisions		
Deferred income – government grant		
Contract liabilities		
Lease liabilities		
Liability for share-based payments		
Total non-current liabilities		
Total liabilities		
Net assets		
Equity		
Share capital		
Reserves		
Retained earnings		
Total equity		

Movement in retained earnings

Retained earnings as at beginning of the financial year		
Net profit		
Dividends provided for or paid		
Share buy-back		
Retained earnings as at end of the financial year		

Source

20. Subsidiaries (continued)

Financial support

AASB 12:14-17

When the Group gives financial support to a consolidated structured entity, the nature and risks (including the type and amount of support provided) should be disclosed in the financial statements. Refer AASB 12.14-17 for details.

Requirements for additional consolidation information

ASIC-CI 2016/785 s.6(v) [ASIC-CI 2026/533 s.8(u)]

ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (or *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* for financial years ending on or after 1 January 2027) requires the holding entity to include "additional consolidation information" in each of the following circumstances:

- Where the consolidated financial statements cover entities which are not members of the "closed group", additional consolidation information in respect of the "closed group"
- Where the consolidated financial statements cover entities which are not parties to the deed of cross guarantee, additional consolidation information in respect of the consolidation of the holding entity and those entities which are parties to the deed of cross guarantee and controlled by the holding entity
- If there are parties to the deed of cross guarantee (other than a trustee or alternative trustee that is not a "group entity" within the meaning of the deed) which are not controlled by the holding entity, additional consolidated information in respect of those parties (either individually or in aggregate).

ASIC-CI 2016/785 s.4

The additional consolidation information presented to comply with the requirements of *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* includes:

- A statement of comprehensive income setting out the information specified by paragraphs 82 to 87 of AASB 101 *Presentation of Financial Statements*
- Opening and closing retained earnings, dividends provided for or paid and transfers to and from reserves
- A statement of financial position complying with paragraphs 54 to 60 of AASB 101.

In addition, elimination of all transactions between entities for which information is included in the additional consolidation information is required.

ASIC-CI 2026/533 s.6

The additional consolidation information presented to comply with the requirements of *ASIC Corporations (Wholly-owned Companies) Instrument 2026/533* (for financial years ending on or after 1 January 2027) includes:

- A statement of comprehensive income setting out the information specified by paragraphs 41 to 82 and 86 to 95 of AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18)
- Opening and closing retained earnings, dividends provided for or paid, and transfers to and from reserves
- A statement of financial position complying with paragraphs 96 to 106 of AASB 18.

In addition, elimination of all transactions between entities for which information is included in the additional consolidation information is required.

ASIC-CI 2016/785 s.4(b) ASIC-CI 2026/533 s.6

Comparative information is required if the holding entity was a holding entity in the deed of cross guarantee in the prior financial year.

Source

AASB 16:Aus59.1-2

30. Leases (Group as a lessee) (not-for-profit and public sector)

The Group leases a building from the *[Name of State]* State Government at significantly below-market terms and conditions, principally to enable it to further its objectives.

The Group is dependent on this lease to further its objectives as it utilises the building to run its operations to deliver its services. The Group is restricted on the use of the building as agreed with the *[Name of State]* State Government and may not utilise it for other purposes including sub-leasing to other entities. The lease term is for 10 years and the lease payments are $____ per annum, payable annually.

As outlined in the Group's accounting policy in note 3, the Group has elected to measure this right-of-use asset at cost.

Source

54. Notes to the cash flow statement

Reconciliation of profit for the year to net cash flows from operating activities

AASB 1054:16

When an entity uses the direct method to present its statement of cash flows, the financial statements must provide a reconciliation of the net cash flow from operating activities to profit or loss. The below disclosure is an additional disclosure for note 54. Refer note 54 in the core model financial statements for the remainder of the disclosures for notes to the cash flow statements.

	Year ended 31/12/2026 $'000	Year ended 31/12/2025 $'000
Profit for the year		
Adjustments for:		
Share of profit of associates		
Share of profit of joint ventures		
Finance income		
Other gains and losses		
Finance costs		
Income tax expense		
Gain on disposal of discontinued operation		
Depreciation of property, plant and equipment		
Impairment loss on fixtures and equipment		
Impairment losses, net of reversals, on financial assets		
Amortisation of intangible assets		
Impairment of goodwill		
Share-based payment expenses		
Fair value gain/loss on investment property		
Gain on disposal of property, plant and equipment		
Increase/(decrease) in provisions		
Fair value gain/loss on derivatives and other financial assets held for trading		
Difference between pension funding contributions paid and the pension cost charge		
Operating cash flows before movements in working capital		
Movements in working capital:		
(Increase)/decrease in inventories		
(Increase)/decrease in trade and other receivables		
(Increase)/decrease in contract assets		
(Increase)/decrease in contract costs		
(Increase)/decrease in right to returned goods assets		
(Increase)/decrease in trade and other payables		
Increase/(decrease) in provisions		
Increase/(decrease) in contract liabilities		
(Increase)/decrease in refund liability		
(Increase)/decrease in deferred income		
Cash generated from operations		
Interest paid		
Income taxes paid		
Net cash generated by operating activities		

Source

64. Related party transactions

The below disclosure is an additional disclosure for note 64. Refer note 64 in the core model financial statements for the remainder of the disclosures for related party transactions.

AASB 124:13, Aus 13.1(a), AASB 101:138(c)

The immediate parent and ultimate controlling party respectively of International GAAP Holdings Limited are X Holdings Limited (incorporated in *[M Land]*) and Y Holdings Limited (incorporated in *[N Land]*) respectively.

AASB 124:13

An entity discloses the name of the parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial reports available for public use, the name of the next most senior parent that does so is also disclosed.

AASB 124:Aus13.1

When any of the parent entities and/or ultimate controlling parties named in accordance with paragraph 13 of AASB 124 *Related Party Disclosures* is incorporated or otherwise constituted outside Australia, an entity:

- Identifies which of those entities is incorporated overseas and where
- Discloses the name of the ultimate controlling entity incorporated within Australia[104].

Australian definitions

AASB 124:Aus9.1

When applying AASB 124, the term "director" means:

- A person who is a director under the Corporations Act
- In the case of entities governed by bodies not called a board of directors, a person who, regardless of the name that is given to the position, is appointed to the position of member of the governing body, council, commission or authority.

"Remuneration" is "compensation" as defined in AASB 124.

AASB 124:Aus9.1.1

Although the defined term "compensation" is used in AASB 124 rather than the term "remuneration", both words refer to the same concept and all references in the Corporations Act to the remuneration of directors and executives is taken as referring to compensation as defined and explained in AASB 124.

[104] This disclosure requirement is not illustrated in this publication. However, this requirement may be relevant for certain Australian entities that are subsidiaries of Australian parent entities preparing Tier 1 general purpose financial statements, e.g. partly owned subsidiaries of Australian parent entities and AFSL holders that are subsidiaries of a foreign controlled Australian parent.

Source

66. Remuneration of auditors

ASIC-CI 2026/183

In making the following disclosure, entities must consider the extent to which *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* (or Part 2, Section 10 of *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* for financial reports ending after 31 December 2026*)* permits information about the remuneration of auditors to be rounded.

AASB 1054:BC8

Disclosures are made in the context of the scope of the entity reporting. Accordingly, in the case of a group, disclosures made in accordance with paragraph 10 would include fees paid by the parent and its subsidiaries for each of the parent and its subsidiaries.

		31/12/2026 $	31/12/2025 $
AASB 1054:10, 11	**Deloitte and related network firms***		
AASB 1054:10(a)	Audit or review of financial reports:		
	- Group		
	- Subsidiaries and joint operations		
(APES 110: R5410.30)	Audit or review of sustainability reports:		
	- Group		
	- Subsidiaries and joint operations		
	Total audit or review of financial and sustainability reports		
	Statutory assurance services required by legislation to be provided by the auditor		
	Other assurance and agreed-upon procedures under other legislation or contractual arrangements		
AASB 1054:10(b)	Other services:		
s.300(11B)(a)	Tax compliance services[#]		
s.300(11B)(a)	Other *[describe]*		

s.300(11B)(a), (11C)(a) *The auditor of International GAAP Holdings Limited is Deloitte Touche Tohmatsu

Source

66. Remuneration of auditors (continued)

		31/12/2026 $	31/12/2025 $
AASB 1054:10, 11	**Other auditors and their related network firms**		
AASB 1054:10(a)	Audit or review of financial reports:		
	- Subsidiaries and joint operations		
	- Other *[describe]*		
	Audit or review of sustainability reports:		
	- Group		
	- Subsidiaries and joint operations		
	Total audit or review of financial and sustainability reports		
	Statutory assurance services required by legislation to be provided by the auditor		
	Other assurance and agreed-upon procedures under other legislation or contractual arrangements		
AASB 1054:10(b)	Other services:		
s.300(11B)(a)	Tax compliance services#		
s.300(11B)(a)	Other *[describe]*		

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

Suggested disclosure detail

In November 2020, the Federal Parliamentary Joint Committee on Corporations and Financial Services released *Regulation of Auditing in Australia: Final Report* (available at parlinfo.aph.gov.au). Included in this final report is a recommendation to establish defined categories and associated fee disclosure requirements in relation to audit and non-audit services. This recommendation was directed primarily at the Financial Reporting Council (FRC).

In the meantime, we encourage entities to provide transparent and expanded disclosures in their financial reports at 31 December 2026. Potential categories of disclosure may include:

- Fees to group auditor for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities (including joint operations)
- Fees for assurance services that are required by legislation to be provided by the auditor (e.g. for certain reporting to APRA, Queensland Building & Construction Commission reports, AFSL Form FS71)
- Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements (e.g. assurance on revenue information under a royalty agreement, comfort letters or agreed-upon procedures on other reports) when there is discretion as to whether the service is provided by the auditor or another firm
- Fees for other services (e.g. tax compliance).

Source

66. Remuneration of auditors (continued)

Disclosure of fees paid for assurance of sustainability report

APES 110:R5410.30
APES 110:R5410.31

Amendments to APES 110 *Code of Ethics for Professional Accounting (including Independence Standards)* applying to financial reporting periods beginning on or after 1 January 2026, require the public disclosure of fees paid or payable to a Firm or Network Firm for a sustainability assurance engagement of a Public Interest Entity. Where the Public Interest Entity does not make the information public (commonly in the financial report), the Firm is required to publicly disclose the fees.

The illustrative disclosure in this note includes separate disclosure of the fees for the audit or review of the sustainability report.

At its August 2026 meeting, the AASB considered whether standard-setting action is needed to address differences in how assurance fees related to sustainability disclosures under AASB S2 are disclosed in practice. The Board decided to adopt a monitoring approach, to allow further evidence to be gathered on user needs, market practice and relevant regulatory developments before reconsidering the matter.

Additional guidance

AASB 1054:11

The nature and amount of each category of other services provided by a network firm of the auditor of a parent entity is disclosed in the notes to the financial statements.

Remuneration of international associates of Deloitte Touche Tohmatsu Australia is disclosed under "Fees to Deloitte and related network firms".

"Network firm" is defined in APES 110 *Code of Ethics for Professional Accountants* as "a Firm or entity that belongs to a Network".

Firm is defined in APES 110 as:

- A sole practitioner, partnership, corporation or other entity of professional accountants
- An entity that controls such parties through ownership, management or other means
- An entity controlled by such parties through ownership, management or other means, or
- An Auditor-General's office or department.

"Network" is defined in APES 110 as:

"A larger structure:
(a) That is aimed at co-operation, and
(b) That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand-name, or a significant part of professional resources."

The definition of "Network" is to be read in the context of the guidance provided in paragraphs 400.50 A1 to 400.54 A1 of APES 110.

Non-audit services

APES 110:R410.31(b)
APES 110:R5410.31(b)

Subject to limited exceptions[105], a public interest entity (or the audit Firm) must publicly disclose fees for non-audit services. This includes fees charged to the entity (client) and its related entities over which the entity (client) has direct or indirect control that are consolidated in the financial statements on which the auditor expresses an opinion.

[105] For more detail see APES 110 R410:32.

Source

66. Remuneration of auditors (continued)

Listed companies

s.300(2),(2A) Note: This disclosure may be provided in either the directors' report or in the financial report.

s..300(11B)(a), (11C) Listed companies must disclose details of the amounts paid or payable to each auditor for non-audit services provided during the year by the auditor (or by another person or firm on the auditor's behalf). For the purposes of this requirement, the details required are the name of the auditor, and the dollar amount that the listed company or any entity that is part of the consolidated entity paid, or is liable to pay, for each of those non-audit services.

67. Parent entity information

The parent entity financial information shown below has been prepared using accounting policies consistent with those applied in the consolidated financial statements. Set out below is material accounting policy information specific to the parent entity financial information.

Investments in subsidiaries, associates and joint ventures

AASB 127:16(c) Investments in subsidiaries, associates and joint ventures are accounted for at cost.

Tax consolidation

Int 1052:8 Int 1052 *Tax Consolidation Accounting* requires the current and deferred taxes arising in a tax-consolidated group to be allocated to the members of the group when they issue separate financial statements.

Int 1052:9 The following methods are examples of acceptable allocation methods:

- A "stand-alone taxpayer" approach for each entity, as if it continued to be a taxable entity in its own right
- A "separate taxpayer within group" approach for each entity, on the basis that the entity is subject to tax as part of the tax-consolidated group. This method requires adjustments for transactions and events occurring within the tax-consolidated group that do not give rise to a tax consequence for the group or that have a different tax consequence at the level of the group
- A "group allocation" approach, under which the current and deferred tax amounts for the tax-consolidated group are allocated among each entity in the group (subject to certain limitations in paragraph 10).

More information about tax consolidation accounting can be found in the *Australian financial reporting guide*, available at www.deloitte.com/au/models

The disclosures below illustrate the three acceptable tax allocation methods in Int 1052:9 and assume the parent entity is the head entity in the tax consolidated group and that a tax funding arrangement exists and mirrors the tax allocation method used under Interpretation 1052. Where the tax funding arrangement does not mirror the tax allocation method, the disclosures should be amended as relevant to the entity's specific circumstances.

Int 1052:16 The company and its wholly-owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The company is the head entity within the tax-consolidated group.

Source

67. Parent entity information (continued)

Tax consolidation (continued)

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

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

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

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a "separate taxpayer within group" approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred but does not tax effect transactions that have no tax consequences to the group. The same basis is used for tax allocation within the tax-consolidated group.

Set out below is an example of a "group allocation" approach. Where the entity uses an alternate group allocation method, the wording should be adapted to that method:

Amounts payable or receivable under the tax-funding arrangement between the company and the entities in the tax consolidated group are determined using a "group allocation" approach (specified in the tax funding arrangement) to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. The same basis is used for tax allocation within the tax-consolidated group.

The tax funding arrangement requires a notional current and deferred tax calculation for each entity as if it were a taxpayer in its own right, except that unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax-consolidated group are treated as having no tax consequence *[amend as applicable]*.

Source

67. Parent entity information (continued)

	Financial position	**31/12/2026 $'000**	**31/12/2025 $'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:		
	- General reserve		
	- Asset revaluation		
	- Investments revaluation		
	- Equity-settled employee benefits		
	- Option premium on convertible notes		
	- Other *[describe]*		
	Total equity		

	Financial performance	**Year ended**	
		31/12/2026 $'000	**31/12/2025 $'000**
Reg2M.3.01(f),(k)	Profit for the year		
	Other comprehensive income		
Reg2M.3.01(g),(k)	Total comprehensive income		

Reg2M.3.01(h),(k) **Guarantees entered into by the parent entity in relation to the debts of its subsidiaries**

	31/12/2026 $'000	**31/12/2025 $'000**
Guarantee provided under the deed of cross guarantee (i)		

(i) International GAAP Holdings Limited has entered into a deed of cross guarantee with two of its wholly-owned subsidiaries, Subthree Limited and Subseven Limited.

Source

67. Parent entity information (continued)

Reg2M.3.01(i), (k)

Contingent liabilities of the parent entity

	31/12/2026 $'000	31/12/2025 $'000
[describe]	-	-

Reg2M.3.01(j), (k)

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

	31/12/2026 $'000	31/12/2025 $'000
Plant and equipment		
Not longer than 1 year		
Longer than 1 year and not longer than 5 years		
Longer than 5 years		

Disclosures required in the notes to the consolidated financial statements

s.295(2), (3), Reg2M.3.01

(1) Where consolidated financial statements are required by the accounting standards, the regulations require the notes to the financial statements of the consolidated entity to disclose:
  (a) Current assets of the parent entity
  (b) Total assets of the parent entity
  (c) Current liabilities of the parent entity
  (d) Total liabilities of the parent entity
  (e) Shareholders' equity in the parent entity separately showing issued capital and each reserve
  (f) Profit or loss of the parent entity
  (g) Total comprehensive income of the parent company
  (h) Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries
  (i) Details of any contingent liabilities of the parent entity
  (j) Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment
  (k) Comparative information for the previous period for each of paragraphs (a) to (j)

(2) The disclosures in subregulation (1) must be calculated in accordance with accounting standards in force in the financial year to which the disclosure relates

(3) In the regulation: parent entity means a company, registered scheme or disclosing entity that is required by the accounting standards to prepare financial statements in relation to a consolidated entity.

Consolidated entity disclosure statement

as at 31 December 2026

Below is an illustrative disclosure of a consolidated entity disclosure statement required by the Corporations Act (s.295(3A)(a)) which is suitable as a **guide** only. (For illustrative purposes, additional entities to those included in the International GAAP Holdings Limited consolidated financial statements are included in the below disclosure).

		Body corporates		Tax residency	
Entity name	**Entity type**	**Place formed or incorporated**	**% of share capital held (i)**	**Australian tax resident**	**Foreign jurisdiction**
International GAAP Holdings Limited	Body corporate	Australia	N/A	Yes (v)	N/A
Subone Limited (ii)	Body corporate	Australia	90%	Yes	N/A
Subtwo Limited (ii)	Body corporate	Australia	85%	Yes	N/A
Subthree Limited	Body corporate	Australia	100%	Yes (v)	N/A
Subfour Limited	Body corporate	B Land	70%	No	Jurisdiction B
Subfive Limited	Body corporate	C Land	100%	No	N/A (vi)
Subsix Limited (iii)	Body corporate	Australia	80%	Yes	N/A
Subseven Limited	Body corporate	Australia	100%	Yes (v)	N/A
C Plus Limited (iv)	Body corporate	Australia	90%	Yes	N/A
Subsidiary A Limited	Body corporate	Australia	45%	Yes	N/A
Subsidiary B Limited (iv)	Body corporate	B Land	45%	No	Jurisdiction B
Partnership A	Partnership	N/A	N/A	No	Jurisdiction B & C
AGAAP Trust	Trust (vii)	N/A	N/A	Yes	N/A
B JV Limited	Body corporate	Australia	95%	Yes	N/A

Source: s.295(3A)(a)(i), (ii), (iv), (v),(vi), (vii)

Source

(i) Represents the economic interest in the entity as consolidated in the consolidated financial statements

s.295(3A)(a)(iii) (ii) Participant in B JV Limited[106] which is consolidated in the consolidated financial statements

s.295(3A)(a)(iii) (iii) Trustee of AGAAP Trust[106] which is consolidated in the consolidated financial statements

s.295(3A)(a)(iii) (iv) These entities are partners in Partnership A[106] which is consolidated in the consolidated financial statements

Not mandatory (v) This entity is part of a tax-consolidated group under Australian taxation law, for which International GAAP Holdings Limited is the head entity

(vi) Subfive Limited is incorporated in Jurisdiction C. Under the law of Jurisdiction C there is no relevant law relating to foreign income tax[107]

(vii) AGAAP Trust was formed as a Trust under Australian law. However, the trust is classified as a public trading trust under Australian tax law and is taxed as a company.

[106] The name of the entity is not required.

[107] The explanatory memorandum accompanying *Treasury Laws Amendment (Fairer for Families and Farmers and Other Measures) Act 2024* explains the following: "In some circumstances, the concept of tax residency may not apply to a reporting entity's subsidiary – for example, where the subsidiary is not an Australian resident and there is no corporate tax system in the foreign jurisdiction in which the subsidiary is established and operates. An example is where the subsidiary is not an Australian resident, and is established and operated in the Cayman Islands. In these circumstances, the reporting entity should state that the subsidiary is not an Australian resident under subsection 295(3B) of the Corporations Act, and also not list the relevant foreign jurisdiction for the purposes of subparagraphs 295(3A)(a)(vi) and (vii) of the Corporations Act."

Source

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A)(a) of the *Corporations Act 2001*. The entities listed in the statement are International GAAP Holdings Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

The percentage of share capital disclosed for bodies corporate included in the statement represents the *[economic interest consolidated in the consolidated financial statements / voting interest controlled by International GAAP Holdings Limited either directly or indirectly]*[108].

s.295(3B) An entity is reported in the consolidated entity disclosure statement as being tax resident in Australia if it is:

- An Australian resident within the meaning of the *Income Tax Assessment Act 1997*
- A partnership at least one member of which is an Australian resident (within the meaning of the *Income Tax Assessment Act 1997)*
- A resident trust estate (within the meaning of Division 6 of Part III of the *Income Tax Assessment Act 1936*) in relation to the year of income (within the meaning of that Act).

[In relation to the tax residency information included in the statement, judgement may be required in the determination of the residency of the entities listed.] In developing the disclosures in the statement, the directors determined tax residency considering the following sources of information: *[describe source of information used to support the determination of tax residency e.g. current legislation, guidance in Taxation Ruling TR 2018/5]*.

Requirements of the Corporations Act

s.295(3A) The CEDS should contain the following information about each entity that is part of the public consolidated entity at the end of the financial year:

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

In addition, the Corporations Act and the accompanying explanatory memorandum provide the following guidance:

- An entity included in the CEDS that is not an Australian tax resident and which is established and operates in a foreign jurisdiction lacking a corporate tax system (e.g. the Cayman Islands) should not list the foreign jurisdiction in the CEDS
- An entity that is an Australian tax resident under Australian tax law and foreign resident under the law of one or more foreign jurisdictions would include details of both the Australian and all foreign jurisdictions in the CEDS

s.295(3B)(b)
- A partnership included in the CEDS would be listed as having Australian tax residency if at least one member of the partnership is an Australian resident

s.295(3B)(c)
- A trust included in the CEDS would be considered an Australian resident where the trust is a "resident trust estate" for the purposes of Australian tax law.

[108] Where the relevant interests have been footnoted in the statement itself, this statement need not be repeated in the basis of preparation.

Source

ASIC INFO 284

ASIC guidance on the consolidated entity disclosure statement

ASIC Information Sheet 284 *Public companies to include a consolidated entity disclosure statement in their annual financial report* provides guidance for preparers of financial reports to ensure the consolidated entity disclosure statement complies with the requirements of the Corporations Act and is consistent with the policy intent of the legislation.

The Information Sheet provides the following guidance:

- The consolidated entity disclosure statement is a separate statement and does not form part of the notes to the financial statements, and so cannot be combined with the note on controlled entities required by Australian Accounting Standards
- Tax residence is a principle that is determined under the domestic tax rules of a country, and is relevant when considering how business income is taxed
- Treasury's media release confirms that entities that determine tax residency in good faith and in accordance with the Commissioner of Taxations' public guidance, may declare that the tax residence status of a subsidiary is true and correct for the purposes of the statement
- The directors' declaration must state whether, in the directors' opinion, the consolidated entity disclosure statement is "true and correct". "True and correct" is a higher reporting requirement than under a true and fair or fair presentation framework for directors and executives
- The consolidated entity disclosure statement is not part of a true and fair or fair presentation framework and the materiality provisions of Australian Accounting Standards do not apply. All controlled entities must be included in the statement and entities cannot be excluded because of materiality (and so would include, e.g. newly acquired "shelf" companies, dormant companies and other entities excluded from the company's consolidation process on the basis of materiality)
- Section 307 of the Corporations Act implies that the auditor will obtain reasonable assurance that the consolidated entity disclosure statement and the opinion of the directors in the directors' declaration that the statement is true and correct are not misstated.

AUASB guidance on the consolidated entity disclosure statement

AUASB Bulletin *Audit Implications of the Consolidated Entity Disclosure Statement* provides information about the reporting requirements and audit requirements related to the consolidated entity disclosure statement. The Bulletin includes example audit procedures and auditor's report.

Of relevance to preparers of consolidated entity disclosure statements, the Bulletin:

- Confirms the view (as expressed in the ASIC Information Sheet noted above) that "true and correct" is a higher reporting requirement than would be case under a true and fair view or fair presentation framework
- Explains that the auditor should assess the consolidated entity disclosure statement on the basis of qualitative materiality given the statement is a tax transparency measure
- Provides examples of disclosures in the consolidated entity disclosure statement that would be 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 is example wording where s.295(3A)(b) applies:

Consolidated entity disclosure statement
as at 31 December 2026
Subsection 295(3A)(a) of the *Corporations Act 2001* does not apply to *[Entity name/the company]* as *[Entity name/the company]* is not required to prepare consolidated financial statements under Australian Accounting Standards.

More information about the statement

More information on the on the consolidated entity disclosure statement is provided in our Clarity publication *New consolidated entity disclosure statement.*

ASX disclosures

Below are illustrative disclosures required by the ASX which are suitable as a **guide** only.

Source	
	Additional securities exchange information as at 11 March 2027
	The below illustrative disclosures required by the ASX listing rules are included outside the financial statements. As a result, these disclosures are not subject to audit nor included or referenced in the notes in the financial statements.
ASX-LR 4.10	Additional securities exchange information must be current as at a date specified by the entity which must be on or after the entity's balance sheet date and not be more than 6 weeks before the annual report is given to the ASX.
	Number of holders of equity securities
ASX-LR 19.12	Equity securities include shares, units, options over issued or unissued securities, rights to any one of the former securities and convertible securities.
ASX-LR 4.10.5	***Ordinary share capital*** ____ fully paid ordinary shares are held by ____ individual shareholders. ____ partly paid ordinary shares, paid to ____ cents, are held by ___ individual shareholders. ____ cents per share may be called up in the event of winding up the company.
ASX-LR 4.10.6	All issued ordinary shares carry one vote per share, however, partly paid shares do not carry the rights to dividends.
ASX-LR 4.10.5 ASX-LR 4.10.16	***Preference share capital*** ___ ____ % converting non-participating preference shares are held by ____ individual shareholders. ____ ____ % redeemable cumulative preference shares are held by ____ individual shareholders.
ASX-LR 4.10.6	All issued converting non-participating preference shares and redeemable cumulative preference shares carry one vote per share, however, the right to vote is restricted to meetings convened for the purpose of reducing the capital or winding-up or sanctioning the sale of the undertaking of the Company or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend on their particular class of preference shares is in arrears for more than six months.
ASX-LR 4.10.5	***Convertible notes*** ____ ____ % fully paid convertible notes are held by ____ individual noteholders.
ASX-LR 4.10.6	Convertible notes do not carry a right to vote.
ASX-LR 4.10.5 ASX-LR 4.10.16	***Options*** ____ options are held by ____ individual option holders.
ASX-LR 4.10.6	Options do not carry a right to vote.

Source

ASX-LR 4.10.7

Distribution of holders of equity securities

	Fully paid ordinary shares		Partly paid ordinary shares		Redeemable preference shares		Converting non-participating preference shares		Convertible notes		Options	
	#	%	#	%	#	%	#	%	#	%	#	%
1 – 1,000												
1,001 – 5,000												
5,001 – 10,000												
10,001 – 100,000												
100,001 and over												

ASX-LR 4.10.8

Holding less than a marketable parcel

Security holder distribution schedules under Listing Rule 4.10.7 should state both the number of holders and the percentage of securities held in each category.

In its Listed@ASX Compliance Update no. 01/25 issued in February 2025 the ASX reported that it was undertaking surveillance on these disclosures and reminded that listed entities should disclose the percentage of securities held in each category.

ASX-LR 4.10.4

Substantial shareholders

Ordinary shareholders	Fully paid ordinary shares Number	Partly paid ordinary shares Number
X Holdings Limited		
XYZ Nominees Limited		
White Pty Ltd		

A substantial holder, in relation to a company and a trust which is a registered managed investment scheme, a substantial holder under s.671B of the Corporations Act.

s.9

A person has a substantial shareholding in a body corporate, or listed registered managed investment scheme, if:

- The total votes attached to voting shares in the body, or voting interests in the scheme, in which they or their associates:
  - Have relevant interests
  - Would have a relevant interest but for subsection 609(6) (market traded options) or 609(7) (conditional agreements)

is 5% or more of the total number of votes attached to voting shares in the body, or interests in the scheme, or

- The person has made a takeover bid for voting shares in the body, or voting interests in the scheme, and the bid period has started and not yet ended.

Source

ASX-LR 4.10.4

Substantial shareholders (continued)

s.9

A voting share means an issued share in the body that carries any voting rights beyond the following:

- A right to vote while a dividend (or part of a dividend) in respect of the share is unpaid
- A right to vote on a proposal to reduce the body's share capital
- A right to vote on a resolution to approve the terms of a buy-back agreement
- A right to vote on a proposal that affects the rights attached to the share
- A right to vote on a proposal to wind the body up
- A right to vote on a proposal for the disposal of the whole of the body's property, business and undertaking
- A right to vote during the body's winding up.

ASX-LR 4.10.9

Twenty largest holders of quoted equity securities

	Fully paid ordinary shares		Partly paid ordinary shares	
Ordinary shareholders	**Number**	**Percentage**	**Number**	**Percentage**
X Holdings Limited				
Woodstock Nominees Limited				
White Pty Ltd				
The Perri Family Trust				
Vente Nominees Limited				
P.T. Pretor				
ELC Superannuation Trust				
Inkerman Pty Limited				
Overto Nominees Limited				
P.H. Taylor				
C.W. Gouday				
K.B. Cai				
T.P. Kowood				
W.L. Yeo Family Trust				
Stock Pty Limited				
D.E. Portier				
A.L. Lauff				
P.D. Kimm				
C.P. Daniels				
C.J. Chambers				
Simichy Nominees Limited				

Source

ASX-LR 4.10.9

Twenty largest holders of quoted equity securities (continued)

	Convertible notes	
Convertible noteholders	**Number**	**Percentage**
Woodstock Nominees Limited		
Kowski Nominees Limited		
White Pty Ltd		
Smith Trust		
Giles Nominees Limited		
P.T. Pretor		
Insurance Company Limited		
P.H Taylor Family Trust		
Vente Nominees Limited		
C.W. Gouday		
K.B. Cai		
T.P. Saw		
Stock Pty Limited		
Hill Nominees Limited		
A.L. Lauff		
P.C. Ford		
Hanky Pty Limited		
D.E. Rendall		
Motter Trust		
Simichy Nominees Limited		

ASX-LR 4.10.16

Unquoted equity security holdings greater than 20%

	Number
Converting non-participating preference shares	
Y Holdings Limited	

Disclosure of the name of the holder and the number of equity securities held, where a person holds more than 20% of the equity securities in an unquoted class, is not required where the securities were issued or acquired under an employee incentive scheme.

Source

ASX-LR 4.10.10

Company secretary

Mr A.B. Grey

ASX-LR 4.10.11

Registered office

10th Floor
ALD Centre
255 Deloitte Street
SYDNEY NSW 2000
Tel: (02) 5550 7000

Principal administration office

1st Floor
167 Admin Ave
SYDNEY NSW 2000
Tel: (02) 7010 2000

ASX-LR 4.10.12

Share registry

ELC Share Registry Services
Level 1
50 Bridge Street
SYDNEY NSW 2000
Tel: (02) 5550 1000

Other ASX information

All listed entities

ASX-LR 4.10.14 The number and class of restricted securities or securities subject to voluntary escrow that are on issue, and the date that the escrow period ends, must be disclosed.

ASX-LR 4.10.18 An entity discloses whether there is a current on-market buy-back. That is, if an Appendix 3C has been given to the ASX for an on-market buy-back and no Appendix 3F has been given to the ASX for that buy-back.

ASX-LR 4.10.21 A summary of any issues of securities approved for the purposes of Item 7 of s.611 of the Corporations Act which have not yet been completed must be disclosed.

ASX-LR 4.10.22 If during the reporting period any securities of an entity were purchased on-market:

- Under or for the purposes of an employee incentive scheme, or
- To satisfy the entitlements of the holder of options or other rights to acquire securities granted under an employee incentive scheme,

an entity discloses the following information:

- The total number of securities purchased during the reporting period
- The average price per security at which the securities were purchased during the reporting period.

Securities exchange listings

ASX-LR 4.10.13 Where the entity is listed on a securities exchange other than the Australian Securities Exchange, the name of that exchange must be disclosed.

Source

Other ASX information (continued)

For listed investment entities

ASX-LR 4.10.20

Listed investment entities must disclose:

- A list of all investments held by it and its child entities at the balance date
- The level 1, level 2 and level 3 inputs used to value its investments in accordance with Australian Accounting Standard AASB 13 *Fair Value Measurement* *
- The net tangible asset backing of its quoted securities at the beginning and end of the reporting period and an explanation of any change therein over that period
- The total number of transactions in listed and unlisted securities and derivatives during the reporting period, together with the total brokerage paid or accrued during the period
- The total management fees paid or accrued during the reporting period, together with a summary of any management agreement.

* *This can be disclosed in the financial statements in the entity's annual report*

ASX-LR 19.12

An investment entity is an entity which, in ASX's opinion, is an entity to which both of the following apply:

- Its activities or the principal part of its activities consist of investing (directly or through a child entity) in listed or unlisted securities or futures contracts
- Its objectives do not include exercising control over or managing any entity, or the business of any entity, in which it invests.

In deciding whether an entity is an investment entity ASX will normally have regard to factors including the extent of board representation, the size of the holdings, the investment period and the amount of cash held by the entity.

For listed mining companies

ASX-LR 5.6

Statements in the annual report of mining entities must comply with 5.7 to 5.24 and Appendix 5A of the Listing Rules.

Annual reporting

ASX-LR 5.20

A mining exploration entity must include in its annual report:

- The mining tenements held by the mining exploration entity and its child entities and their location
- The percentage interest it or they held in each mining tenement.

ASX-LR 5.21

A mining entity must include a mineral resources and ore reserves statement in its annual report which includes:

- A summary of the results of the mining entity's annual review of its ore reserves and mineral resources
- As at the mining entity's end of financial year (or such other appropriate disclosed date*), the mining entity's mineral resource and ore reserves holdings in tabular form by commodity type (including grade or quality), by ore reserve category and mineral resource category, and by geographical area based on the materiality of the mineral resources and ore reserves holdings to the mining entity
  - * Where the mining entity reports as a date other than the end of its financial year, the entity must include a brief explanation of any material changes in the mineral resources and ore reserves in the period between the date of annual review of its ore reserves and mineral resources and the end of financial year balance date
- A comparison of the mining entity's mineral resources and ore reserves holdings against that from the previous year including an explanation of any material changes in the mineral resources and ore reserve holdings from the previous year
- A summary of the governance arrangements and internal controls that the mining entity has put in place with respect to its estimates of mineral resources and ore reserves and the estimation process.

Source

Other ASX information (continued)

For listed mining companies (continued)

In its Listed@ASX Compliance Update no. 01/25 issued in February 2025 ASX announced two focus areas for entities making public announcements about exploration results:

- The headers of announcements in relation to exploration results should convey a fair and balanced impression of the suite of exploration results, so entities should avoid mentioning only the best/highest grade assay results in the header of an announcement in circumstances where that result is either not representative of the suite of assays or is an anomalous result inconsistent with the suite of assays
- When an entity reports metal equivalents as a way to report polymetallic exploration results expressed in a single equivalent grade of one major metal, this information may be misleading unless additional details, such as assumed metallurgical recoveries for all metals included in the metal equivalent calculation, are also provided. Clause 50 of the JORC Code lists the minimum information that must accompany a public report that includes metal equivalents.

For listed oil and gas companies

Statements in the annual report of oil and gas companies must comply with Listing Rules 5.25 to 5.44.

Annual reporting

ASX-LR 5.37 An oil and gas exploration entity must include in its annual report:

- The petroleum tenements held by the oil and gas exploration entity and its child entities and their locations
- The percentage interest it or they held in each petroleum tenement.

ASX-LR 5.38 An oil and gas entity that reports to the Securities and Exchange Commission of the United States of America (SEC) and files an SEC Form 10-K or 20-F Report with a US oil and gas reserves statement is not required to comply with the annual reserves statement requirements under ASX Listing Rule 5.39. In such a case, immediately after filing any such form or report with the SEC, the oil and gas entity must give a copy of the form or report to ASX for release to the market.

ASX-LR 5.39 Except where the above exception applies, an oil and gas entity must include a reserves statement in its annual report including the following information:

- As at the oil and gas entity's end of financial year balance date, the oil and gas entity's petroleum reserves holdings in tabular form reporting on the basis of total "1P" petroleum reserves and "2P" petroleum reserves (split between developed and undeveloped reserves by product) and by total aggregated "1P" and "2P" reserves by product and geographical area (split between developed and undeveloped petroleum reserves by geographical area)
- If the oil and gas entity has material unconventional petroleum resources, separate identification of the proportion of total "1P" and "2P" reserves that are based on unconventional petroleum resources
- A reconciliation of the oil and gas entity's petroleum reserves holdings against that from the previous year, including an explanation of any material changes from the previous year
- Specific information about any material concentrations of undeveloped petroleum reserves in material oil and gas projects which have remained undeveloped after 5 years from the date they were initially reported (including any work the entity is proposing to undertake towards development of the undeveloped petroleum reserves)
- A summary of the governance arrangements and internal control that the oil and gas entity has put in place, including the frequency and scope of any reviews or audits undertaken with respect to its estimates of petroleum reserves and the estimation process.

Source

Other ASX information (continued)

For listed oil and gas companies (continued)

Annual reporting (continued)

ASX-LR 5.25.7

Estimates of petroleum reserves in the reserves statement in the annual report must be reported in appropriate units for each individual product type reported. If estimates are also reported in units of equivalency, either of oil or gas, the entity must disclose in the report the conversion factor used.

ASX-LR 5.40

An oil and gas entity that:

- Reports on oil and gas entity level or other aggregated estimates of contingent resources in its reserve statement in its annual report, or
- Is exempt from the requirement to include a reserves statement in its annual report but wishes to report on oil and gas entity level or other aggregated estimates of contingent resources, by including that information in its annual report or in a statement to be provided to the ASX for release to the market with its annual report,

must include the following information in that reserve statement, annual report or other statement (as the case requires):

- Total 2C contingent resources by product
- Aggregated 2C contingent resources by product and geographical area
- Estimates of contingent resources must be made in the appropriate resources must be made for each individual product type reported. If estimates are also reported in units of equivalency either of oil or gas, the entity must disclose in the report the conversion factor used, in accordance with rule 5.25.7
- A reconciliation of the oil and gas entity's total 2C contingent resources holdings against that from the previous year, including an explanation of any material changes in those holdings from the previous year
- If the oil and gas entity has material unconventional petroleum resources, it must separately identify the portion of the total 2C contingent resources that are based on unconventional petroleum resources.

For recently listed entities

ASX-LR 4.10.19

In the first two annual financial reports after admission to the ASX, where an entity is admitted under ASX Listing Rule 1.3.2(b) or is required to comply with ASX Listing Rule 1.3.2(b) because of the application of ASX Listing Rule 11.1.3, the entity must state whether the entity used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. If the use was not consistent, an explanation of how the cash and assets were used must be disclosed.

ASX Corporate Governance Principles and Recommendations

Corporate governance is a system of rules, practices, policies and processes by which a company is directed and controlled. It aims at balancing the interests of a company's stakeholders and furthermore, good corporate governance promotes investor confidence. The ASX Corporate Governance Principles and Recommendations (Principles and Recommendations) set out recommended corporate governance practices for entities listed on the ASX.

The Principles and Recommendations are not mandatory. As a result if a listed entity considers that a recommended principles/recommendation is not appropriate for the entity to adopt, it is entitled not to adopt it. However, the entity must explain why it has not adopted the principle/recommendation – seen as the "if not, why not" approach.

Unlisted entities are not required to report against the Principles and Recommendations however, may choose to adopt the Principles and Recommendations.



Proposed fifth edition of the Corporate Governance Council Principles and Recommendations

In July 2026 ASX has proposed a revised 5th edition of its *Corporate Governance Principles and Recommendations*, aimed at modernising the framework and reducing duplication with existing legal, regulatory and sustainability reporting requirements. While retaining the eights principles and the established "if not, why not" approach, the draft places greater emphasis on board effectiveness, organisational culture, stakeholder engagement and audit oversight. It provides a sharper distinction between the principles, the recommendations and the explanatory material, and explains more clearly why each principle matters.

Comments on the proposals closed on 14 September 2026. The ASX Advisory Group aims to recommend final changes to the ASX Board by the end of 2026.

Fourth edition of the Corporate Governance Council Principles and Recommendations

The principles set out below are those outlined in the fourth edition of the Corporate Governance Principles and Recommendations which was issued in February 2019.

The ASX corporate governance considerations applicable to listed entities are set out below:

Source	Requirement
ASX-LR 4.10.3	Australian Securities Exchange Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the best practice recommendations of the ASX Corporate Governance Council during the reporting period. This disclosure is required either in the annual report or the annual report should include a link to the company's corporate governance statement on the company's website. Where a recommendation has not been followed for any part of the reporting period, the corporate governance statement must separately identify that recommendation and the period during which it was not followed and the entity must justify the reason for the non-compliance and what (if any) alternative governance practices it has adopted. The corporate governance statement must also: • Specify the date at which it is current (must be entity's balance sheet date or a later date specified by the entity) • State that it has been approved by the board of the entity or the board of the responsibility entity of a trust.

Source	Requirement
	Recommendations
ASX-GN 9	To assist companies in complying with the guidelines, the ASX has issued Guidance Note 9 "Disclosure of Corporate Governance Practices", most recently amended to reflect amendments made by the ASX Corporate Governance Council in January 2020 to reflect the fourth edition of the Principles and Recommendations issued in February 2019 (which apply to the first full financial year commencing on or after 1 January 2020). It is important that listed entities refer to the complete document when preparing their reports as they provide comprehensive and invaluable guidance in relation to implementation of the Principles and Recommendations. The recommendations of the ASX Corporate Governance Council, including corporate governance practices and suggested disclosures, are set out below. The recommendations are differentiated between the eight core principles that the ASX Corporate Governance Council believes underlie good corporate governance. Entities must disclose any instances of non-compliance with these recommendations.
Corporate Governance Principles and Recommendations *(Fourth Edition)*	**Principle 1 – Lay solid foundations for management and oversight** 1.1 A listed entity should have and disclose a board charter setting out: (a) The respective roles and responsibilities of its board and management (b) Those matters expressly reserved to the board and those delegated to management. 1.2 A listed entity should: (a) Undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director (b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. 1.5 A listed entity should: (a) Have and disclose a diversity policy (b) Through its board or committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally (c) Disclose in relation to each reporting period: 1. The measurable objectives set for that period to achieve gender diversity 2. The entity's progress towards achieving those objectives 3. Either: a. The respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes), or b. If the entity is a "relevant employer" under the Workforce Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined and published under that Act. If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period. 1.6 A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors (b) Disclose, for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period 1.7 A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of its senior executives at least once each reporting period

Source	Requirement
	(b) Disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. **Principle 2 - Structure the board to be effective and add value** 2.1 The board of a listed entity should: (a) Have a nomination committee which: 1. Has at least three members, a majority of whom are independent directors, and 2. Is chaired by an independent director and disclose 3. The charter or the committee 4. The members of the committee 5. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or (b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. 2.3 A listed entity should disclose: (a) The names of the directors considered by the board to be independent directors (b) If a director has an interest, position, association or relationship of the type described below but the board is of the opinion that it does not compromise the independence of the directors, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion: - The director is, or has been, employed in the executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board - The director receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the entity - The director is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship - The director is, represents, or is or has been within the last three year an officer or employee of, or professional adviser to, a substantial holder - The director has close personal ties with any person who falls within any of the categories described above - The director has been a director of the entity for such a period that their independence from management and substantial holds may have been compromised. (c) The length of service of each director. 2.4 A majority of the board of a listed entity should be independent directors. 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

Source	Requirement
	Principle 3 – Instil a culture of acting lawfully, ethically and responsibly 3.1 A listed entity should articulate and disclose its values 3.2 A listed entity should: (a) Have and disclose a code of conduct for its directors, senior executives and employees (b) Ensure that the board or a committee of the board is informed of any material breaches of that code. 3.3 A listed entity should: (a) Have and disclose a whistleblower policy (b) Ensure that the board or a committee of the board is informed of any material incidents reported under that policy 3.4 A listed entity should: (a) Have and disclose and anti-bribery and corruption policy (b) Ensure that the board or a committee of the board is informed of any material breaches of that policy. **Principle 4 - Safeguard the integrity of corporate reports** 4.1 The board of a listed entity should: (a) Have an audit committee which: 1. Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors, and 2. Is chaired by an independent director, who is not the chair of the board and disclose: 3. The charter of the committee 4. The relevant qualifications and experience of the members of the committee 5. In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or (b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor. **Principle 5 - Make timely and balanced disclosures** 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

Source	Requirement
	Principle 6 - Respect the rights of security holders
	6.1 A listed entity should provide information about itself and its governance to investors via its website
	6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors
	6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders
	6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands
	6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.
	Principle 7 - Recognise and manage risk
	7.1 The board of a listed entity should: (a) Have a committee or committees to oversee risk, each of which: 1. Has at least three members, a majority of whom are independent directors 2. Is chaired by an independent director and disclose: 3. The charter of the committee 4. The members of the committee 5. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or (b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.
	7.2 The board or a committee of the board should: (a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with the due regard to the risk appetite set by the board (b) Disclose, in relation to each reporting period, whether such a review has taken place.
	7.3 A listed entity should disclose: (a) If it has an internal audit function, how the function is structured and what role it performs, or (b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes
	7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.
	Principle 8 - Remunerate fairly and responsibly
	8.1 The board of a listed entity should: (a) Have a remuneration committee which: 1. Has at least three members, a majority of whom are independent directors, and 2. Is chaired by an independent director and disclose: 3. The charter of the committee 4. The members of the committee 5. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or (b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive
	8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.
	8.3 A listed entity which has an equity-based remuneration scheme should:

Source	Requirement
	• Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme • Disclose that policy or a summary of it. **Additional recommendations that apply only in certain cases** 9.1 A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. 9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. 9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. **Externally managed listed entities** The current version of the Corporate Governance Principles and Recommendations includes additional guidance on the application of the recommendations to externally managed entities. The following recommendations are those which do not apply: 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 2.1, 2.2, 2.4, 2.5, 2.6, 8.1, 8.2, 8.3, 9.1 and 9.2. The entity may simply state that these recommendations are "not applicable" in its corporate governance statement. For the following recommendations the normal requirements do not apply, but in lieu of these requirements alternative recommendations apply: 1.1, 8.1, 8.2 and 8.3. The recommendations and alternative recommendations listed below, apply to externally managed listed entities with specific guidance on application: • Alternative recommendation 1.1 – The responsible entity of an externally managed listed entity should disclose (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements • Alternative recommendation 8.1, 8.2 and 8.3 – An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.

Tax transparency report

Source

Changes to the Voluntary Tax Transparency Code

In November 2025, the Board of Taxation released a redesigned Voluntary Tax Transparency Code (VTTC).

The updated code:

- Simplifies format, design and structure of VTTC and updates objectives
- Introduces separate requirements based on whether or not a business is a "Public CBC reporter", minimising duplication with public country-by-country reporting requirements under the *Tax Administration Act 1953,* including an example template format of VTTC report for "Public CbC reporter" and a "Non-public CbC reporter"
- Introduces an optional reconciliation to the ATO Corporate Tax Transparency Disclosures
- Includes example templates for voluntary tax transparency code reporting for "Public CBC reporters" and "Non-public CBC reporters"
- Aligns the basis of content surrounding tax risk management and governance and stakeholder engagement to Global Reporting Initiative (GRI) standard 207-2 and GRI 207-3
- Includes optional elements throughout the code
- Includes a self-assessment reporting checklist.

The redesigned VTTC is effective for the year beginning 1 July 2026 with the optional early adoption. The example template formats of tax transparency report included in the updated code are not reproduced in this publication.

The information in this section is based on the previous version of VTTC and has not been updated for these developments.

Basis of preparation

This tax transparency report of GAAP Holdings Limited has been prepared considering the requirements of the Voluntary Tax Transparency Tax Code (VTTC) released by the Federal Government Board of Taxation in February 2016.

This report does not consider the updated VTTC released in November 2025 as it is effective for the years beginning 1 July 2026.

The report is prepared for the income year ended 31 December 2026 and the comparative period 31 December 2025. All amounts in this report are presented in Australian Dollars ($).

Source

Tax policy, tax strategy and governance summary

Tax transparency code – Part B

As a minimum requirement for large businesses[109] the tax policy, tax strategy and governance summary should provide information about the business's tax policy or tax strategy, including its:

- Approach to risk management and governance arrangements
- Attitude towards tax planning
- Accepted level of risk in relation to taxation
- Approach to engagement with the ATO.

[Describe]

Tax transparency code – Part B

Large and medium businesses[109] should provide additional information identified as of interest to the community:

- An overview of the business's operations (perhaps adapted from the directors' report)
- Its approach to engagement with other tax authorities
- A description of the assurance regimes it is subject to, e.g. internal audit, external audit, Advance Compliance Agreements, Advance Pricing Arrangements and ATO pre-lodged compliance review.

[Describe]

Reconciliation of accounting profit to income tax expense and from income tax expense to income tax paid or income tax payable

Tax transparency code – Part A

As a minimum requirement, large and medium businesses should provide a reconciliation of accounting profit to income tax expense, and from income tax expense to income tax paid or income tax payable (identifying material temporary and non-temporary differences).

Draft Appendix to the Tax Transparency Code paragraph 54

The reconciliation required by the VTTC builds on the disclosure requirements of AASB 112. Accordingly, entities may want to make the reconciliation disclosure required by the VTTC in financial statements to minimise duplication.

Note 12 of the consolidated financial statements of International GAAP Holdings Limited provides a reconciliation of the consolidated accounting profit to income tax expense prepared for the statutory accounts in accordance with Australian Accounting Standards.

Draft Appendix to the Tax Transparency Code paragraph 65

The following transactions gave rise to differences between tax and accounting during the period:

- *Impairment loss on property, plant and equipment*
- *Deferred revenue assessable for tax*
- *Non-deductible legal costs*
- *Non-refundable carry forward tax offsets from research and development*
- *Capital expenditure deductible over 5 years*
- *Different tax rates from the Australian tax rate*
- *[Describe]*

[109] 'Large businesses' are defined in the Tax Transparency code as businesses with aggregated Voluntary Tax Transparency Code (VTTC) Australian turnover of AUD 500 million or more. 'Medium businesses' are defined as businesses with aggregated VTTC Australian turnover of at least AUD 100 million but less than AUD 500 million.

Source

Reconciliation of accounting profit to income tax expense and from income tax expense to income tax paid or income tax payable (continued)

Below is a reconciliation of International GAAP Holdings Limited's accounting profit to current income tax expense.

	31/12/2026 $'000	31/12/2025 $'000
Profit before tax		
Income tax calculated at 30% (2025: 30%)		
Non-temporary differences – tax effected at 30%		
Non-deductible expenses		
Non-assessable income		
Unfranked dividends		
Impairment of tax depreciable intangible asset		
[Other - describe]		
Current tax expense – current year		
Under/(over) provision of current tax		
Current tax expense		
Temporary differences – tax effected at 30%		
Fair value (gain)/loss on investment property		
Gains on shares designated as at fair value through profit or loss		
Difference between accounting and tax depreciation		
[Other - describe]		
Deferred tax expense		
Income tax expense recognised		

Material temporary and non-temporary differences
[Describe]

Tax transparency code – Part A

Income taxes payable and paid

Set out below is the estimated income tax payable and paid to the ATO.

	31/12/2026 $'000	31/12/2025 $'000
Income tax payable at the beginning of the year		
Less prior year over provision of current tax (see above)		
Less income tax paid during the year		
Current tax expense – current year (see above)		
Current tax – recognised in equity		
Current tax – recognised in other comprehensive income		
Income taxes payable at the end of the reporting period		
Less current year over provision of current tax		
Add income tax paid during the year		
Income taxes paid during the reporting period		

Source	
	Australian accounting effective tax rate (ETR) and a global ETR
Tax transparency code – Part A	As a minimum requirement, large and medium business should disclose an Australian accounting effective tax rate (ETR) and a global ETR for the worldwide accounting consolidated group calculated based on company tax expense. In addition, where relevant, large and medium businesses should provide an additional ETR based on total tax expense, including taxes other than income tax (particularly in some industries).
	Accounting profit
Draft Appendix to the Tax Transparency Code paragraph 32	"Accounting profit" is not defined in the VTTC, but is defined by the Australian Accounting Standards as profit or loss per the statement of comprehensive income (i.e. before income tax expense) or its equivalent.
Draft Appendix to the Tax Transparency Code paragraph 33	Subsequent to the finalisation of the VTTC, the Board of Tax has indicated to the AASB that for the purposes of the VTTC, the use of the term "accounting profit" was not intended to restrict the denominator in calculating VTTC ETRs to accounting profit as defined by Australian Accounting Standards. Accordingly, this guidance allows entities to use either accounting profit in accordance with accounting standards or other measures of profits, such as underlying earnings, where this is considered more relevant to users.
	Australian and global operations
Draft Appendix to the Tax Transparency Code paragraph 36	The VTTC defines "global operations" to mean the entity's worldwide accounting consolidated group. Accordingly, this will include all entities consolidated in accordance with AASB 10 *Consolidated Financial Statements* if there is an Australian parent, IFRS 10 *Consolidated Financial Statements* or an equivalent relevant national accounting standard where the parent is not Australian.
Draft Appendix to the Tax Transparency Code paragraph 43	For global operations calculations the consolidated group for accounting purposes is used for both the VTTC ETR and accounting ETR.
Draft Appendix to the Tax Transparency Code paragraph 37	An entity's Australian operations for the purposes of the Australian VTTC ETR calculation should encompass: • Companies, partnerships or trusts established under Australian law (regardless of where they operate) • Australian permanent establishments as per Australian tax law, if not otherwise captured.
	VTTC ETR versus accounting ETR
AASB 112.86	As per AASB 112 *Income Taxes* the average effective tax rate is the tax expense (income) divided by the accounting profit.
Draft Appendix to the Tax Transparency Code paragraph 43	The VTTC ETR may differ to the accounting ETR as a result of the following differences: • Numerator – tax expense: For VTTC ETR it is the company tax expense only whereas the accounting ETR is broader as it includes taxes based on profit e.g. Petroleum Resource Rent Tax • Denominator – accounting profit: For VTTC ETR it is the accounting profit per the accounting standards, or alternative measures such as underlying earnings for. However for accounting ETR it is the accounting profit per accounting standards.
Draft Appendix to the Tax Transparency Code paragraph 45	Where the VTTC and accounting ETRs differ, to avoid misleading users of either the financial statements or a separate taxes paid report, the VTTC ETRs are considered non-IFRS numbers. Accordingly, both the accounting and VTTC ETRs should be presented together, regardless of where the VTTC ETRs are located.

Source

Australian accounting effective tax rate (ETR) and a global ETR (continued)

The effective tax rate (ETR) set out below is calculated as income tax expense divided by accounting profit.

International GAAP Holdings Limited's accounting and VTTC ETR for Australian and global operations are the same.

	31/12/2026 $'000	31/12/2025 $'000
Income tax expense		
Accounting profit before tax		
Accounting and VTTC effective rate	___ %	___ %

Deferred tax

	31/12/2025 $'000	Movement $'000	31/12/2026 $'000
Deferred tax assets			
Provisions and accruals			
Tax losses			
Retirement benefit obligations			
Lease liabilities			
Share-based payments			
[Other – describe]			
Deferred tax liabilities			
Accelerated tax depreciation			
Revaluation of building			
Deferred development costs			
Revaluation of financial assets			
Convertible loan note – equity component			
Intangible assets			
Right-of-use assets			
Investment property			
Investment in shares			
[Other – describe]			
Net deferred tax asset / (liability)			

Source

Australian tax contribution summary

Tax transparency code – Part B

A tax contribution summary, with core and optional elements:

- As a minimum requirement for large businesses disclose Australian corporate income tax

In addition, where relevant, large businesses should disclose:

- Other Australian taxes and imposts paid to government, for example Petroleum Resource Rent Tax, royalties, excises, payroll taxes, stamp duties, fringe benefits tax and state taxes
- Government imposts collected by the business on behalf of others, e.g. GST and Pay As You Go withholding taxes.

The VTTC suggests that businesses consider the use of charts, diagrams and trend data to improve communication of this information to the public.

Tax paid by International GAAP Holdings Limited

International GAAP Holdings Limited pays the following Australian federal and state taxes:

	31/12/2026			31/12/2025		
	Federal	**State**	**Total**	**Federal**	**State**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Corporate income tax						
Fringe benefits tax (FBT)						
Withholding taxes on dividends, interest, invoices without ABN						
Property taxes						
Payroll tax						
Petroleum resource rent tax						
[Other - describe]						
Total						

The above example shows the split of taxes between Federal and State governments. This is considered good practice but may not be strictly required by the VTTC.

Tax collected on behalf of the Australian tax authorities

In addition to the taxes paid above, International GAAP Holdings Limited collected the following amounts on behalf of Australian tax authorities:

	31/12/2026	**31/12/2025**
	$'000	**$'000**
New goods and services tax (GST)		
Pay as you go (PAYG) withholding		
[Other - describe]		
Total		

Source

International related party dealings summary

Tax transparency code – Part B

As a minimum requirement for large businesses an international related party dealings summary should provide a qualitative disclosure of key categories of dealings with offshore related parties which have a material impact on the business's Australian taxable income, including the nature of material categories of dealings and the country in which the related party is located.

[Describe]

The table below sets out details of GAAP Holdings Limited's International related party dealings

Country	Nature of transactions	31/12/2026 $'000	31/12/2025 $'000
[Describe]	*[Describe]*		
[Describe]	*[Describe]*		
[Describe]	*[Describe]*		

Appendix 4 – Details of reporting pronouncements

4.1 Financial reporting pronouncements applicable to all entities

The table below outlines new and revised Standards (effective and not yet effective at 31 December 2026) which apply to all entities and indicates the effective date and whether it is applicable for reporting periods (full and half-year) ending 31 December 2026. Tier 1 entities are required to comply with all the recognition, measurement, presentation and disclosure requirements of all the pronouncements listed (from their mandatory application date). Tier 2 entities are required to comply with the recognition and measurement requirements of all pronouncements (from their mandatory application date) and are also required to apply most presentation requirements.

New or revised requirement	When effective	Applicability at 31 December 2026
AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements* Amends AASB 136 *Impairment of Assets* and AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* by adding additional illustrative examples to their accompanying guidance which illustrate how an entity applies the requirements of the amended standards to report the effects of uncertainties in its financial statements. The example added to AASB 136 illustrates how an entity discloses information about the key assumptions it uses to determine the recoverable amounts of assets – in this case, assumptions related to the future emission allowance costs – together with the entity's approach to assigning values to those assumptions. The example added to AASB 137 demonstrates how an entity might disclose information about plant decommissioning and site restoration obligations and the uncertainties surrounding them even if their effect on the carrying amount of the entity's plant decommissioning and site-restoration provision is immaterial. These examples are also part of the illustrative examples *Disclosures about Uncertainties in the Financial Statements* issued by the IASB in November 2025. See more information about these amendments in A3.4.	Annual reporting periods beginning on or after 1 July 2025 that end on or after 28 February 2026	Mandatory *(full years and half-years)*

New or revised requirement	When effective	Applicability at 31 December 2026
AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments* Amends AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures* by introducing the following changes: • Allowing derecognition of financial liabilities settled using an electronic payment system before the settlement date provided certain criteria are met. The amendments do not extend this exception to derecognition of financial assets settled via an electronic transfer, as it was clarified that financial assets are derecognised only when contractual rights to the cash flows from the financial assets expire, which is when cash is received • Clarifying how contractual cash flows characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed for the purpose of classification of the financial assets • Amending disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adding disclosure requirements for financial instruments with contractual terms that could change the timing or amount of contractual cash flows on contingent events. The amendments should be applied retrospectively from the beginning of the annual reporting period in which an entity first applies the amendments. An entity is not required to restate prior periods, however it may restate prior periods, if it is possible to do it without the use of hindsight. More information: IGAAP in Focus*: Financial Reporting: IASB issues amendments to the classification and measurement requirements of financial instruments.*	Annual reporting periods beginning on or after 1 January 2026	Mandatory *(full years and half-years)*
AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11* Amends: • AASB 1 *First-time Adoption of Australian Accounting Standards*: hedge accounting by a first-time adopter • AASB 7 *Financial Instruments: Disclosures*: gain or loss on derecognition, disclosure of deferred difference between fair value and transaction price, and credit risk disclosures • AASB *9 Financial Instruments*: derecognition of lease liabilities and transaction price • AASB 10 *Consolidated Financial Statements*: determination of a "de facto agent" • AASB 107 *Statement of Cash Flows*: cost method. These annual improvements are sufficiently minor or narrow in scope and are limited to changes that either clarify the wording in an AASB Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements of the standards. For more information see iGAAP in Focus *Financial reporting: IASB issues amendments to IFRS Accounting Standards as part of its annual improvements process.*	Annual reporting periods beginning on or after 1 January 2026	Mandatory *(full years and half-years)*

New or revised requirement	When effective	Applicability at 31 December 2026
AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity* Amends AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures* by introducing additional guidance for contracts referencing nature-dependent electricity (often structured as power purchase agreements) which are characterised by contractual features exposing an entity to variability in the underlying amount of electricity caused by uncontrollable natural conditions (for example, the weather) which affect generation of electricity from renewable sources, such as sun and wind. Scoped-in contracts include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. Amendments added application guidance to AASB 9 to clarify "own-use" criteria for contracts to buy electricity generated from nature-dependent sources. When an entity is required to buy electricity during a delivery interval in which it cannot use it and has no practical ability to avoid selling unused electricity to the market, "own-use" criteria would be met if the entity has been, and expects to be, a net purchaser of electricity for the contract period. An entity is a net purchaser of electricity if it buys sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity. In respect of hedges of forecast electricity transactions the amendments to AASB 9 permit to designate a variable nominal amount of forecast electricity transaction as the hedged item that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument. The other hedge accounting requirements in AASB 9 continue to apply to such a hedging relationship. Amendments to AASB 7 introduced additional disclosure requirements in respect of contracts to buy nature-related electricity that meet the "own-use" requirements. For more information see iGAAP in Focus *Financial reporting: IASB finalises amendments on contracts that reference nature-dependent electricity.*	Annual reporting periods beginning on or after 1 January 2026	Mandatory (*full years and half-years)*

New or revised requirement	When effective	Applicability at 31 December 2026
AASB 2025-4 *Amendments to Australian Accounting Standards - Translation to a Hyperinflationary Presentation Currency* Amends AASB 121 *The Effects of Changes in Foreign Exchange Rates* and AASB 129 *Financial Reporting in Hyperinflationary Economies* to clarify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy, in the following circumstances: • When the entity's functional currency is that of a non-hyperinflationary economy it translates its results and financial position, including comparatives, into the presentation currency of a hyperinflationary economy using the closing rate at the reporting date • When the entity with a functional and presentation currency that is the currency of a hyperinflationary economy translates a foreign operation, whose functional currency is that of a non- hyperinflationary economy, it restates comparative amounts of that foreign operation by applying the general price index it uses to restate corresponding figures under AASB 129. Amendments also address the effect of the entity's presentation currency ceasing to be the currency of a hyperinflationary economy and introduce new disclosure requirements, including summarised financial information about its foreign operations translated applying the new translation method. For more information see iGAAP in Focus *Financial reporting: IASB publishes amendments to IAS 21 on translation to a hyperinflationary presentation currency*.	Annual reporting periods beginning on or after 1 January 2027	Optional

AASB 18 *Presentation and Disclosure in Financial Statements*
Replaces AASB 101 *Presentation of Financial* Statements, introducing enhanced requirements for the presentation of financial statements, including:
• In the statement of profit or loss, introducing new required categories (operating, investing and financing) and subtotals ("operating profit" and "profit before financing and income taxes")
• Disclosures about management-defined performance measures (MPMs), limited to subtotals of income and expenses and requiring:
  • A reconciliation of the MPM to an IFRS-defined subtotal
  • An explanation of why the MPM is reported
  • An explanation of how the MPM is calculated
  • An explanation of any changes to the MPM
• Enhanced guidance on grouping of information (aggregation and disaggregation), including guidance on whether information should be presented in the primary financial statements or disclosed in the notes, and disclosures about items labelled as "other".
For for-profit entities (other than superannuation entities applying AASB 1056 *Superannuation Entities*) preparing Tier 1 general purpose financial statements, AASB 18 applies to annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.
For not-for-profit private sector entities, not-for-profit public sector entities and superannuation entities applying AASB 1056, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. Earlier application is also permitted for these entities.
More information: iGAAP in Focus *Financial reporting: IASB publishes new standard on presentation and disclosure in financial statements*.
	Annual reporting periods beginning on or after 1 January 2027 *(for-profit entities)*
	Annual reporting periods beginning on or after 1 January 2028 *(not-for-profit entities and superannuation entities)*
		Optional

New or revised requirement	When effective	Applicability at 31 December 2026
AASB 2026-3 *Amendments to Australian Accounting Standards - Fair value option for investments in associates and joint ventures* Amends AASB 128 *Investments in Associates and Joint Ventures* to clarify which entities are eligible to measure investments in associates and joint ventures at fair value through profit or loss in accordance with AASB 9 *Financial Instruments* instead of applying the equity method under AASB 128 in accounting for the investments. Specifically, the amendments clarify the meaning of a 'similar entity' to venture capital organisations, mutual funds and unit trusts, which are permitted to use the fair value option. Amendments clarify that 'similar entities' include entities that have a main business activity of investing in particular types of assets, as set out in AASB 18 *Presentation and Disclosure in Financial Statements*. For more information see iGAAP in Focus *Financial reporting: IASB finalises amendments to the fair value option for investments in associates and joint ventures.*	Annual reporting periods beginning on or after 1 January 2027 *(for-profit entities)* Annual reporting periods beginning on or after 1 January 2028 *(not-for-profit entities and superannuation entities)*	Optional
AASB 2026-4 *Amendments to Australian Accounting Standards – Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation* Amends the following Standards in respect to the preparation of Tier 1 general purpose financial statements: • AASB 18 *Presentation and Disclosure in Financial Statements* - to specify (1) the requirements applicable to superannuation entities and NFP public sector entities in presenting their statement of profit or loss and related disclosures, (2) how various principles should be applied to NFP entities, and (3) that NFP public sector entities, other than higher education providers, are not required to identify and disclose information about management-defined performance measures • AASB 107 *Statement of Cash Flows* – to permit superannuation entities, and NFP public sector entities that are not higher education providers, to classify dividends received and interest paid and received as operating cash flows, and when presenting operating cash flows using the indirect method, to use the profit or loss total presented in the statement of profit or loss as the starting point if the entity does not present an operating profit or loss subtotal in the statement of profit or loss • AASB 1039 *Concise Financial Reports* – to align with terminology used in AASB 18 relating to the operating cash flow reconciliation • AASB 1049 *Whole of Government and General Government Sector Financial Reporting* – to reflect amendments to AASB 107 and to align terminology with that used in other Australian Accounting Standards • AASB 1054 *Australian Additional Disclosures* – to specify the starting point for the operating cash flow reconciliation as the operating profit or loss subtotal for for-profit entities and the profit or loss total for superannuation entity applying AASB 1056 *Superannuation Entities*, or a not-for-profit public sector entity that is not a higher education provider • AASB 1056 *Superannuation Entities* – to specify that superannuation entities are required to present their statement of profit or loss and statement of cash flows in the formats required by AASB 1056, rather than the formats set out in AASB 18 and AASB 107.	Annual reporting periods beginning on or after 1 January 2027 *(for-profit entities)* Annual reporting periods beginning on or after 1 January 2028 *(not-for-profit entities and superannuation entities)*	Optional

New or revised requirement	When effective	Applicability at 31 December 2026
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (as amended[110]) The amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* (amendments) deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors/ interests in the new associate or joint venture. *Note: The equivalent amendments to IFRS 10 and IAS 28 have no set commencement date due to amendments made by the IASB, pending further research in other projects. AASB 2015-10 extended the application date of the equivalent amendments to 1 January 2018. AASB 2017-5 extended the application date of the amendments from 1 January 2018 to 1 January 2022, and also made a number of editorial amendments to other standards which are effective for annual periods beginning on or after 1 January 2018. AASB 2021-7 then further extended the application date of the amendments from 1 January 2022 to 1 January 2025, and also made a number of editorial amendments to other standards, which are effective for either annual periods beginning on or after 1 January 2022 or 1 January 2023 (for those in respect of AASB 17 "Insurance Contracts"). In addition, AASB 2024-4b extended the application date of the amendments from 1 January 2025 to 1 January 2028.* *In September 2024 the IASB published an exposure draft IASB/ED/2024/7 Equity Method of Accounting to address broader questions about application of the equity method of accounting, including an inconsistency between requirements of IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in respect of accounting of transactions between an investor and its associate or joint venture. The IASB is proposing to resolve this inconsistency by requiring that an investor recognise in full gains and losses resulting from all "upstream" and "downstream" transactions with its associates or joint ventures, including transactions involving the loss of control of a subsidiary. As this proposal is different from the previous amendments to IFRS 10 and IAS 28, the IASB is proposing to abandon the amendments. The Exposure Draft comment period was closed for IASB on 20 January 2025 and for AASB on 22 November 2024. The IASB completed deliberations of the feedback received on the proposals in the Exposure Draft at its September 2026 meeting and expects to issue a revised IAS 28 in the first half of 2027 with an effective date of 1 January 2029.* More information: • IFRS in Focus *IASB publishes amendments to IFRS 10 and IAS 28 (2011) dealing with the sale or contribution of assets between an investor and its joint venture or associate* • iGAAP in Focus *Financial reporting: IASB proposes amendments to IAS 28 to answer application questions on how an investor applies the equity method.*	Annual reporting periods beginning on or after 1 January 2028 *(see note in previous column)*	Mandatory *(editorial corrections)* Optional *(main amendments)*

[110] AASB 2015-10 is amended by AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections, AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections and AASB 2024-4b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128.

New or revised requirement	When effective	Applicability at 31 December 2026
AASB 20 *Regulatory Assets and Regulatory Liabilities* Introduces a new accounting model for entities affected by rate regulation, including in sectors such as utilities and energy. The Standard is designed to better align recognition of an entity's total allowed compensation with the period in which the related goods or services are provided. It also includes detailed requirements on recognition, measurement, presentation and disclosure. Regulatory assets are defined as enforceable present rights to add an amount to future rates. Regulatory liabilities are defined as enforceable present obligations to deduct an amount from future rates. An entity is required to recognise all regulatory assets and all regulatory liabilities existing at the end of the reporting period. If there is existence uncertainty, an entity is required to recognise a regulatory asset or regulatory liability if it is more likely than not that it exists. The recognition of some regulatory assets and regulatory liabilities is subject to specified conditions being met. Regulatory assets and regulatory liabilities are measured on initial recognition based on all estimated future cash flows arising from a regulatory asset or regulatory liability, discounted using the regulatory interest rate. For the subsequent measurement, an entity updates the estimates of future cash flows and continues to use the regulatory interest rate as the discount rate, unless the regulatory agreement changes the regulatory interest rate. For more information see iGAAP in Focus *Financial reporting: IASB issues IFRS 20 Regulatory Assets and Regulatory Liabilities.*	Annual reporting periods beginning on or after 1 January 2029	Optional

4.2 Financial reporting pronouncements applicable to Tier 2 entities only

The table below outlines new and revised Standards (effective and not yet effective at 31 December 2026) which apply to all entities and indicates the effective date and whether it is applicable for reporting periods (full and half-year) ending 31 December 2026 for Tier 2 entities only. Tier 2 entities are required to comply with the recognition and measurement requirements of all pronouncements (from their mandatory application date) and are also required to apply most presentation requirements.

New or revised requirement	When effective	Applicability at 31 December 2026
AASB 2025-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures* Amends AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* to require an entity to disclose information about financial instruments with contingent features that do not relate directly to basic lending risks and costs so that financial statement users can better understand the effect of contractual terms that could change the amount of contractual cash flows. Tier 2 entities are required to disclose: • A qualitative description of the nature of the contingent event • Quantitative information about the possible changes to contractual cash flows that could result from those contractual terms • The gross carrying amount of financial assets and the amortised cost of financial liabilities subject to those contractual terms.	Annual periods beginning on or after 1 January 2026	Mandatory (*full years and half-years)*
AASB 2025-3 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures* Amends AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* to add new disclosure requirements for Tier 2 entities that recognise nature-dependent electricity contracts meeting the "own-use" criteria as procurement contracts. Amendments require Tier 2 entities to disclose the following information: • Information about contractual features that expose the entity to variability in the underlying amount of electricity and the risk that the entity would be required to purchase electricity at a time when the entity cannot use the electricity • Qualitative information about how the entity assesses whether a contract might become onerous • Qualitative information about the effects on the entity's financial performance for the reporting period.	Annual periods beginning on or after 1 January 2026	Mandatory (*full years and half-years)*

4.3 Financial reporting pronouncements applicable to not-for-profit entities and public sector entities only

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

New or revised requirement	When effective	Applicability at 31 December 2026
AASB 17 *Insurance Contracts*, AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* and AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* and other related amending Standards AASB 2022-8 made amendments to all Australian Accounting Standards that refer to AASB 17 *Insurance Contracts* 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. It also repeals AASB 1038 *Life Insurance Contracts* and supersedes Interpretation 1047 *Professional Indemnity Claims Liabilities in Medical Defence Organisations* for annual periods beginning on or after 1 January 2023, on the basis that AASB 17 applies to those periods in respect of private sector entities and the pronouncements are not relevant to public sector entities. AASB 2022-9 amends AASB 17 *Insurance Contracts* to include modifications that apply to public sector entities. This Standard also amends AASB 1050 *Administered Items* to provide an accounting policy choice for government departments to apply either AASB 17 or AASB 137 *Provisions, Contingent Liabilities and Contingent Liabilities* in determining the information to be disclosed about administered captive insurer activities.	Annual reporting periods beginning on or after 1 July 2026	Optional *(full years)* Mandatory *(half-years)*

New or revised requirement	When effective	Applicability at 31 December 2026
AASB 1061 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities* and AASB 2026-2 *Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to prepare Special Purpose Financial Statements* Removes the ability for certain not-for-profit (NFP) private sector entities to prepare special purpose financial statements (SPFS) and introduce a new simplified reporting framework ('Tier 3' reporting regime) as a simplified alternative. Tier 3 entities are not-for-profit private sector entities that are not publicly accountable and are not prohibited from applying Tier 3 by legislation or their constituting document. The AASB has not specified thresholds or other criteria for applying Tier 3, instead leaving this to legislators and regulators. The new Tier 3 requirements are contained in AASB 1061 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities* and represent the minimum requirements for a general purpose financial report for eligible entities. The Standard includes recognition and measurement simplifications, as well as presentation and disclosure simplifications. For example, consolidation is permitted but not required, and financial instrument accounting is simplified. Consequential amendments in AASB 2026-2 *Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to prepare Special Purpose Financial Statements* implement changes throughout many pronouncements to accommodate the new Tier 3 requirements and require certain not-for-profit entities to prepare general purpose financial statements and apply the Conceptual Framework for Financial Reporting. More information can be found on AASB 1061 Knowledge Hub.	Annual reporting periods beginning on or after 1 July 2029	Optional

4.4 Australian sustainability reporting pronouncements

The table below outlines the sustainability disclosure standards made by the AASB based on equivalent ISSB standards. For more information see section B.

New or revised requirement	Effective date	Applicability at 31 December 2026[111]
AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* Sets out overall principles for sustainability reporting: • Includes a requirement to identify and disclose material information about all sustainability-related risks and opportunities, not only climate-related risks and opportunities, that could reasonably be expected to affect an entity's prospects (subject to a transitional relief) • Provides guidance on how to develop disclosures for a topic to which no IFRS Sustainability Disclosure Standard applies. More information: • Section B2 *Australian sustainability reporting requirements* • Clarity publication *A new era in sustainability reporting.*	Annual reporting periods beginning on or after 1 January 2025	Voluntary
AASB S2 *Climate-related Disclosures* Sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. Applies to: • Climate-related risks to which the entity is exposed, which are climate-related physical risks and climate-related transition risks • Climate-related opportunities available to the entity. More information: • Section B2 *Australian sustainability reporting requirements* • Section E *Sustainability report* • Clarity publication *A new era in sustainability reporting* • Clarity publication *Early insights into Wave 1 of Australian climate reporting.*	Annual reporting periods beginning on or after 1 January 2025	Mandatory for Group 1 entities Optional for Group 2 and Group 3 entities

[111] As a sustainability report under ASRS is required to be prepared annually, no reference to half year application is presented.

New or revised requirement	Effective date	Applicability at 31 December 2026[111]
AASB S2025-1 *Amendments to Greenhouse Gas Emissions Disclosures* Amends AASB S2 *Climate-related Disclosures* as follows: • Clarifying that the existing relief allowing the use of a Greenhouse Gas (GHG) measurement method other than the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* also applies where the jurisdictional requirement applies to only part of the reporting entity • Allowing the use of global warming potential (GWP) values other than those from the latest *Intergovernmental Panel on Climate Change* (IPCC) assessment where an entity or part of an entity has a jurisdictional requirement to use those values • Allowing entities to exclude from Scope 3 Category 15 GHG emissions amounts related to derivatives, facilitated emissions and insurance-associated emissions • Providing relief from the requirement to use the *Global Industry Classification Standard* (GICS) when disaggregating financed emissions • On transition, requiring adjustments to comparative information where the original requirements of AASB S2 have already been applied to a previous period More information: • Section B2 *Australian sustainability reporting requirements* • Clarity publication *Amended relief for specific GHG emission disclosures.*	Effective for annual reporting periods beginning on or after 1 January 2027	Optional

Appendix 5 – Abbreviations

The following abbreviations are used in this publication:

Abbreviation	Description
AASB	Australian Accounting Standards Board
ACNC	The Australian Charities and Not-for-profits Commission
AFS	Australian financial services
AIS	Annual information statement
AGM	Annual general meeting
AUASB	Australian Auditing and Assurance Standards Board
Australian Accounting Standards	Australian Accounting Standards issued by the Australian Accounting Standards Board
ASA	Australian Auditing Standard issued by the Auditing and Assurance Standards Board
ASIC	Australian Securities & Investments Commission
ASIC-CI	Australian Securities and Investments Commission Corporations Instrument issued pursuant to s.341(1) of the *Corporations Act 2001*
ASIC-RG	Australian Securities and Investments Commission Regulatory Guide
ASRS	Australian Sustainability Reporting Standards issued by the Australian Accounting Standards Board
ASX	Australian Securities Exchange
ASX-LR	Australian Securities Exchange Limited Listing Rule
ASX-GN	Australian Securities Exchange Limited Guidance Note
ATO	Australian Tax Office
CCIV	Corporate Collective Investment Vehicle
Corporations Act	*Corporations Act 2001*
Disclosing information about anticipated financial effects educational material	IFRS Foundation publication *Disclosing information about anticipated financial effects applying ISSB Standards* (August 2025) and equivalent AASB publication *Disclosing information about anticipated financial effects – Applying AASB S2 "Climate-related Disclosures"*
Disclosing information about an entity's climate-related transition	IFRS Foundation publication *Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2* (June 2025) and equivalent AASB publication *Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with AASB S2*
ED	Exposure Draft issued by the Australian Accounting Standards Board, the International Accounting Standards Board or the International Sustainability Standards Board
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GHG	Greenhouse gas
GPFS	General purpose financial statements

Abbreviation	Description
Greenhouse Gas Emissions educational material	IFRS Foundation publication *Greenhouse Gas Emissions Disclosure requirements applying IFRS S2 Climate-related Disclosures – Educational material* (May 2025) and equivalent AASB publication *Greenhouse Gas Emissions Disclosure requirements applying AASB S2 'Climate-related Disclosures – Education Material (August 2025)*
IASB	International Accounting Standards Board (IASB®)
IFRIC	IFRS Interpretations Committee
IFRS Accounting Standards	International Financial Reporting Standards (IFRS®) issued by the International Accounting Standards Board
IFRS Sustainability Disclosure Standards	IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board
Int	Interpretation issued by the Australian Accounting Standards Board
ISSB	International Sustainability Standards Board
ITAA 1997	*Income Tax Assessment Act 1997*
OCI	Other comprehensive income
OFR	Operating and financial review
Reg	Regulation of the *Corporations Regulations 2001*
s.	Section of the *Corporations Act 2001*
Tax Administration Act	*Tax Administration Act 1953*

Deloitte.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organisation") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society, and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's approximately 457,000 people worldwide make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific
Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte Australia
As one of the country's leading professional services firms, Deloitte Australia is a member of Deloitte Asia Pacific Limited and the Deloitte organisation. A team of around 13,000 people helps clients navigate the complexities and challenges of a rapidly changing world through services – across Audit & Advisory, Strategy, Risk & Transactions, Tax & Legal and Technology & Transformation – that create value and drive innovation, productivity and sustainable growth. This is underpinned by strong ethical and cultural practices around everything we do. For more, visit https://www2.deloitte.com/au/en.html

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

© 2026 Deloitte Touche Tohmatsu.