



VALUE ACCOUNTS Simplified Disclosure

Annual financial reporting June 2026



This publication presents the sample annual financial report of a fictitious company, VALUE ACCOUNTS Simplified Disclosure Pty Ltd. It illustrates the financial reporting requirements that would apply to such a company under Australian Accounting Standards on issue at 31 March 2026. Supporting commentary for the reporting requirements is also provided. For the purposes of this publication, VALUE ACCOUNTS Simplified Disclosure Pty Ltd is a for-profit large proprietary company that is the parent entity in a consolidated entity.

Reporting requirements are:

- Australian Accounting Standards, including AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
- Interpretations issued by the Australian Accounting Standards Board (AASB) and the Urgent Issues Group (UIG)
- Corporations Act 2001
- Australian Securities & Investments Commission releases

VALUE ACCOUNTS Simplified Disclosure 2026 is for illustrative purposes only and should be used in conjunction with the relevant legislation, standards and other reporting pronouncements.

Disclaimer

This publication has been prepared for general reference only and does not constitute professional advice. It is not intended to be and is not comprehensive in relation to its subject matter. This publication is not intended to cover all aspects of Australian Accounting Standards, or to be used as a substitute for reading any relevant accounting standard, professional pronouncement or guidance, legislation (including the Corporations Act 2001 (Cth)) or any other relevant material. Specific company structure, facts and circumstances will have a material impact on the preparation and content of financial reports. No person should undertake or refrain from undertaking any action based on this publication or otherwise rely on this publication. Any use or reliance on this publication is at a person's own risk. This publication should not be used as a substitute for consultation with a professional adviser with knowledge of information relevant to your particular circumstances. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication. To the extent permitted by law, PwC and its partners, members, employees and agents do not accept or assume any liability, responsibility or duty of care to anyone for any use of or reliance on this publication. Any references in this publication to PwC providing, or agreeing to provide, any services to any entity are illustrative only and are not intended to reflect or summarise the terms of actual arrangements in respect of any particular parties or the provision of services to them. Accordingly, users of this publication should not rely on such references as reflecting or summarising actual terms. Legal advice should be obtained as to whether any particular arrangements are required to be disclosed, and as to the form and context of any disclosure. This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute. Liability is limited by a scheme approved under Professional Standards Legislation.

Introduction

Similar to the other publications in our Value Accounts series, this publication presents illustrative simplified disclosure financial statements of a fictitious company, VALUE ACCOUNTS Simplified Disclosure Pty Ltd. The financial report complies with the Australian Corporations Act 2001 and authoritative pronouncements on issue at 31 March 2026 that are operative for 30 June 2026 reports.

VALUE ACCOUNTS Simplified Disclosure Pty Ltd is a for-profit large foreign controlled proprietary company that is the parent entity in a consolidated group which has adopted the simplified disclosure standard AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

Consequently, this publication does not illustrate the disclosure obligations of disclosing entities or listed companies (e.g. segment information and earnings per share disclosures). Please refer to our [Value Accounts Holdings - Annual financial reporting](#) publication for examples of these types of disclosures. The Value Accounts Holdings publication also explains (in Appendix A) the Australian financial reporting requirements and the differences between the two tiers of reporting.

Please note that the amounts disclosed in this publication are purely for illustrative purposes and may not necessarily be consistent throughout the publication. Entities will need to adapt the illustrative disclosures to their circumstances. Entities may adopt alternative disclosures, wording and forms of presentation as long as the specific disclosure requirements prescribed in the accounting and reporting pronouncements are met.

The source for each disclosure requirement is provided in the reference column on each page of the sample reports. Improvements made to the disclosures are identified as 'revised illustration'.

Changes made this year

The following amendment made to AASB 1060 applies for financial years beginning on or after 1 January 2025:

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121 & AASB 1060] – see In brief INT2023-19 [Filling the gap in currency accounting: new IFRS requirements for lack of exchangeability](#).

Refer to [Appendix B](#) for more details. Entities will need to consider the impacts of this amendment in the preparation of their financial reports for periods commencing on or after 1 January 2025. For purposes of these illustrative disclosures, we have assumed that none of the amendments required a change in VALUE ACCOUNTS Simplified Disclosure Pty Ltd's accounting policies. However, this assumption will not necessarily apply to all entities. If an entity did change its accounting policies because of the amendments and the change had a material impact on the reported amounts, it would need to disclose this in the appropriate manner.

Entities will further need to consider whether there were any recent IFRS® Interpretations Committee agenda decisions that may require changes to their accounting policy. As this has become more common in recent years, we have included guidance on how to account for those changes and how to develop appropriate disclosures in the [commentary to note 20](#). A list of agenda decisions for the 12-month period ended 30 April 2026 is in [Appendix B\(b\)](#).

We have also made a few minor improvements to disclosures. These are indicated with 'new illustration' or 'revised illustration' in the reference column.

Changes applicable from 1 January 2026

The following amendments apply to financial years beginning on or after 1 January 2026 and may therefore be relevant for entities using this publication for December 2026 financial statements:

- AASB 2025-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures [AASB 1060]
- AASB 2025-3 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures [AASB 1060]

We have not included any illustrative disclosures in this publication as they have not been early adopted for the year ended 30 June 2026. Guidance on these amendments can be found in [Appendix B](#). While not all disclosures will be required for entities reporting under AASB 1060, for an illustration of the full disclosures and change in accounting policies, please refer to pages 33 and 34 of [IFRS 18 - Illustrative consolidated financial statements applying IFRS® Accounting Standards for 2025](#).

Mandatory sustainability reporting in Australia

Mandatory sustainability reporting has commenced in Australia, and the sustainability report is required to be assured in accordance with the timeline in ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*.

We have revised the illustrative auditor's independence declaration to refer to both the audit of the financial report and the review of the sustainability report. We have also included a revised illustration in remuneration of auditors to show the fee for the review of the sustainability report within 'Other statutory assurance services'.

Consolidated entity disclosure statement

Listed and unlisted public companies were required to include a consolidated entity disclosure statement ('CEDS') in their annual financial report lodged with ASIC. As VALUE ACCOUNTS Simplified Disclosure Pty Ltd is not a public company, we have not included a CEDS in this publication. For an illustration of such a statement and associated guidance, please refer to our [Value Accounts Holdings - Annual financial reporting](#) publication.

Assumptions made

In preparing these illustrative financial statements, we have assumed that VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

- is a large proprietary company that is owned by a foreign parent entity
- is a for-profit entity
- is a parent entity in a group of wholly-owned entities (i.e. without minority interests)
- is the head entity in a tax consolidated group
- does not have any
 - foreign subsidiaries or other foreign operations
 - interests in joint ventures
 - revalued property, plant and equipment
 - financial assets classified at fair value through other comprehensive income
 - defined employee benefit plans, or
 - deed of cross guarantee with wholly-owned subsidiaries, and
- has cash-settled rather than equity-settled share-based payments.

[Appendix A](#) provides disclosures for some of the scenarios noted above that are not illustrated in the main body of the publication and [Appendix B](#) has a summary of all standards that apply for the first time to annual reports beginning on or after 1 July 2025. Abbreviations used in this publication are listed in [Appendix C](#).

Early adoption of standards

VALUE ACCOUNTS Simplified Disclosure Pty Ltd generally only adopts standards early if they clarify existing practice but do not introduce any substantive changes. A list of standards that are available for early adoption for June 2026 year-ends is in [Appendix B\(c\)](#). None of these standards were early adopted in this publication.

Specialised companies and industry-specific requirements

VALUE ACCOUNTS Simplified Disclosure Pty Ltd does not illustrate the disclosures specifically relevant to specialised industries such as mining, agriculture, investment funds or finance. Some of these are illustrated in our other publications in the VALUE ACCOUNTS series:

- [Value Accounts Holdings Limited](#) (with disclosures for oil and gas, and agricultural activities in the Appendices)
- [Value Accounts Investment Funds](#), and
- [Value Accounts Superannuation Funds](#).

The global series of Illustrative financial statements that is available on [PwC Viewpoint](#) has further illustrative financial statements for banks, entities in the investment property industry and private equity companies.

The disclosure requirements included in VALUE ACCOUNTS Simplified Disclosure Pty Ltd are relevant to for-profit corporate and non-corporate entities in the private sector that are required to prepare financial statements in accordance with Australian Accounting Standards and do not have public accountability (i.e. do not have to report under Tier 1 of the differential reporting framework). The disclosures are also useful for business undertakings in the public sector, but do not identify additional disclosures that may be required for not-for-profit private and public sector entities under AASB 1060.

VALUE ACCOUNTS Simplified Disclosure Pty Ltd

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VALUE ACCOUNTS Simplified Disclosure Pty Ltd

ABN XY XYZ XYZ XYZ ^{1,2}

Annual report – 30 June 2026

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Annual report

Quotation of Australian Business Number or Australian Company Number

CA153(1),(2)

1. Under the *Corporations Act 2001*, a company is required to show its name and Australian Company Number (ACN) or its Australian Business Number (ABN) on all public documents. It may only show the ABN if the last nine digits of its ABN are identical to the last nine digits of its ACN.

ASIC-RG13

2. Guidance on issues relating to the use of ACNs is set out in ASIC Regulatory Guide 13.

Directors' report ^{1,13}

CA299(2)(b) Your directors present their report on the consolidated entity consisting of VALUE ACCOUNTS Simplified Disclosure Pty Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2026. Throughout the report, the consolidated entity is referred to as the group.

Directors

CA300(1)(c) The following persons were directors of VALUE ACCOUNTS Simplified Disclosure Pty Ltd during the whole of the financial year and up to the date of this report:

J C Campbell

A L Cunningham

M K Hollingworth

R J Hunter

C A Maxwell

N T Toddington

CA300(1)(c) H G Wells and B C Bristol were appointed as directors on 31 January 2026 and 1 March 2026 respectively and continue in office at the date of this report.

CA300(1)(c) R T Brown was a director from the beginning of the financial year until his resignation on 31 January 2026.

CA300(1)(c) B A Wilson was a director from the beginning of the financial year until his resignation on 29 July 2026.

Principal activities

CA299(1)(c) During the year the principal continuing activities of the group consisted of:

- (a) IT consulting including IT management, design, implementation and support,
- (b) Manufacture and distribute computers, computer hardware and peripheral equipment, and
- (c) Manufacture and distribute smartphones and tablets.

In addition, the group and holds a number of investment properties.

CA299(1)(c) The following activities of the group changed significantly during the year:

- (a) The group acquired VALUE Electronics Pty Ltd which is involved in the manufacturing and distribution of peripheral equipment.
- (b) VALUE Equipment Hire Pty Ltd was sold in August 2025, ending the group's involvement in this industry.

Dividends – VALUE ACCOUNTS Simplified Disclosure Pty Ltd ¹³

CA300(1)(a) During the year VALUE ACCOUNTS Simplified Disclosure Pty Ltd paid dividends of \$25,940,000 to its parent entity (2025 – \$12,865,000). ²

Review of operations ³

CA299(1)(a) [Provide details as appropriate.]

Significant changes in the state of affairs

CA299(1)(b) Significant changes in the state of affairs of the group during the financial year were as follows. Contributed equity increased by \$25,086,000 (from \$62,619,000 to \$87,705,000) as the result of the rights issue and the issue of shares to acquire shares in VALUE Electronics Pty Ltd (see [note 10](#)). Details of the changes in contributed equity are disclosed in [note 8\(a\)](#) to the financial statements. The sale of VALUE Equipment Hire Pty Ltd that was initiated in April 2025 was completed on 31 August 2025. For details of the sale see [note 11](#). In addition, VALUE Manufacturing Pty Ltd closed its Nicetown factory and transferred the manufacturing of all smartphones and tablets to the Maitland factory. Ongoing economic advantages are expected to flow from this rationalisation. A parcel of land that has become vacant as a result of the move is currently in the process of being sold (see [note 7\(g\)](#)).

Events since the end of the financial year

CA299(1)(d)

Since 30 June 2026 VALUE ACCOUNTS Simplified Disclosure Pty Ltd has acquired 87.5% of the issued shares in Better Manufacturing Limited, a manufacturer of office furniture and equipment, for cash consideration of \$11,750,000 and contingent consideration of \$280,000. The group also renegotiated its existing loan facility to finance the construction of the new production plant for the electronic equipment division. Note 15 provides further information about both of these transactions.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations ⁴

CA299(1)(e)

Likely developments in the operations of the group that were not finalised at the date of this report included:

- (a) the proposed formation of a company to be equally owned by VALUE ACCOUNTS Simplified Disclosure Pty Ltd and Bold Eagle Enterprises Inc. of the USA. This company will be called Bold VALUE ACCOUNTS Pty Ltd and will utilise the skills of Bold Eagle in network management to expand the group's involvement in IT consulting activities, and
- (b) the proposed acquisition of the 25% of the issued share capital of VALUE ACCOUNTS Buy Pty Ltd. If successfully completed, this acquisition should diversify the sales channel of the group in future years.

More information on these developments is included in the review of operations and activities on pages [x] – [y].

Environmental regulation

CA299(1)(f)

The group is subject to significant environmental regulation in respect of its activities and has put in place processes to ensure compliance with these regulations. Each affected site must report quarterly on their environmental performance to an environmental committee that is in turn reporting to the board.

The group holds environmental licences for its manufacturing sites in New South Wales and Queensland under various local regulations. The licences require discharges to air and water to be below specified levels of contaminants, and solid wastes to be removed to an appropriate disposal facility.

During the year there were inadvertent breaches of the requirements relating to discharges to water at the Maitland site, resulting in the issue of minor infringement notices. Management has been working with the New South Wales Office of Environment & Heritage to alter the processes at the site to minimise discharges and ensure compliance with the regulatory requirements. It is anticipated the issue will be resolved during the current financial year.

During the year the Queensland manufacturing facility was closed. As part of the closure process environmental clean-up responsibilities were examined and tests carried out showed no evidence of any contamination.

Greenhouse gas and energy data reporting requirements

The *National Greenhouse and Energy Reporting Act 2007* requires the group to report its annual greenhouse gas emissions and energy use. The group has implemented systems and processes for the collection and calculation of the data required and submitted its 2024/25 report to the Greenhouse and Energy Data Officer on 24 October 2025.

Insurance of officers ⁵⁻⁷

CA300(1)(g),(8)(b),
(9)(a),(f)

During the financial year, VALUE ACCOUNTS Simplified Disclosure Pty Ltd paid a premium of \$65,465 to insure the directors and secretaries of the company and its controlled entities, and the general managers of each of the divisions of the group.

CA300(9)(c)

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnity of auditors ⁵⁻⁷

CA300(1)(g),(8)(b),
(9)(a),(f)

VALUE ACCOUNTS Simplified Disclosure Pty Ltd has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from VALUE ACCOUNTS Simplified Disclosure Pty Ltd's breach of their agreement. The indemnity stipulates that VALUE ACCOUNTS Simplified Disclosure Pty Ltd will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings on behalf of the company ⁸

CA300(14)
Not mandatory if
no proceedings

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

CA300(15)

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's independence declaration ⁹

CA298(1AA)(c)
ASIC2016/188

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on [page 12](#).

Rounding of amounts ¹⁰

ASIC2026/183
Revised illustration

The company is of a kind referred to in ASIC Legislative Instrument 2026/183, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

CA298(2)(a)

This report is made in accordance with a resolution of directors. ¹²

CA298(2)(c)

M K Hollingworth
Director

CA298(2)(b)
Disclosure of location
not mandatory

Sydney
22 August 2026



CA298(1AA)(c)
CA307C

Auditor's Independence Declaration

CA299(2)(b)
Revised illustration

As lead auditor of VALUE ACCOUNTS Simplified Disclosure Pty Ltd's financial report for the year ended 30 June 2026 and lead auditor of VALUE ACCOUNTS Simplified Disclosure Pty Ltd's sustainability report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report or the review of the sustainability report; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report or the review of the sustainability report.

A B Jones
Partner
PricewaterhouseCoopers

Sydney
22 August 2026

Directors' report

Contents of directors' reports

- CA299(2)
1. Detailed commentary on the content of the directors' report, including a table summarising the content by classes of entities can be found in our [Value Accounts Holdings Limited - Annual Financial Reporting](#) publication. The entity to be reported on is:
 - (a) the company, registered scheme or disclosing entity (if consolidated financial statements are not required), or
 - (b) the consolidated entity (if consolidated financial statements are required).

Comparative figures

- CR2M.3.03(2)
2. Comparative figures are not mandatory for directors' reports, but are recommended in the interests of more meaningful disclosure.

Review of operations, financial position, business strategies and prospects

- CA299(1)(a)
ASIC2016/188
3. CA 299(1)(a) requires all entities to present a review of the operations of the entity reported on and the results of those operations. We have not illustrated such disclosures as they should reflect the entity's individual circumstances and the business environment in which it operates and therefore be very entity-specific. *ASIC Corporations (Directors' Report Relief) Instrument 2016/188* permits presenting the review of operations as a separate section in the annual report, provided the directors' report refers to this section.

Likely developments and expected results of operations – unreasonable prejudice exemption

- CA299(3)
4. The report may omit material on likely developments and expected results of operations if it is likely that its disclosure would result in unreasonable prejudice to the company, the consolidated entity or any entity that is part of the consolidated entity. *ASIC Regulatory Guide 247 Effective disclosure in an operating and financial review* sets out ASIC's view on when the exemption can be applied. According to the guide, an entity should
 - (a) identify the adverse consequences that are likely to occur
 - (b) consider whether these consequences are reasonable, and
 - (c) assess whether it is likely (more probable than not) that they will occur.It will be difficult to demonstrate unreasonable prejudice if the relevant information has already been disclosed elsewhere, or can be inferred from information that is in the public domain. Where information has been omitted in reliance on the exemption, the entity must disclose this fact and should also provide a short, high level summary of the type of information that has been omitted and the reasons for the omission. ASIC further recommends that entities document their assessment in their working papers if they have relied on the exemption.

Indemnities and insurance premiums for officers and auditors

- CA300(8)
5. The directors' report must disclose information about any
 - (a) indemnity given to a current or former officer or auditor, and
 - (b) premium paid, or agreed to be paid, for insurance against a current or former officer's or auditor's liability for legal costto the extent the indemnities or insurance arrangements are not prohibited under CA 199A and CA 199B of the Corporations Act.
 6. We note that many companies are now agreeing to indemnify their auditor to the extent permitted under sub-sections 199A(2) and (3) of the *Corporations Act 2001*. Please note that the disclosure on page 9 is purely illustrative and is not intended to reflect or summarise the terms of actual arrangements in respect of the provision of services. Accordingly, users of this publication should obtain legal advice as to whether their particular arrangement will require disclosure, and as to the form of any such disclosure.
 7. See Appendix A(k) in our [Value Accounts Holdings - Annual financial reporting](#) publication for detailed commentary on the requirements for the disclosure of information on indemnities and/or insurance premiums for officers and auditors. The commentary includes illustrative wording for indemnities and indemnification agreements.

Directors' report

Proceedings on behalf of the company

- CA300(14),(15) 8. If no applications for leave have been made and/or no proceedings have been brought or intervened in on behalf of the company with leave, PwC's view is that it is not necessary to include a reference to these matters in the directors' report. If the directors wish to make a comment, the wording used in the illustrative report may be used as a guide.

Auditor's independence declaration

- CA307C 9. Under CA 307C(5), the auditor is required to give the declaration to the directors with the auditor's report. This would mean the auditor's report would need to be signed before the directors' report. However, auditing standards require the auditor to comment in the auditor's report on any material inconsistencies between the directors' report and the financial report, and to consider the impact of any material misstatements of fact in the directors' report. This makes it difficult for the auditor to sign the audit report before the directors' report is signed. As a result, CA 307C(5A) provides that the declaration may be given to the directors before they pass their resolution in relation to the directors' report and before the audit report is signed, provided that:
- (a) the declaration is given to the directors before the directors resolve to make the directors' report
 - (b) the directors' report is signed within 7 days after the declaration is given
 - (c) the auditor's report is made within 7 days after the directors' report is signed and includes a statement that:
 - (i) either the declaration would be in the same terms if it was given to the directors at the time the auditor's report is made, or
 - (ii) Circumstances have changed since the declaration was given to the directors and setting out how the declaration would differ if it was given to the directors at the time the auditor's report is made.

Rounding of amounts

- ASIC2026/183 10. The following disclosures must be shown to the nearest dollar by entities with assets (or consolidated assets) of more than \$10 million but not more than \$1,000 million, and may only be rounded to the nearest \$1,000 by entities with assets (or consolidated assets) of more than \$1,000 million:

Financial statement disclosures

AASB 2(50), AASB 1060(168)	Share-based payments
AASB 1054(10), AASB 1060(98)	Remuneration of auditors
AASB 124(17), AASB 1060(194)	Compensation of key management personnel
AASB 124(18), (18A), (19), AASB 1060(196), (198), (199)	Related party transactions

Directors' report disclosures

CA 300(1)(g), (8), (9)	Indemnification/insurance of officers or auditors
CA 300(11B), (11C), CA 300C(4), (6)	Non-audit services
CA 300(13)(a)	Fees paid to responsible entity and associates
CA 300A(1)(c), (1)(e), CA 300C(1)	Remuneration of directors and executives

Directors' report

The following disclosures may only be rounded to the nearest cent:

Financial statement disclosures

AASB 2(44), (46), AASB 1060(164) Share prices and exercise prices of options for share-based payment disclosures

Directors' report disclosures

CA 300(6)(c) Issue price of unissued shares or interests under option

CA 300(7)(d), (e) Amounts unpaid, paid, or agreed to be considered as paid, on shares or interests issued as a result of the exercise of an option.

ASIC2026/183

11. The conditions under which rounding is permitted for Australian companies:

- (a) if the amount is half or less than half the permitted rounding factor it must be shown as 'nil' or the equivalent thereof – except that if the amounts in the financial report (including the consolidated financial statements) and the comparative figures are half or less than half the prescribed amount, the item and the amount may be omitted
- (b) comparative amounts must also be rounded
- (c) the financial report or directors' report must state that the entity is an entity to which the ASIC instrument applies and that amounts have been rounded off in accordance with the instrument
- (d) each page where rounding has occurred must clearly disclose the extent of rounding, and
- (e) where amounts are rounded to the nearest \$100,000, they must be presented in the form of millions of dollars and one decimal place representing hundreds of thousands of dollars, with a clear indication that the amounts are presented in millions of dollars.

Dating and signing of report

CA298(2)

12. The directors' report must be made in accordance with a resolution of the directors, specify the date on which it was made and be signed by a director.

Directors' report

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

13. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

	Item	Nature of disclosure
CA300(1)(b)	The directors have recommended or declared dividends, but not paid during the year	Disclose the amount recommended but not paid.
CA298(1A)	The financial report includes additional information to give a true and fair view of the financial position and performance	Disclose the reasons for forming the view that the additional information is necessary for a true and fair view and specify where the information can be found.
CA300(1)(ca)	Officers who are former auditors	Disclose the name of each officer who was a partner in an audit firm that is the auditor of the entity for the current year and who was a partner or director in the firm at the time the firm undertook an audit of the entity.
CA300(1)(d)-(f),(3),(5)-(7)	Options granted over unissued shares	Disclose details of: <ul style="list-style-type: none"> • unissued shares or interests under option at the date of the report • shares or interests issued as a result of the exercise of an option, and • options granted over unissued shares or interests to directors and the 5 most highly remunerated officers.
CA300(14)	Applications for leave under CA237 to bring in, or intervene in, proceedings on behalf of the company	Disclose the applicant's name and whether leave was granted.
CA300(15)	Proceedings brought, or intervened in, on behalf of the company with leave under CA 237	Disclose the name of the person and of the parties to the proceedings, and sufficient information to enable members to understand the nature and status of the proceedings.
CA300(10)(a)-(d)	Additional disclosures required for non-listed public companies	Disclose qualifications, experience and special responsibilities of directors and company secretaries. Disclose directors' attendance at meetings.

VALUE ACCOUNTS Simplified Disclosure Pty Ltd

ABN XY XYZ XYZ XYZ

Annual financial report – 30 June 2026 ¹²

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AASB1060(31)(b),(d), (104)(a)	These financial statements are consolidated financial statements for the group consisting of VALUE ACCOUNTS Simplified Disclosure Pty Ltd and its subsidiaries. A list of major subsidiaries is included in <u>note 12</u> .
AASB1060(181)	The financial statements are presented in Australian dollars which is VALUE ACCOUNTS Simplified Disclosure Pty Ltd's functional and presentation currency.
AASB1060(31)(e) ASIC2016/292	All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated. ¹¹
AASB1060(32)(a)	VALUE ACCOUNTS Simplified Disclosure Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is: VALUE ACCOUNTS Simplified Disclosure Pty Ltd 350 Harbour Street Sydney NSW 2000.
AASB1060(32)(b)	A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on pages [x] to [y], both of which are not part of these financial statements.
AASB1060(186)	The financial statements were authorised for issue by the directors on 22 August 2026. The directors have the power to amend and reissue the financial statements.

Consolidated statement of profit or loss and other comprehensive income 1-4,8-10,14,23,24,50

AASB1060(49)(b),(54)	Notes	2026 \$'000	2025 ⁵⁻⁷ \$'000
AASB1060(52)(a)	Continuing operations		
	Revenue from contracts with customers ¹⁵	<u>3(a)</u> 197,659	161,604
	Other income	<u>4(a)</u> 12,609	12,938
	Other gains/losses	<u>4(b)</u> 4,101	(138)
AASB1060(58)(a)	Changes in inventories of finished goods and work in progress ²²	6,681	5,255
	Raw materials and consumables used	(62,218)	(54,108)
AASB1060(172)	Employee benefits expenses	(53,444)	(50,042)
	Depreciation and amortisation	(12,540)	(10,080)
	Transportation expense	(8,584)	(6,236)
	Advertising costs	(14,265)	(6,662)
AASB1060(139)	Research and development	<u>7(d)</u> (1,075)	(955)
	Other expenses	<u>4(c)</u> (8,376)	(3,012)
	Operating profit	60,548	48,564
AASB1060(52)(b)	Finance costs	<u>4(d)</u> (6,649)	(6,735)
AASB1060(52)(c)	Share of net profit of associates accounted for using the equity method	340	355
	Profit before income tax	54,239	42,184
AASB1060(52)(d)	Income tax	<u>5</u> (16,325)	(12,740)
	Profit from continuing operations	37,914	29,444
AASB1060(52)(e)(i)	Profit from discontinued operations ¹⁶⁻¹⁸	<u>11</u> 897	399
AASB1060(52)(f),(53)(a)	Profit for the period	38,811	29,843
	Other comprehensive income ¹⁹⁻²¹		
AASB1060(52)(g)(ii)	<i>Items that may be reclassified to profit or loss</i>		
AASB1060(122)(c)	Gains on cash flow hedges	<u>6(d)</u> (460)	(7)
AASB1060(122)(d)	Hedging gains reclassified to profit or loss	<u>6(d)</u> (155)	(195)
AASB1060(178)(a)	Income tax impact	184	60
AASB101(81A)(b)	Other comprehensive income for the period, net of tax	(431)	(142)
AASB1060(52)(i),(53)(b)	Total comprehensive income for the period	38,380	29,701
	Total comprehensive income for the period arises from:		
	Continuing operations	37,483	29,302
AASB1060(52)(e)(i)	Discontinued operations	<u>897</u>	399
		38,380	29,701

Not mandatory

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes. ¹²

Consolidated statement of financial position 1-4,8-10,25-29,50

AASB1060(36),(37)

Notes	2026 \$'000	2025 ⁵⁻⁷ \$'000
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ASSETS

AASB1060(38)

Current assets

AASB1060(35)(a)	Cash and cash equivalents	<u>6(a)</u>	44,925	37,786
AASB1060(35)(b)	Trade and other receivables	<u>6(b)</u>	15,662	8,220
AASB1060(44)(b),(159)	Contract assets ³¹	<u>3(b)</u>	1,831	3,081
AASB1060(35)(d)	Inventories	<u>7(f)</u>	22,153	19,672
AASB1060(35)(c)	Other financial assets	<u>6(c)</u>	12,400	11,757
AASB1060(35)(c)	Derivative financial instruments	<u>6(d)</u>	145	97
AASB1060(44)	Prepayments		491	428
			97,607	81,041
AASB1060(35)(r)	Assets classified as held for sale	<u>7(g),11</u>	250	4,955
	Total current assets		97,857	85,996

AASB1060(39)

Non-current assets

AASB1060(35)(i)	Investments accounted for using the equity method	<u>12(c)</u>	3,340	3,160
AASB1060(35)(c)	Derivative financial instruments	<u>6(d)</u>	308	712
AASB1060(35)(c),(113)(b)	Other financial assets	<u>6(c)</u>	5,886	3,609
AASB1060(35)(e)	Property, plant and equipment	<u>7(a)</u>	111,207	91,640
	Right-of-use assets ³⁰	<u>7(b)</u>	9,756	9,508
AASB1060(35)(f)	Investment properties	<u>7(c)</u>	13,300	10,050
AASB1060(35)(g)	Intangible assets	<u>7(d)</u>	24,550	20,945
	Total non-current assets		168,347	139,624
	Total assets		266,204	225,620

LIABILITIES

AASB1060(40)

Current liabilities

AASB1060(35)(k)	Trade and other payables	<u>6(e)</u>	15,090	11,243
AASB1060(35)(l),(113)(d)	Liabilities under supplier finance arrangement ³²⁻³³	<u>6(f)</u>	670	480
AASB1060(44)(d),(159)	Contract liabilities ³¹	<u>3(b)</u>	1,982	1,525
AASB1060(35)(l),(113)(d)	Borrowings	<u>6(g)</u>	8,400	7,995
	Lease liabilities ³⁰	<u>7(b)</u>	3,008	2,777
AASB1060(35)(l),(113)(c)	Derivative financial instruments	<u>6(d)</u>	766	777
AASB1060(35)(m)	Current tax liabilities		1,212	1,108
AASB1060(44)(e)	Employee benefit obligations ³⁰	<u>7(h)</u>	690	470
AASB1060(35)(o),(44)(e)	Provisions	<u>7(i)</u>	2,697	1,240
	Total current liabilities excluding liabilities relating to assets held for sale		34,515	27,615
AASB1060(35)(s)	Liabilities relating to assets classified as held for sale	<u>7(g),11</u>	-	500
	Total current liabilities		34,515	28,115

		Notes	2026 \$'000	2025 \$'000
AASB1060(41)	Non-current liabilities			
AASB1060(35)(l),(113)(d)	Borrowings	<u>6(g)</u>	72,300	76,600
	Lease liabilities ³⁰	<u>7(b)</u>	8,493	8,514
AASB1060(35)(n)	Deferred tax liabilities	<u>7(e)</u>	1,300	786
AASB1060(44)(e)	Employee benefit obligations ³⁰	<u>7(h)</u>	2,358	2,270
AASB1060(35)(o),(44)(e)	Provisions	<u>7(i)</u>	1,573	1,382
	Total non-current liabilities		<u>86,024</u>	<u>89,552</u>
	Total liabilities		<u>120,539</u>	<u>117,667</u>
	Net assets		<u>145,665</u>	<u>107,953</u>
	EQUITY			
AASB1060(35)(q)	Share capital	<u>8(a)</u>	87,705	62,619
AASB1060(44)(f)	Hedging reserve	<u>8(b)</u>	(224)	21
	Retained earnings		<u>58,184</u>	<u>45,313</u>
AASB1060(35)(q)	Total equity		<u>145,665</u>	<u>107,953</u>

Not mandatory *The above consolidated statement of financial position should be read in conjunction with the accompanying notes. ¹²*

Consolidated statement of changes in equity ^{1-4,8-10,34-35,50}

CA295(1)(a),(2)(b)
AASB1060(25)(c),(60)

	Notes	Share capital \$'000	Hedging reserve \$'000	Retained earnings \$'000	Total \$'000
AASB1060(61)(c)	Balance at 1 July 2024 ⁵⁻⁷	62,619	(312)	28,335	90,642
AASB1060(61)(c)(i)	Profit for the period	-	-	29,843	29,843
AASB1060(61)(c)(ii)	Other comprehensive income for the period	-	(142)	-	(142)
AASB1060(61)(a)	Total comprehensive income for the period	-	(142)	29,843	29,701
	Deferred hedging gains and losses and costs of hedging transferred to the carrying value of inventory purchased during the year (net of tax)	-	475	-	475
AASB1060(61)(c)(iii)	Transactions with owners in their capacity as owners:				
	Dividends provided for or paid	<u>8(c)</u> -	-	(12,865)	(12,865)
		-	-	(12,865)	(12,865)
AASB1060(61)(c)	Balance at 30 June 2025	62,619	21	45,313	107,953
AASB1060(61)(c)(i)	Profit for the period	-	-	38,811	38,811
AASB1060(61)(c)(ii)	Other comprehensive income	-	(431)	-	(431)
AASB1060(61)(a)	Total comprehensive income for the period	-	(431)	38,811	38,380
	Deferred hedging gains and losses and costs of hedging transferred to the carrying value of inventory purchased during the year (net of tax)		186	-	186
AASB1060(61)(c)(iii)	Transactions with owners in their capacity as owners:				
	Contributions of equity, net of transaction costs and tax	<u>8(a)</u> 10,305	-	-	10,305
	Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax	<u>8(a),10</u> 14,781	-	-	14,781
	Dividends provided for or paid	<u>8(c)</u> -	-	(25,940)	(25,940)
		<u>25,086</u>	-	(25,940)	(854)
AASB1060(61)(c)	Balance at 30 June 2026	87,705	(224)	58,184	145,665

Not mandatory *The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.* ¹²

Consolidated statement of cash flows 1-4,8-10,36,37,40,44,47-50

	Notes	2026 \$'000	2025 ⁵⁻⁷ \$'000
AASB1060(67),(70)(b),(73)	Cash flows from operating activities		
AASB1060(67)(a)	Receipts from customers (inclusive of GST) ^{45,46}	197,050	184,672
AASB1060(67)(c),(d)	Payments to suppliers and employees (inclusive of GST)* ^{45,46}	<u>(138,813)</u>	<u>(143,847)</u>
		58,237	40,825
AASB1060(67)(f)	Payments for financial assets at FVTPL (held for trading purposes)	<u>6(c)</u> (135)	(1,235)
AASB1060(67)(f)	Proceeds from disposal of financial assets at FVTPL	600	-
	Insurance recovery relating to fire	<u>1</u> 300	-
	Transaction costs relating to acquisition of subsidiary	<u>10</u> (750)	-
AASB1060(67)(b)	Other revenue	7,490	7,484
AASB1060(67)(f),(83)	Interest paid	(6,368)	(4,507)
AASB1060(67)(e),(85)	Income taxes paid ³⁹	<u>(16,411)</u>	<u>(12,061)</u>
	Net cash inflow from operating activities	<u>43,054</u>	<u>30,476</u>
AASB1060(68),(74)	Cash flows from investing activities		
AASB1060(68)(c),(74)	Payment for acquisition of subsidiary, net of cash acquired	<u>10</u> (3,940)	-
AASB1060(68)(a)	Payments for property, plant and equipment	<u>7(a)</u> (24,587)	(14,409)
AASB1060(68)(a)	Payments for investment property	<u>7(c)</u> (1,900)	-
AASB1060(68)(c)	Payments for financial assets at FVTPL (not held for trading purposes)	<u>6(c)</u> -	(910)
AASB1060(68)(c)	Payments for other financial assets	-	(1,265)
AASB1060(68)(a)	Payment of software development costs	(735)	(765)
AASB1060(68)(e)	Loans to related parties	(1,180)	(730)
AASB1060(68)(b),(74)	Proceeds from sale of subsidiary	<u>11</u> 3,110	-
AASB1060(68)(b)	Proceeds from sale of property, plant and equipment	9,585	639
AASB1060(68)(f)	Repayment of loans by related parties	469	626
AASB1060(82),(83)	Distributions received from associates	<u>12(c)</u> 160	220
AASB1060(82),(83)	Dividends received ³⁸	3,300	4,300
AASB1060(82),(83)	Interest received ³⁸	<u>1,399</u>	<u>1,019</u>
	Net cash (outflow) from investing activities	<u>(14,319)</u>	<u>(11,275)</u>

	Notes	2026 \$'000	2025 ⁵⁻⁷ \$'000
AASB1060(69),(74)		Cash flows from financing activities	
AASB1060(69)(a)	<u>8(a)</u>	10,413	-
AASB1060(69)(c)	<u>6(g)</u>	25,553	24,746
AASB1060(69)(c)	<u>6(f)</u>	3,070	2,520
	<u>8(a)</u>	(200)	-
AASB1060(69)(d)	<u>6(g)</u>	(29,879)	(22,835)
AASB1060(69)(d)	<u>6(f)</u>	(2,980)	(2,550)
AASB1060(69)(e)	<u>7(b)</u>	(1,942)	(1,338)
AASB1060(84)	<u>8(c)</u>	(25,940)	(12,865)
		(21,905)	(12,322)
		6,739	6,909
		35,536	28,627
	<u>6(a)</u>	42,275	35,536
AASB1060(86)	<u>9(a)</u>		

Not mandatory *The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*¹²

* These amounts include payments to suppliers under supplier finance arrangements^{42,43}

Financial statements

Presentation in the primary financial statements

- AASB1060(BC54)
1. While AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* is a disclosure standard, it includes the presentation requirements of standards that have been replaced in their entirety by AASB 1060, being:
- (a) AASB 7 Financial Instruments: Disclosures
 - (b) AASB 12 Disclosure of Interests in Other Entities
 - (c) AASB 101 Presentation of Financial Statements
 - (d) AASB 107 Statement of Cash Flows, and
 - (e) AASB 124 Related Party Disclosures.
- AASB1060(IG1)
2. However, entities will need to refer to other standards that have not been replaced in their entirety to ensure compliance with specific presentation requirements, including AASB 5 *Non-current Assets Held-for-Sale and Discontinued Operations*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. A full list of the presentation requirements that continue to apply is provided in the implementation guidance to AASB 1060 (IG1).
- AASB1060(BC55)
3. As a general rule, the presentation requirements in AASB 1060 are consistent with those in full Australian Accounting Standards (AAS), even if not all of the guidance from the full standards is included in AASB 1060. Therefore, there should not be any substantial presentation differences between the two disclosure frameworks, except for the following:
- AASB1060(52)(h)
- (f) AASB 1060 permits the separate presentation of the share of other comprehensive income of associates and joint ventures as a single item and does not require separate presentation of the share of items that may be reclassified, and those that will not be reclassified to profit or loss.
- AASB1060(26)
- (a) AASB 1060 allows entities not to include a statement of changes in equity under certain circumstances, see [paragraph 32](#) below.

Alternative titles for the financial statements

- AASB1060(30)
4. We have changed the titles of the financial statements this year to be consistent with the titles used in the accounting standards. While we are now referring to 'statement of financial position' and 'statement of profit or loss', entities can use other titles such as 'balance sheet' and 'income statement'.

Comparative information

- AASB1060(20)
5. Except where an Australian Accounting Standard permits or requires otherwise, comparative information shall be disclosed in respect of the preceding period for all amounts reported in the financial statements. Comparative information shall be included for narrative and descriptive information where it is relevant to an understanding of the current period's financial statements.

No financial statements prepared in the previous year

- AASB1060(20)
6. Comparative information must be provided even if the entity did not prepare financial statements under the Corporations Act 2001 in the previous financial year, e.g. where a small proprietary company became large or foreign controlled during the reporting period.
7. In some cases, narrative information provided in the financial statements for the previous period(s) continues to be relevant in the current period. For example, details of a legal dispute, the outcome of which was uncertain at the end of the immediately preceding reporting period and that is yet to be resolved, are disclosed in the current period. Users benefit from information that the uncertainty existed at the end of the immediately preceding reporting period, and about the steps that have been taken during the period to resolve the uncertainty.

Consistency

- AASB1060(17)
8. The presentation and classification of items in the financial statements must be retained from one period to the next unless:
- (a) it is apparent that another presentation or classification would be more appropriate based on the criteria for the selection and application of accounting policies in AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (e.g. following a significant change in the nature of the entity's operations or a review of its financial statements), or
 - (b) an Australian Accounting Standard requires a change in presentation.

Financial statements

Materiality

- AASB1060(21)-(23)
9. Entities must present separately:
- (a) each material class of similar items, and
 - (b) items of dissimilar nature or function unless they are dissimilar.
- AASB1060(Appendix A)
10. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether the omission or misstatement could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. In particular circumstances either the nature or the amount of an item or an aggregate of items could be the determining factor

Rounding

- ASIC2026/183
11. See the commentary to Directors' Report on rounding of amounts for information about the conditions under which rounding is permitted for Australian companies.

Primary financial statements should be read in conjunction with accompanying notes

12. VALUE ACCOUNTS Simplified Disclosure Pty Ltd reminds readers by way of a footnote that the primary financial statements should be read in conjunction with the accompanying notes. However, this is not mandatory and we note that there is mixed practice in this regard.

Financial statements vs financial report

- CA295(1)
13. While the term 'financial report' is no longer used in the accounting standards, it is still a defined term in the *Corporations Act 2001* and covers:
- (a) the complete set of financial statements (as per above), and
 - (b) the directors' declaration.

Statement of profit or loss and other comprehensive income

Additional line items

- AASB1060(56)
14. Additional line items, headings and subtotals shall be presented in the statement of comprehensive income and the statement of profit or loss (where applicable) where such presentation is relevant to an understanding of the entity's financial performance. For example, a subtotal of gross profit (revenue from sales less cost of sales) could be included where expenses have been classified by function.

Revenue from contracts with customers and from other sources

- AASB1060(56)
15. AASB 1060 does not require separate disclosure of interest revenue calculated using the effective interest method from other revenue, as is required in AASB 101 *Presentation of Financial Statements*. However, even though AASB 1060 only requires separate disclosure of the aggregate revenue from all sources, VALUE ACCOUNTS Simplified Disclosure Pty Ltd is presenting revenue from contracts with customers separately from other revenue, as it considers this to provide relevant information for users about the financial performance of the entity.

Discontinued operations

- AASB1060(52)(e)
16. Entities shall disclose a single amount in the statement of comprehensive income (or separate statement of profit or loss) comprising the total of (i) the post-tax profit or loss of discontinued operations and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operations.
- AASB5(34)
17. The disclosures for discontinued operations must be re-presented for prior periods so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented. The discontinued operations presented in the statement of comprehensive income and statement of cash flows in the comparative period should therefore include all operations that have been discontinued by the end of the most recent reporting period. This means that the statements of comprehensive income and cash flows for the comparative period should show as discontinued operations both those reported as discontinued in the previous period together with those classified as discontinued in the current period. This will ensure that the amounts disclosed in the statement of comprehensive income and cash flows for continuing operations are comparable and provide a more useful basis for predicting future results.
- AASB5(40)
18. In contrast, the information in the statement of financial position for the prior year is neither restated nor remeasured.

Financial statements

Components of other comprehensive income

- AASB1060(Appendix A)
19. Components of other comprehensive income (OCI) are items of income and expense (including reclassification adjustments) that are specifically required or permitted by other Australian Accounting Standards to be included in other comprehensive income and are not recognised in profit or loss. They currently include:
- (a) revaluation gains and losses relating to property, plant and equipment or intangible assets
 - (b) remeasurements of net defined benefit liabilities/(assets)
 - (c) gains and losses arising from translating the financial statements of a foreign operation
 - (d) gains and losses on remeasuring financial assets that are measured or designated as at fair value through OCI
 - (e) the effective portion of gains and losses on hedging instruments in a cash flow hedge
 - (f) for particular liabilities designated as at fair value through profit or loss, the change in the fair value that is attributable to changes in the liability's credit risk
 - (g) changes in the value of the time value of options, in the value of the forward elements of forward contracts and in the value of the foreign currency basis spread of financial instruments, where these are not included in the designation of the related instruments as hedging instruments
 - (h) the investor's share of the OCI of equity-accounted investments, and
 - (i) current and deferred tax credits and charges in respect of items recognised in OCI

- AASB1060(52)(g),(h)
20. The items of OCI, except for the investor's share of the OCI of equity-accounted investments, must be grouped into those that may be reclassified subsequently to profit or loss and those that will not be subsequently reclassified to profit or loss.

- AASB5(38)
21. AASB 5 is unclear as to whether entities need to separate out items of other comprehensive income between continuing and discontinued operations. We believe that it would be consistent with the principles of AASB 5 to do so, as it would provide a useful base for predicting the future results of the continuing operations. We also note that entities must present separately any cumulative income or expense recognised in other comprehensive income that relates to a non-current asset or disposal group classified as held for sale.

Classification of expenses

- AASB1060(58)
22. An analysis of expenses shall be presented using a classification based on either the nature of expenses or their function within the entity, whichever provides information that is reliable and more relevant. The analysis can be presented in the statement of profit or loss and other comprehensive income or in the notes.

Offsetting

- AASB1060(24)
23. Assets and liabilities, and income and expenses, must not be offset unless required or permitted by an Australian Accounting Standard.

Goods and Services Tax

- UIG1031(6),(7)
24. UIG 1031 *Accounting for the Goods and Services Tax (GST)* provides that revenues and expenses must be recognised net of the amount of GST, except that where GST relating to expense items is not recoverable from the taxation authority it must be recognised as part of the item of expense. We recommend that entities that are not able to recover GST relating to particular expense items should include a policy note indicating which expense items disclosed in the financial statements are inclusive of non-recoverable GST. They could also amend the wording of specific disclosures (e.g. auditor's remuneration - refer to commentary on remuneration of auditors - [note 17](#)) to make it clear that the amounts disclosed are inclusive of non-recoverable GST.

Statement of financial position

Current/non-current distinction

- AASB1060(37)
25. An entity presents current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position except where a presentation based on liquidity provides information that is reliable and is more relevant. Where that exception applies, all assets and liabilities are presented broadly in order of liquidity.
- AASB1060(38),(40)
26. Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even where they are not expected to be realised within 12 months after the reporting period. Some current liabilities, such as trade payables and some accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle. Such operating items are classified as current liabilities even if they are due to be settled more than 12 months after the reporting period.

Financial statements

AASB1060(39)

27. The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in the form of cash or cash equivalents. Where the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months.

Separate line items

AASB1060(35),(36),(42)

28. Paragraph 35 of AASB 1060 sets out the line items that are, as a minimum, required to be presented in the statement of financial position. Additional line items, heading and subtotals should be added where they are relevant to an understanding of the entity's financial position. The descriptions used and the sequencing of items or aggregation of similar items may be amended according to the nature of the entity and its transactions.

AASB1060(43)

29. The judgement on whether additional items are presented separately is based on the amounts, nature and liquidity of assets, the function of assets within the entity and the amounts, nature and timing of liabilities.

30. VALUE ACCOUNTS Simplified Disclosure Pty Ltd has elected to present the following items separately, because this provides more relevant information to users:

- (a) contract assets and contract liabilities recognised in relation to revenue from contracts with customers
- (b) right-of-use assets and lease liabilities, and
- (c) employee benefit obligations.

AASB1060(159)

31. If contract assets and contract liabilities are not presented separately in the statement of financial position, the closing balances would need to be disclosed in the notes.

Supplier finance arrangements

32. Judgement might be needed to determine how to present supplier finance arrangements in the statement of financial position. In 2020, the 'Committee published an agenda decision on the presentation of a liability that is part of a supplier finance arrangement. The agenda decision explained that an entity presents a financial liability as a trade payable only when the liability:

- represents a liability to pay for goods or services;
- is invoiced or formally agreed with the supplier; and
- is part of the working capital used in the entity's normal operating cycle.

Based on the terms and conditions of its supplier finance arrangement, VALUE ACCOUNTS Simplified Disclosure Pty Ltd has determined to present the arrangement as a separate line item 'Liabilities under supplier finance arrangement', and it has disclosed this as a significant judgement in [note 6\(f\)](#).

33. The presentation of the liabilities under supplier finance arrangements is a particular area of judgement. For further guidance, see our In depth INT2023-06 [Bringing transparency on supplier finance](#), which explains issues to consider when determining the appropriate presentation and disclosure of such arrangements

Statement of changes in equity

AASB1060(61)

34. The statement of changes in equity shall include:

- (a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests
- (b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108
- (c) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:
 - (i) profit or loss
 - (ii) other comprehensive income, and
 - (iii) investments by, and dividends and other distributions to, owners in their capacity as owners, showing separately issues of shares, treasury share transactions, dividends and other distributions to owners and changes in ownership interests in subsidiaries that do not result in loss of control.

AASB1060(26)

35. If the only changes to equity during the periods for which financial statements are presented arise from profit or loss, payment of dividends, corrections of prior period errors, and changes in accounting policy, the entity may present a single statement of income and retained earnings in place of the statement of comprehensive income and statement of changes in equity. We have illustrated a statement of income and retained earnings in [Appendix A](#).

Financial statements

Statement of cash flows

Definition of cash and cash equivalents

AASB1060
(Appendix A),(65)

36. Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition. Financial instruments can only be included if they are in substance cash equivalents, e.g. debt investments with fixed redemption dates that are acquired within three months of their maturity.

Net presentation of cash flows

AASB1060(75)-(78)

37. Cash inflows and outflows must generally be reported gross unless they relate to

- (a) cash receipts and payments on behalf of customers which reflect the activities of the customer rather than the entity, or
- (b) items in which the turnover is quick, the amounts are large, and the maturities are short.

Financial institutions may also report certain cash flows on a net basis.

Interest, dividends and taxes

AASB1060(82)-(84)

38. AASB 1060 does not specify how to classify cash flows from interest paid and interest and dividends received. VALUE ACCOUNTS Simplified Disclosure Pty Ltd has chosen to present interest paid as operating cash flows, but dividends and interest received as investing cash flows because they are returns on the group's investments. Dividends paid are classified in this publication as financing cash flows because they are a cost of obtaining financial resources. However, they could also be classified as operating cash flows to assist users in determining the ability of an entity to pay dividends out of operating cash flows.

AASB1060(85)

39. Cash flows arising from income taxes must be separately disclosed and are classified as operating cash flows unless they can be specifically identified with financing or investing activities.

Tax consolidation and cash flows

AASB1060(85)

40. Income taxes paid by head entities in a tax consolidated group include amounts paid on behalf of the tax consolidated entities. Amounts received by the head entity under a tax funding agreement should be separately disclosed. However, in the statement of cash flows of a tax consolidated entity, these amounts paid to the head entity represent cash flows arising from taxes on income and should be presented as such, despite the fact that they are paid to the head entity, not the taxation authorities.

Leases

AASB16(50)

41. Cash flows relating to leases must be presented as follows:

- (a) cash payments for the principal portion of the lease liabilities as cash flows from financing activities
- (b) cash payments for the interest portion consistent with presentation of interest payments chosen by the group, and
- (c) short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities as cash flows from operating activities.

As this is presentation guidance, it is not superseded by AASB 1060 and continues to apply, see commentary [paragraph 1](#) above.

Financial statements

Supplier finance arrangements

AASB 1060(66)

42. Judgement might be needed to determine how to present the cash flows that occur under supplier finance arrangements on the statement of cash flows.

The 2020 IFRIC agenda decision noted that an entity's assessment of the nature of the liabilities that are part of a supplier finance arrangement might help in determining whether the related cash flows arise from operating or financing activities. For example, if the entity considers the related liability to be a trade or other payable that is part of the working capital used in the entity's principal revenue-producing activities, the entity presents cash outflows to settle the liability as arising from operating activities in its statement of cash flows. In contrast, if the entity considers that the related liability is not a trade or other payable because the liability represents borrowings of the entity, the entity presents cash outflows to settle the liability as arising from financing activities in its statement of cash flows.

The agenda decision also notes that, if a cash inflow and cash outflow occurred for a buyer when an invoice is factored as part of a supplier financing arrangement, the buyer presents those cash flows in its statement of cash flows. However, AASB 107 does not provide explicit guidance on how an entity determines whether a cash flow occurred for the buyer in circumstances where another party makes a payment on the entity's behalf.

Based on the terms and conditions of its supplier finance arrangement, VALUE ACCOUNTS Simplified Disclosure Pty Ltd has determined that the presentation of an operating cash outflow and a financing cash inflow at the point in time when the bank pays the supplier, along with a financing cash outflow when it subsequently makes the payment to the bank, is the most appropriate. VALUE ACCOUNTS Simplified Disclosure Pty Ltd has disclosed this as a significant judgement in [note 6\(f\)](#).

43. The presentation of the cash flows from supplier finance arrangements is a particular area of judgement. For further guidance see our In depth INT 2023-06 [Bringing transparency on supplier finance](#) on Viewpoint, which explains issues to consider when determining the appropriate presentation and disclosure of such arrangements

Discontinued operations

AASB1060(91)(c)

44. AASB 1060 does not require separate disclosure of the cash flows attributable to discontinued operations. However, where an entity has discontinued a significant part of its operating activities, providing this information either in the notes or on the face of the cash flow statement may be relevant to an understanding of the entity's future cash flow generating ability.

Goods and Services Tax (GST)

UIG1031(10)

45. Cash flows shall be included in the statement of cash flows on a gross basis, subject to [paragraph 43](#) below and to AASB 1060.

UIG1031(11)

46. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority shall be classified as operating cash flows and will be included in receipts from customers or payments to suppliers, as appropriate. Although GST amounts are not required to be disclosed in statements of cash flows, entities can choose to make specific GST disclosures in the statement itself or in notes to the statement.

Where no cash flows

47. A statement of cash flows must be included in the financial report even if there are no cash flows (and no cash or cash equivalent balances). Preferably, the statement should include the minimum line items that are required to be presented under AASB 1060, with zero amounts for the current and comparative period. However, it may also be acceptable to replace the individual line items with an explanation that there were no cash flows during the current and previous financial years, provided this explanation is given under the heading of 'statement of cash flows' and is presented as part of the financial statements, before the notes to the financial statements.

48. You will also need to take care to comply with the disclosure requirements of AASB 1060 relating to any non-cash financing or investing activities (refer to [note 9](#)).

Reconciliation of net operating cash flow to profit or loss

AASB1060(86),(87)

49. Entities that have previously prepared special purpose financial statements and presented their statement of cash flows using the direct method had to include a reconciliation of net operating cash flows to profit or loss in the notes to their financial statements. While there is no such requirement in AASB 1060, the reconciliation may help with the preparation of the cash flow statement.

Financial statements

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

50. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

Affecting all financial statements

	Issue not illustrated	Relevant disclosures or references
AASB1060(105)	Separate financial statements	Disclose why they are prepared, a list of significant investments and the policies applied in accounting for these investments.
AASB1060(181),(182)	Foreign currency translation	Disclose if the presentation currency is different from the functional currency, if there have been changes in the functional currency and clearly identify supplementary information that is presented in a currency other than the parent entity's functional or presentation currency.
AASB1060(16)	Reporting period is shorter or longer than one year	Disclose the period covered, the reason for different periods and the fact that the amounts are not entirely comparable.
AASB1060(18),(19)	Presentation or classification of an item has changed and reclassification of comparatives is impracticable	Disclose why reclassification was not practicable.

Statement of profit or loss and other comprehensive income

AASB1060(53)	Non-controlling interests	Disclose profit or loss and total comprehensive income attributable to (i) non-controlling interests and (ii) owners of the parent in the statement(s) presenting profit or loss and other comprehensive income respectively. See Appendix A for an illustration.
AASB1060(52)(g)(i),(ii)	Items in other comprehensive income which will not be reclassified subsequently to profit or loss including but not limited to: <ul style="list-style-type: none"> • revaluation of property, plant and equipment and intangible assets • changes in the fair value of equity investments at fair value through OCI • remeasurements of post-employment benefit obligations 	Separately disclose these items under "Items that will not be reclassified to profit or loss" in the statement of other comprehensive income.
AASB1060(52)(h)	Share of the OCI of associates and joint ventures accounted for by the equity method	Disclose the amount in the statement of other comprehensive income but without distinction into amounts which will or will not be reclassified subsequently to profit or loss.
AASB5(38)	Items of OCI relating to discontinued operations	Present separately in the statement of profit or loss and other comprehensive income.
AASB1060(27)	The entity has no items of other comprehensive income in any of the periods for which financial statements are presented	The entity may present only a statement of profit or loss, or present a statement of profit or loss and other comprehensive income in which the bottom line is labelled 'profit or loss'.

Statement of financial position and statement of changes in equity

AASB1060(35)(p),(61)(a)	Non-controlling interests	Disclose non-controlling interests separately from the equity attributable to the owners of the parent.
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Statement of cash flows

AASB1060(81)	Cash and cash equivalent held or due in a foreign currency	Present unrealised foreign exchange gain or loss separately from cash flows from operating, investing and financing activities (see Appendix A for an illustration).
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Notes to the financial statement

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Contents of the notes to the financial statements

Content

AASB1060(91)

1. The notes to the financial statements of an entity shall:
 - (a) present information about the basis of preparation of the financial statements and the specific accounting policies used in accordance with paragraphs 95 to 97 of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
 - (b) disclose the information required by AASB1060 that is not presented elsewhere in the financial statements, and
 - (c) provide additional information that is not presented elsewhere in the financial statements, but is relevant to an understanding of any of them.

Structure of the notes

AASB1060(92)

2. Notes shall, as far as practicable, be presented in a systematic manner, keeping in mind the understandability and comparability of the financial statements. Each item in the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows shall be cross referenced to any related information in the notes.

AASB1060(93)

3. Examples of systematic ordering of notes include:
 - (a) giving prominence to the areas of the entity's activities that are most relevant to an understanding of the financial performance and financial position, (for example, by grouping together information about particular operating activities),
 - (b) grouping together information about items that are measured similarly, (for example, assets measured at fair value), or
 - (c) following the order of the line items in the financial statements, by disclosing
 - (i) a statement of compliance with Australian Accounting Standards - Simplified Disclosures (refer to paragraph 10 of AASB 1060)
 - (ii) a summary of material accounting policy information applied (refer to paragraph 95 of AASB 1060)
 - (iii) supporting information for items presented in the statements of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, in the order in which each statement and each line item is presented, and
 - (iv) other disclosures, including:
 - contingent liabilities (refer to paragraph 154 of AASB 1060) and unrecognised contractual commitments, and
 - non-financial disclosures (for example, the entity's financial risk management on hedging (refer to paragraph 120 to 122 of AASB 1060)).
4. Traditionally, most financial statements have used the structure suggested in para 3(c) above. However, financial report preparers increasingly consider annual reports including the financial statements to be an important tool in the communication with stakeholders. As a consequence, there is a growing interest in alternative formats of the financial statements.
5. This VALUE publication demonstrates one possible way of how financial statements could be improved if the existing information was presented in a more user-friendly order. To do so, we have presented information about specific aspects of the VALUE ACCOUNTS Simplified Disclosure's financial position and performance together. For example, information about financial and non-financial assets and liabilities is presented separately in notes 6 and 7, information about the group structure and interests in other entities is presented in note 12 and information about unrecognised items in notes 13 to 15. Colour coding helps to find relevant information quickly.
6. In addition, the notes relating to individual line items in the financial statements disclose the relevant accounting policies as well as information about significant estimates or judgements. Accounting policies that merely summarise mandatory requirements are disclosed at the end of the financial report, because they are consistent for all entities and will not provide entity-specific information to users. This structure makes the information in the financial statements more accessible for users and it provides a basis for considering the most useful structure for an entity's reporting.
7. However, it is important to note that the structure used in this publication is not mandatory and it is only one possible example of improved readability. In fact, our experience has shown that there is no single structure that is suitable for all entities. Rather, the appropriate structure depends on the entity's business and each entity should consider what would be most useful and relevant for their stakeholders based on their individual circumstances. Further, entities might be required to adapt their financial statement structures as their operations evolve and new Australian Accounting Standards requirements become applicable.

Contents of the notes to the financial statements

8. When drafting the disclosures in the notes to the financial statements, it should be remembered that too much immaterial information could obscure the information that is actually useful to readers. Some of the disclosures in this publication would likely be immaterial if VALUE ACCOUNTS Simplified Disclosure Pty Ltd was a 'real life' company. The purpose of this publication is to provide a broad selection of illustrative disclosures which cover most common scenarios encountered in practice. The underlying story of the company only provides the framework for these disclosures and the amounts disclosed are not always realistic. Disclosures should not be included where they are not relevant or not material in specific circumstances.

Notes to the financial statements

Separate note not mandatory

1. Significant transactions and events in the current reporting period ¹⁻⁵

AASB1060(91)(c)

The financial position and performance of the group was particularly affected by the following transactions and events during the reporting period:

- The acquisition of VALUE Electronics Pty Ltd in October 2025 (see [note 10](#)) which resulted in an increase in property, plant and equipment ([note 7\(a\)](#)) and the recognition of goodwill and other intangible assets ([note 7\(d\)](#)).
- The sale of VALUE Equipment Hire Pty Ltd in August 2025 (see [note 11](#)).

AASB1060(169),(170)

A fire in Maitland in September 2025 which damaged a major office and warehouse building owned by a subsidiary and destroyed equipment and inventories stored in the warehouse. Impairment losses of \$1,210,000 were recognised as a result of the fire, of which \$675,000 related to the building and associated equipment and \$535,000 to inventory (see [note 4\(c\)](#)). An amount of \$300,000 was received by the group from an insurance company as compensation for the damage caused by the fire and recognised in other income.

AASB1060(91)(c)

A review of the smartphones and tablets division resulted in a decision to reduce the manufacturing output as a result of declining sales. This led to redundancies, and a goodwill impairment charge (see [note 7\(d\)](#) and [note 7\(i\)](#)).

Recent developments that could affect the financial position and performance

When preparing their annual financial statements, entities should also consider the impact of the following developments:

- Tariff consideration – see [commentary paragraph 5 to note 2](#)
- Geopolitical risks – see In depth INT2024-04 [Accounting implications of geopolitical conflicts](#)
- Whether an economy has become hyper-inflationary or has ceased to be hyper-inflationary – see Viewpoint for regular updates on economies that are identified as hyper-inflationary.

Significant transactions and events

1. AASB 1060 does not require a summary of significant events and transactions that have affected the company's financial position and performance during the period under review. However, it may help readers understand the entity's performance and changes to the entity's financial position during the year if this information is provided upfront as the first item in the notes, together with references to other significant transactions and events that are disclosed elsewhere.
2. There is also no explicit requirement to disclose individually significant items of income and expense, but entities still need to provide information that is not presented elsewhere in the financial statements but is relevant to an understanding of any of them. The AASB has stated that it would monitor entities' disclosure practices and may add a requirement to disclose individually significant items of income and expense if it becomes apparent that entities do not provide sufficient disclosures in this regard.

Disclosures not illustrated: going concern disclosures

3. When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless management either intends either to liquidate the entity or to cease trading, or it has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that might cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed. Where the financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.
4. Where there are material uncertainties about the entity's ability to continue as a going concern, this fact should be disclosed upfront (for example, in a note such as this).
5. A disclosure of material uncertainties about the entity's ability to continue as a going concern should:
 - (a) adequately describe the principal events and conditions that give rise to the significant doubt as to the entity's ability to continue as a going concern
 - (b) explain management's plans to deal with these events or conditions, and
 - (c) state clearly that:
 - (i) there is a material uncertainty related to events or conditions that might cast significant doubt on the entity's ability to continue as a going concern, and
 - (ii) the entity might therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

AASB1060(91)(c)
(BC81),(BC82)

How the numbers are calculated

Not mandatory

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

- a. accounting policies that are relevant for an understanding of the items recognised in the financial statements; these cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction
- b. analysis and sub-totals
- c. information about estimates and judgements made in relation to particular items.

2	<u>Critical estimates and judgements</u>	37
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2. Critical estimates and judgements ^{1-4,7}

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

AASB1060(96),(97)

(a) Critical estimates and judgements

The areas involving significant estimates or judgements are:

- estimation of current tax payable and current tax expense in relation to uncertain tax position – [note 5\(b\)](#)
- estimated loss allowance on trade receivables – [note 6\(b\)](#)
- estimation of fair values of investment properties – [note 7\(c\)](#)
- estimated goodwill impairment – [note 7\(d\)](#)
- estimated useful life of intangible asset – [note 7\(d\)](#)
- recognition of deferred tax asset for carried forward tax losses – [note 7\(e\)](#)
- estimation of provision for warranty claims – [note 7\(i\)](#), and
- estimation of fair values of contingent liabilities and contingent purchase consideration in a business combination – [note 10](#)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

[Entities should also consider whether there have been significant developments in relation to tariffs that could be discussed in this note.]⁵⁻⁶

(b) Revision of useful lives of plant and equipment

AASB1060(109)

During the year the estimated total useful lives to a subsidiary of certain items of plant and equipment used in the manufacture of furniture were revised. The net effect of the changes in the current financial year was an increase in depreciation expense of \$980,000.

Assuming the assets are held until the end of their estimated useful lives, depreciation in future years in relation to these assets will be increased by the following amounts:

Year ending 30 June	\$'000
2026	740
2027	(610)
2028	(460)
2029	(430)

Critical estimates and judgements

AASB1060(96),(97)

1. AASB 1060 has a general requirement to disclose information about
 - (a) judgements made by management in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and
 - (b) key assumptions concerning the future and out key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, including details of the nature of the assets or liabilities and their carrying amount at the end of the reporting period.
2. Entities will need to consider whether they have made any judgements or estimates in relation to areas of accounting such as leases, revenue, subsidiaries, associates and joint ventures that have a significant impact on the recognised amounts and therefore will need to be disclosed under the general requirements outlined above.
3. In this publication we have illustrated a few judgements and estimates that may require separate disclosure. However, judgements and estimates are by their very nature entity-specific and will therefore vary from entity to entity. The disclosures in this publication are examples only and they need to be adapted to the individual circumstances of the entity.

Significant judgements

4. Other examples of significant judgements that may require disclosures are judgements made in determining:
 - (a) when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities
 - (b) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue
 - (c) whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
 - (d) whether an asset should be classified as held-for-sale or an operation meets the definition of a discontinued operation
 - (e) whether multiple assets should be grouped to form a single cash-generating unit (where this would affect whether an impairment is recognised)
 - (f) whether there are material uncertainties about the entity's ability to continue as a going concern
 - (g) whether the entity has control, joint control or significant influence over another entity,
 - (h) in relation to the recognition of revenue – the timing of the satisfaction of performance obligations, the transaction price and its allocation to performance obligations and the accounting for the modification of a contract with a customer
 - (i) in relation to leases – whether a contract is, or contains, a lease, how the entity has determined the incremental borrowing rate, what the entity considers to be an index or a rate in determining lease payments, what constitutes a penalty in determining the lease term, and when a change in either the scope of or the consideration for the lease is a modification of the lease.

Considering the impact of tariffs on the financial statements

AASB1060(96),(97)

5. The implementation of new tariffs and most recently, the invalidation of many of these tariffs may impact businesses across many industries. Entities might face complex operational and compliance challenges due to the ongoing uncertainty surrounding tariff policies. These complexities give rise to a number of financial reporting considerations. Management should collaborate closely with their legal, compliance and operations teams to proactively identify and assess additional risks related to tariffs that could affect operating results, liquidity and financial reporting.

The following publications discuss matters relating to tariffs:

- In brief INT2026-04 [Year-end reporting issues relating to the US Supreme Court decision invalidating certain US tariffs](#)
- In brief INT2025-08 [Tariffs: the price tag of global trade on financial reporting](#)
- [What do the latest tariff and trade measures mean for Australian businesses?](#)
- [What do Trump Tariffs mean for Australian Businesses?](#)

AASB1060(91)(c)

6. Even if these events did not result in significant judgements or affected any of the estimates, entities should still consider whether to explain this fact. Like AASB 101 *Presentation of Financial Statement*, AASB 1060 also has an overarching requirement to disclose information that users need to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

AASB1060(96),(97)

Disclosure not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

7. Disclosures for the correction of an error are illustrated in [Appendix A](#).

3. Revenue from contracts with customers ^{4,7}

(a) Disaggregation of revenue from contracts with customers ^{2,3}

AASB1060(157)(b)

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

		2026	2025
		\$'000	\$'000
<i>Revenue recognised over time</i>			
Design and installation	(i)	69,181	51,713
Support and maintenance	(i)	43,090	33,614
Other		394	323
		112,665	85,650
<i>Revenue recognised at a point in time</i>			
Sales of computers, computer hardware and peripheral equipment	(ii)	45,462	42,017
Sales of smartphones and tablets	(ii)	39,532	33,937
		84,994	75,954
Total revenue from contracts with customers		197,659	161,604

(b) How the group recognises revenue ^{1,5-7}

AASB1060(95),(157)(a),
(158)

(i) **Software engineering services**

The Software engineering division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(b) How the group recognises revenue ^{1,5-7}

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by VALUE ACCOUNTS Simplified Disclosure Pty Ltd exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

The contract assets disclosed in the statement of financial position are net of a loss allowance for lifetime expected credit losses, which is determined using the simplified approach permitted in AASB 9 *Financial Instruments*. As the contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts, the group has concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets, see [note 6\(b\)](#) for further information. ⁴

If the contract includes an hourly fee, revenue is recognised in the amount to which VALUE ACCOUNTS Simplified Disclosure Pty Ltd has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(i) Sale of goods

AASB1060(95),(157)(a) The group manufactures and sells computers, computer hardware and peripheral equipment, smartphones and tablets in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

AASB1060(95),(157)(a) The goods are often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the contract price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables, see [note 6\(e\)](#)) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. Since the sales are made with a credit term of 30 days, there is no significant element of financing.

The group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see [note 7\(i\)](#).

A receivable is recognised when the goods are delivered, since this is the point in time when the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Financing components

AASB1060(95),(157)(a) The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for a significant financing component or the time value of money.

Revenue from contracts with customers

Information about performance obligations

- AASB1060(157)(a)
1. Entities must disclose information about their performance obligations with customers including:
 - (a) a description of when the entity typically satisfies its performance obligations,
 - (b) the significant payment terms,
 - (c) the nature of the goods or services that the entity has promised to transfer,
 - (d) obligations for returns, refunds and other similar obligations, and
 - (e) types of warranties and related obligations.

Disaggregation of revenue

- AASB1060(157)(b)
2. Entities must disaggregate revenue 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. The amount of detail that is disclosed will depend on the specific circumstances of each entity as to how much detail is disclosed. VALUE ACCOUNTS Simplified Disclosure Pty Ltd has determined that a disaggregation of revenue by product lines and based on the timing of the transfer of goods or services (at a point in time versus over time) is adequate considering the nature of its revenue-generating activities. However, this is a judgement and will not necessarily be appropriate for other entities.
- AASB15(B87)-(B89)
3. Categories that could be used as basis for disaggregation include:
 - (a) type of good or service (for example, major product lines)
 - (b) geographical regions
 - (c) market or type of customer
 - (d) type of contract (for example, fixed price versus time-and-materials contracts)
 - (e) contract duration (short-term versus long-term contracts), or
 - (f) sales channels (directly to customers versus wholesale).

Disclosure of contract assets and liabilities

- AASB1060(159)
4. Contract assets and liabilities only need to be disclosed in the notes if they are not already separately presented in the statement of financial position. There is no explicit requirement in AASB 1060 to disclose the loss allowance recognised in relation to contract assets. However, where a large part of the entity's operations consists of long-term contracts, users may require more detailed information about the relevant balances, including the amount of the recognised loss allowance, similar to the information provided for trade receivables (see [note 6\(b\)](#)).

Accounting policies and significant judgements

5. As explained on [page 32](#), it is helpful for readers of the financial statements if the notes for specific line items in the financial statements also set out
 - (a) information about accounting policies that are specific to the entity, and that explain how the line items are determined, and
 - (b) information about significant judgements and estimates applied in relation to line items.However, this format is not mandatory.
- AASB1060(94)
6. A list of other potentially material accounting policies is provided in [note 19](#) together with relevant commentary. Commentary regarding the disclosure of significant judgements and estimates is provided in [note 1](#).

Revenue from contracts with customers

AASB1060(96),(97)

Disclosure not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

Significant judgements made in recognising revenue

AASB1060(96)

7. While we have assumed that VALUE ACCOUNTS Simplified Disclosure Pty Ltd has not made any judgements that would require separate disclosure, this may not necessarily be the case for all entities. Each entity will need to carefully consider their revenue recognition policies to determine whether there are any judgements that had a significant effect on the amounts recognised in the financial statements, and that would therefore need to be explained.
8. Examples of such disclosures are:

Critical judgements in recognising revenue

AASB1060(96)

The group has recognised revenue amounting to \$2,950,000 for the sale of furniture to a wholesale customer in June 2025. The buyer has the right to rescind the sale if there is 5% dissatisfaction with the quality of the first 100 pieces of furniture sold. This specific concession was made because this is a new product line specifically designed for this customer. However, consistent with other contracts, the group does not have a right to payment until the furniture has been delivered to the customer. Based on the quality assurance system implemented, the group is confident that the quality of the product is such that the dissatisfaction rate will be well below 5%. Management has determined that it is highly probable that there will be no rescission of the contract, and that a significant reversal in the amount of revenue recognised will not occur. It is therefore appropriate to recognise revenue on this transaction during 2026 since control of the product has transferred to the customer. The profit recognised for this sale was \$1,625,000. The group would suffer an estimated pre-tax loss of \$1,760,000 in its 2027 financial statements if the sale was cancelled (\$1,625,000 for the reversal of 2025 profits and \$135,000 of costs connected with returning the stock to the warehouse).

Critical judgements in allocating the transaction price

AASB1060(96)

Some fixed-price IT support contracts include an allowance for one free of charge hardware replacement per contract period up to a specified value. Because these contracts include two performance obligations, the transaction price must be allocated to the performance obligations on a relative stand-alone selling price basis.

Management estimates the stand-alone selling price at contract inception, based on observable prices of the type of hardware likely to be provided and the services rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to both performance obligations based on their relative stand-alone selling prices.

4. Other income and expense items ¹⁻³

AASB1060(90)

This note provides a breakdown of the items included in other income, other gains/(losses) and expenses included in profit before income tax. Information about specific profit and loss items (such as gains and losses in relation to financial instruments) is disclosed in the related notes to the statement of financial position.

AASB1060(90)

(a) Other income

	Notes	2026 \$'000	2025 \$'000
Rental income	<u>8(c)</u>	7,240	7,240
Dividends		3,300	4,300
AASB1060(119)(a) (i),(119)(b) Interest income on financial assets measured at amortised cost	(i)	1,519	1,154
Other items	(ii)	550	244
		<u>12,609</u>	<u>12,938</u>

(i) Interest income

Interest income from financial assets at FVTPL is included in the net fair value gains/(losses) on these assets, see note 4(b) below. Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(ii) Government grants

AASB1060(160)(a),(b),(c)

Research grants of \$250,000 (2025 – \$244,000) are included in the 'other items' line item and do not include unfulfilled conditions or other forms of contingency attaching to these grants. The group did not benefit directly from any other forms of government assistance.

AASB1060(160)(d)

Deferral and presentation of government grants

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the useful lives of the related assets. See [note 19\(f\)](#) for further details.

AASB1060(90)

(b) Other gains/(losses)

	Notes	2026 \$'000	2025 \$'000
Net gain/(loss) on disposal of property, plant and equipment (excluding property, plant and equipment sold as part of the sale of VALUE Equipment Hire Pty Ltd)	<u>7(a)</u>	1,620	(530)
Fair value adjustment to investment properties	<u>7(c)</u>	1,350	1,397
AASB1060(119)(a)(i) Fair value gains /(losses) on financial assets at FVTPL	<u>6(c)</u>	955	(620)
AASB1060(180)(a) Net foreign exchange gains/(losses)		37	(347)
Other items		139	(38)
		<u>4,101</u>	<u>(138)</u>

5. Income tax ³⁻⁷

This note provides an analysis of the group's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax position.

	2026 \$'000	2025 \$'000
AASB1060(177)	(a) Income tax	
	<i>Current tax</i>	
AASB1060(177)(a)	16,841	12,184
AASB1060(177)(b)	(371)	135
	16,470	12,319
	<i>Deferred income tax</i>	
AASB1060(177)(c)	(3)	(571)
AASB1060(177)(c)	242	1,163
	239	592
	16,709	12,911
	Income tax is attributable to:	
	16,325	12,740
	384	171
	16,709	12,911

(b) Significant estimates – uncertain tax position and tax-related contingency

AASB1060(97) The tax legislation in relation to expenditures incurred in connection with the establishment of the smartphone and tablet wholesale division is unclear. The group considers it probable that a tax deduction of \$1,933,000 will be available and it has calculated the current tax expense on this basis. However, the group has applied for a private ruling to confirm its interpretation. If the ruling is not favourable, this would increase the group's current tax payable and current tax expense by \$580,000 respectively. The group expects to get a resolution, and therefore certainty about the tax position, before the next reporting date

(c) Reconciliation of tax expense and the accounting profit multiplied by Australia's domestic tax rate for 2026 and 2025 ^{1,2}

	2026 \$'000	2025 \$'000
	54,239	42,184
	1,281	570
	55,520	42,754
AASB1060(178)(c)(i)	16,656	12,826
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	
	723	-
	92	158
	82	79
	(9)	(21)
	(50)	(165)
	17,494	12,877
AASB1060(177)(b)	(371)	135
	(121)	(101)
AASB1060(177)(e)	(293)	-
	16,709	12,911

(i) **Research and development tax credit**

Companies within the group are entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure under the Research and Development Tax Incentive regime. The group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(d) **Tax losses**

	2026 \$'000	2025 \$'000
AASB1060(178)(f) Unused tax losses for which no deferred tax asset has been recognised	<u>1,820</u>	<u>2,796</u>
Potential tax benefit @ 30%	<u>546</u>	<u>839</u>

The unused tax losses relate to capital losses which can only be recovered through future taxable capital gains, and they can be carried forward indefinitely. See [note 7\(e\)](#) for information about recognised tax losses and related significant judgements applied.

(e) **OECD Pillar Two model rules** ⁵⁻⁷

AASB 1060(176), (178A) The group is within the scope of the OECD Pillar Two model rules, and it applies the exception provided by the AASB to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The group will incur top-up taxes due to the Pillar Two legislation that become effective 1 January 2024. Under the legislation, the group is liable to pay a top-up tax for the difference between its GloBE effective tax rate in each jurisdiction and the 15% minimum rate.

AASB112(178B) The group has estimated that the effective tax rates exceed 15% in all jurisdictions in which it operates, except for jurisdiction A where one of its subsidiaries operates. The group's assessment indicates for jurisdiction A that the weighted average effective tax rate based on accounting profit is 8.3% for the annual financial year ended 30 June 2026. Considering the impact of specific adjustments in the Pillar Two legislation, the group recognised a current income tax expense of \$400 for the year. This is included in income tax in the statement of profit or loss.

Income tax

Relationship between tax expense and accounting profit

- AASB1060(178)(c)
1. Entities can explain the relationship between tax expense (income) and accounting profit by disclosing reconciliations between:
 - (a) tax expense and the product of accounting profit multiplied by the applicable tax rate, or
 - (b) the average effective tax rate and the applicable tax rate. The applicable tax rate can either be the domestic rate of tax in the country in which the entity is domiciled, or it can be determined by aggregating separate reconciliations prepared using the domestic rate in each individual jurisdiction. Entities should choose the method that provides the most meaningful information to users.
 2. Where an entity uses option (a) above and reconciles tax expense to the tax that is calculated by multiplying accounting profit with the applicable tax rate, the standard does not specify whether the reconciliation should be done for total tax expense, or only for tax expense attributable to continuing operations. While VALUE ACCOUNTS Simplified Disclosure Pty Ltd is reconciling total tax expense, it is equally acceptable to use profit from continuing operations as starting point.

Income tax recognised in other comprehensive income

- AASB1060(178)(a)
3. While entities do not need to disclose income tax expense relating to each component in the statement of other comprehensive income, they are still required to disclose the aggregate current and deferred tax relating to items that are recognised in other comprehensive income. VALUE ACCOUNTS Simplified Disclosure Pty Ltd has disclosed this information in the statement of profit or loss and other comprehensive income, but this could also be disclosed as part of the income tax note.

Income tax

Income tax expense

4. As explained in [note 5\(c\)\(i\)](#), VALUE ACCOUNTS Simplified Disclosure Pty Ltd is accounting for research and development tax credits in the same way as for other tax credits. However, in some circumstances a different accounting treatment may be appropriate. This would be the case in particular for small companies with an aggregated turnover of less than \$20m, as the tax incentive for these entities is effectively a government grant and hence should be accounted for in accordance with AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

OECD Pillar Two model rules

AASB1060(176),(178A),
(178B)

5. The OECD Pillar Two model rules are designed to implement a minimum tax regime for multinational groups. Entities that operate in countries where Pillar Two rules have been enacted or substantively enacted will need to apply the exception provided by the AASB from complying with the requirements of AASB 112 *Income Taxes* and disclose that fact in the notes. If an entity expects to be significantly affected by the enactment or substantive enactment of Pillar Two taxes, it should disclose information that enables users of its financial statements to evaluate the financial effect of the legislation. Entities must also separately disclose the current tax expense related to Pillar Two income taxes.
6. In December 2024, Australia's Pillar Two legislation to implement the Global and Domestic Minimum Tax was passed into law. The IIR (Income Inclusion Rule) and DMT (Domestic Minimum Top-up Tax) applied for fiscal years commencing on or after 1 January 2024. Additionally, the UTPR (Undertaxed Profits Rule) applies for fiscal years commencing on or after 1 January 2025. Entities in the scope of the legislation need to calculate and recognise their Pillar Two tax expenses.
7. For more details about the OECD Pillar Two model rules in general and the amendments made to IAS 12 *Income Taxes* (which have been replicated by the AASB) see our In depth INT2023-10 [Global implementation of Pillar Two: Impact on deferred taxes and financial statement disclosures](#). We also have a [Pillar Two Country tracker](#) which shows which countries have already enacted local legislation.

Disclosure not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

8. The following requirements are not illustrated in this publication, because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

	Issue not illustrated	Relevant disclosures or references
AASB1060(177)(d)	Changes in the applicable tax rate	Explain the changes and disclose the adjustments to deferred income tax expense/(benefit). For an illustration of such a disclosure refer to our Value Accounts Holdings publication.
AASB1060(177)(f)	Change in the tax status of the entity or its shareholders	Disclose the adjustment as component of income tax expense/(benefit).
AASB1060(177)(g)	Write-down, or reversal of a previous write-down of deferred tax assets, of a deferred tax asset	Disclose the adjustment as component of income tax expense/(benefit).
AASB1060(177)(h)	Changes in accounting policies and errors that cannot be accounted for retrospectively	Disclose the amount of tax expense relating to those changes in accounting policies or errors
AASB1060(178)(b)	Current or deferred tax recognised directly in equity	Disclose aggregate amounts recognised directly in equity
AASB1060(178)(g)	Payment of dividends which will affect the entity's income tax expense (for example, a lower tax rate applies to distributed profits)	Explain the nature of the potential income tax consequences and disclose the amounts, and whether there are any potential income tax consequences that are not practicably determinable.

6. Financial assets and financial liabilities ^{1-3,7}

This note provides information about the group's financial instruments, including:

- an overview of all financial instruments held by the group
- specific information about each type of financial instrument
- accounting policies

information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

(a) Cash and cash equivalents

		2026 \$'000	2025 \$'000
	Current assets		
AASB1060(88)	Cash at bank and in hand	750	600
AASB1060(88)	Deposits at call	44,175	37,186
		<u>44,925</u>	<u>37,786</u>

(i) Reconciliation to cash flow statement

AASB1060(88) The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

		2026 \$'000	2025 \$'000
	Balances as above	44,925	37,786
	Bank overdrafts (see note 6(f) below)	(2,650)	(2,250)
	Balances per statement of cash flows	<u>42,275</u>	<u>35,536</u>

(ii) Classification as cash equivalents

AASB1060(95) Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See [note 19\(k\)](#) for the group's other accounting policies on cash and cash equivalents.

(iii) Restricted cash

AASB1060(89) The cash and cash equivalents disclosed above and in the statement of cash flows include \$7,314,000 which are held by VALUE Electronics Pty Ltd Ltd. These deposits are subject to regulatory restrictions and are therefore not available for general use by the other entities within the group.

(b) Trade receivables

		2026 \$'000	2025 \$'000
	Current assets		
AASB1060(44)(b),(113)(b)	Trade receivables from contracts with customers	16,308	16,308
Not mandatory	Loss allowance (ii) ⁴	(646)	(646)
		<u>15,662</u>	<u>15,662</u>

(i) Classification as trade receivables

AASB1060(95),(112) Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and it therefore measures them subsequently at amortised cost using the effective interest method.

(b) Trade receivables

(ii) Impairment of trade receivables

AASB1060(95),(112)

The group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2026 or 30 June 2025 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within other expenses (see [note 4\(c\)](#)). Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant estimates

AASB1060(97)

The loss allowances for trade receivables and contract assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. The expected loss rates applied as at 30 June 2026 vary from 5% for receivables that are more than 30 days past due to 52% for receivables that are more than 120 days past due (30 June 2025 – from 5% to 46%).

(iii) Transferred receivables

AASB1060(116)

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, VALUE Manufacturing Pty Ltd has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, VALUE Manufacturing Pty Ltd has retained substantially all of the risks and rewards of ownership through late payment and credit risk. The group therefore continues to recognise the transferred assets in their entirety in its statement of financial position. The amount repayable under the factoring agreement is presented as secured borrowing. The group's accounting policy is to interpret 'held to collect' on the basis of the accounting treatment and the continued recognition of the receivables on the balance sheet. The group therefore considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

	2026 \$'000	2025 \$'000
Transferred receivables	3,250	-
Associated secured borrowing (bank loans – see note 6(g) below)	3,100	-

(c) Other financial assets

		Notes	2026 \$'000	2025 \$'000
AASB1060(44)	Current assets³			
AASB1060(113)(b)	Financial assets at amortised cost	(i)	1,100	842
AASB1060(113)(a)	Financial assets at FVTPL	(ii)	11,300	10,915
			12,400	11,757
	Non-current assets³			
AASB1060(113)(b)	Financial assets at amortised cost	(i)	3,496	2,629
AASB1060(113)(a)	Financial assets at FVTPL	(ii)	2,390	980
			5,886	3,609

(i) Financial assets at amortised cost^{2,3}

AASB1060(112) The group classifies its financial assets as at amortised cost only if both of the following criteria are met:
the asset is held within a business model whose objective is to collect the contractual cash flows, and

- the contractual terms give rise to cash flows that are solely payments of principal and interest.

AASB1060(94) See [note 19\(o\)](#) for the remaining relevant accounting policies.

AASB1060(44) Financial assets at amortised cost include the following debt instruments:³

	2026			2025		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Loans to related parties (see note 16)	-	1,300	1,300	-	700	700
Loans to key management personnel (see note 16)	166	551	717	126	480	606
Debenture assets	-	750	750	-	750	750
Listed corporate bonds	-	554	554	-	515	515
Other receivables	939	375	1,314	716	200	916
	1,105	3,530	4,635	842	2,645	3,487
Less: loss allowance for debt other financial assets at amortised cost ⁴	(5)	(34)	(39)	-	(16)	(16)
	1,100	3,496	4,596	842	2,629	3,471

AASB1060(96) Impairment of financial assets at amortised cost

All of the entity's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Other receivables

AASB1060(90) These amounts generally arise from transactions outside the usual operating activities of the group. Interest can be charged at market rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payable within three years from the end of the reporting period.

(c) Other financial assets

(ii) Financial assets at fair value through profit or loss

AASB1060(112)

The group classifies the following financial assets at fair value through profit or loss (FVTPL):

- debt instruments that do not qualify for measurement at amortised cost (see (i) above)
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

AASB1060(44)

Financial assets mandatorily measured at FVPL include the following: ³

	2026 \$'000	2025 \$'000
Non-current assets		
Unlisted preference shares	1,100	980
Contingent consideration (<u>note 11(b)</u>)	<u>1,290</u>	<u>-</u>
	<u>2,390</u>	<u>980</u>
Current assets		
US listed equity securities	5,190	4,035
Australian listed equity securities	<u>6,110</u>	<u>6,880</u>
	<u>11,300</u>	<u>10,915</u>
	<u>13,690</u>	<u>11,895</u>

AASB1060(94)

See note 19(o) for the remaining relevant accounting policies.

Amounts recognised in profit or loss

AASB1060(119)(a)

During the year, the following gains/(losses) were recognised in profit or loss:

	2026 \$'000	2025 \$'000
AASB1060(119)(a)(i)		
Fair value gains (losses) on financial assets at FVTPL recognised in other gains/(losses) (see <u>note 4(c)</u>)	955	(620)
Fair value gain on contingent consideration recognised in profit from discontinued operations (see <u>note 11(b)</u>)	90	-

Fair value measurements

AASB1060(115)

The valuation techniques and key assumptions used in measuring the fair value of financial assets measured at FVTPL for 2026 and 2025 are as follows: ^{5,6}

- Unlisted preference shares and contingent consideration: present value of expected cash inflows based on the terms of the contracts, using discount rates that are adjusted for counterparty credit risk (3.5 % for the preference shares and 5% for the contingent consideration; 2025 – 3.9% for the preference shares).
- Listed equity securities: quoted market prices in active markets.

(d) Derivative financial instruments

AASB1060(120)(b)

The group has recognised the following derivative financial instruments:

	2026 \$'000	2025 \$'000
Current assets		
Interest rate swaps – cash flow hedges	145	97
Non-current assets		
Interest rate swaps – cash flow hedges	308	712
Current liabilities		
Foreign currency forwards – cash flow hedges	766	777

Classification of derivatives

AASB1060(112)

Derivatives are only used for hedging purposes and not as speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The group's accounting policy for its cash flow hedges is set out in note 19(p).

Interest rate swaps

AASB1060(120)(a),(b),(c)

The group's main interest rate risk arises from long-term borrowings with variable rates which expose the group to cash flow interest rate risk. The group hedges the exposure to interest rate risk by using floating-to-fixed interest rate swaps. Generally, the group enters into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the group borrowed at fixed rates directly. The group's borrowings at variable rate were mainly denominated in Australian dollars and US dollars.

AASB1060(121)(a)

The hedged interest payments are contractually due and payable on a monthly basis over a period of five years from the reporting date. The gains and losses recognised in the hedging reserve (note 8(b)) on interest rate swaps as of 30 June 2026 will be reclassified to profit or loss in the period or periods during which the hedged interest payments take place.

AASB1060(115)

The group has determined the fair value of the interest rate swaps by calculating the present value of the estimated future cash flows based on observable yield curves for the particular currency. ^{5,6}

Foreign currency forwards

AASB1060(120)(a),(b),(c)

The group is exposed to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated primarily in US dollars, which is not the functional currency of the relevant group entity. The group uses foreign currency forwards to hedge its exposure to foreign currency risk.

AASB1060(121)(a)

The hedged highly probable forecast inventory purchases denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses recognised in the hedging reserve (note 8(b)) on foreign currency forwards as of 30 June 2026 will be included in the initial cost of the inventory when it is acquired, in line with the accounting policy in note 19(p).

AASB1060(115)

The group has determined the fair value of the foreign currency forwards by calculating the present value of future cash flows based on the observable forward exchange rates at the date of the statement of financial position. ^{5,6}

Amounts recognised in profit or loss in other gains/(losses)

	2026 \$'000	2025 \$'000
AASB1060(122)(e)	41	(22)

(e) Trade and other payables

	2026 \$'000	2025 \$'000
AASB1060(44)(d)	Current liabilities	
AASB1060(113)(d)	9,330	7,751
	<u>3,700</u>	<u>2,050</u>
AASB1060(113)(d)	13,030	9,801
AASB1060(159)	490	235
	<u>1,570</u>	<u>1,207</u>
	<u>15,090</u>	<u>11,243</u>

AASB1060(114) Trade payables are unsecured and are usually paid within 30 days of recognition. Where trade payables are settled via electronic cash transfer, they are derecognised when the group has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic payment instruction and the risk of a settlement not occurring is insignificant.

(f) Supplier finance arrangements**(i) Supplier finance arrangements ⁴⁻⁷**

AASB1060(87A) Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts that an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, when suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date.

AASB1060(87B)(a) On 1 July 2023, the group entered into a supplier finance arrangement ending on 30 June 2027. Under the arrangement, a bank acquires the rights to selected trade receivables from the supplier. The terms and conditions of the arrangement are unchanged from the trade payables from this supplier, other than:

- the due date has been extended to 45 days after the invoice date from the original 30 days, and
- the acquired payables are no longer able to be offset against credit notes received from the supplier.

AASB1060(87B)(b)(iii)	Range of payment due dates	2026	2025	2024 ⁶
	Liabilities under supplier finance arrangement	45 days after invoice date	45 days after invoice date	45 days after invoice date
	Comparable trade payables that are not part of the supplier finance arrangement (same line of business)	0-30 days after invoice date	0-30 days after invoice date	0-30 days after invoice date

AASB1060(87B)(b)(i)	Carrying amount of liabilities under supplier finance arrangement	2026 \$'000	2025 \$'000	2024 ⁶ \$'000
	Liabilities under supplier finance arrangement	670	480	460
AASB1060(87B)(b)(ii)	of which the supplier has received payment from the finance provider	460	370	400

AASB1060(87B)(c) There were no material business combinations or foreign exchange differences that would affect the liabilities under the supplier finance arrangement in either period. There were non-cash transfers from trade payables to liabilities under the supplier finance arrangement of \$3,170,000 and \$2,570,000 in 2026 and 2025 respectively.

(ii) **Significant judgement – supplier finance arrangement** ⁴⁻⁷

AASB1060(95),(96)

As disclosed above, given that the only changes are the payment due date changing from 30 days to 45 days after the invoice date and the group no longer being able to offset the acquired payables against the credit notes received from the supplier, management has determined that it is appropriate to present the amounts as a separate line item in the statement of financial position instead of within borrowings.

For the purpose of the cash flow statement, management has determined that the amounts are not part of the working capital used in the entity's principal revenue-producing activities, so it presents the cash outflows to settle the supplier finance liability in financing.

Management considers that the finance provider settles the invoices as a payment agent on behalf of the entity. The payments made by the finance provider are therefore presented as operating cash outflows and financing cash inflows in equal but opposite amounts at the point when the finance provider pays the supplier. When the group subsequently pays the amount outstanding to the finance provider, this is presented as a financing cash outflow.

(iii) **Reclassification of supplier finance arrangements**

AASB1060(18)

The group previously presented its supplier finance arrangements as trade and other payables in the statement of financial position, and its related cash flow movements as operating cash flows.

In applying the amendments to AASB 1060 relating to supplier finance arrangements, management had presented the financial liabilities that are part of a supplier finance arrangement as a separate line item in the statement of financial position. Prior year comparatives as at 30 June 2025 have been restated by reclassifying \$480,000 from trade and other payables to liabilities under supplier finance arrangement (\$460,000 as at 1 July 2025).

The financing cash flow relating to supplier finance arrangements are now presented separately. Prior year comparatives have been restated by reclassifying proceeds received under a supplier finance arrangement of \$2,520,000 and repayments to a financial institution under a supplier finance arrangement of \$2,550,000, from operating cash flows to financing cash flows.

(g) **Borrowings**

AASB1060(44)

	2026			2025		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
<i>Secured</i>						
Bank overdrafts	2,650	-	2,650	2,250	-	2,250
Bank loans (i),(ii)	4,250	57,115	61,365	5,015	72,600	77,615
Total secured borrowings (i)	6,900	57,115	64,015	7,265	72,600	79,865
<i>Unsecured</i>						
Other borrowings	1,500	-	1,500	730	-	730
Loans from related parties **	-	15,185	15,185	-	4,000	4,000
Total unsecured borrowings	1,500	15,185	16,685	730	4,000	4,730
Total borrowings	8,400	72,300	80,700	7,995	76,600	84,595

AASB1060(113)(d)

**Further information relating to loans from related parties is set out in [note 16](#).

(g) Borrowings

(i) Terms and conditions of long-term borrowings

AASB1060(114)

The group has two major secured long-term borrowings:

- A bank loan with a carrying amount of \$32,000,000 (2025 - \$43,065,000) is repayable in monthly instalments until it matures in 2032 and bears fixed interest rate at 7.5% annually (2025 - 7.5% annually).
- A second facility for a total of \$25,000,000 was drawn down to \$17,685,000 (2025 - \$20,300,000). This facility expires in 2031 and is repayable in full on that date. It bears a variable interest rate at 0.75% above the 90-day bank bill rate which, at the end of the reporting period was 0.25% (2025 – 1.25%).

AASB1060(114), (47A)(a)

The group is subject to externally imposed restrictions and must seek approval from the principal lending banks for any capital transactions that the group wishes to enter into that are in excess of \$12,000,000. Under the terms of the primary bank loan, VALUE ACCOUNTS Simplified Disclosure Pty Ltd must further meet the following financial covenants at the end of each annual reporting period:

- the gearing ratio must be not more than 50%, and
- the ratio of net finance cost to adjusted EBITDA must be not more than 10%.

The group has complied with these covenants throughout the reporting period. As at 30 June 2026, the ratio of net finance cost to adjusted EBITDA was 8% (10% as at 30 June 2025).

AASB1060(47A)(b)

There are no indications that VALUE ACCOUNTS Simplified Disclosure Pty Ltd would have difficulties complying with the covenants when they will be next tested as at the 30 June 2027 annual reporting date.¹²

(ii) Secured liabilities and assets pledged as security

AASB1060(114),(117)

Of the bank loans, \$3,100,000 relate to transferred receivables (see [note 6\(b\)\(iii\)](#) above). The remaining bank loans and overdrafts are secured by first mortgages over the group's freehold land at carrying value of \$13,950,000 (2025 - \$11,200,000), certain of the group's buildings at carrying value of \$25,867,000 (2025 - \$23,000,000), which are classified as property, plant and equipment and the group's investment properties at carrying value of \$13,300,000 (2025 - \$10,050,000).

Financial assets and financial liabilities

Disclosing financial assets and financial liabilities in one note

1. Users of financial report have indicated that they would like to be able to quickly access all of the information about the entity's financial assets and liabilities in one location in the financial report. We have therefore restructured our notes such that financial items and non-financial items are discussed separately. However, this is not a mandatory requirement in the accounting standards.

Accounting policies, estimates and judgements

2. As explained on [page 32](#), in our view it is also helpful for readers of the financial report if information about accounting policies that are specific to the entity and about significant estimates and judgements is disclosed with the relevant line items, rather than in separate notes. However, this format is also not mandatory.

Disaggregation of items in the statement of financial position

AASB1060(44)

3. AASB 1060 paragraph 35 sets out the minimum line items that should be presented in the statement of financial position. Entities shall disclose further subclassifications of these line items, classified in a manner appropriate to the entity's operation, either in the statement of financial position or in the notes. More or less detailed information than illustrated in this note may be appropriate depending on the individual circumstances.

Supplier finance arrangements (SFAs)

4. The group assesses how to present and account for SFAs based on the specific terms and conditions of each arrangement. There is significant judgement involved in both the presentation of liabilities under SFAs and the presentation of cash flows. The judgement involved in determining the most appropriate presentation based on the specific terms of the SFA is further disclosed in [note 6\(f\)\(ii\)](#).
5. The qualitative information disclosing the terms and conditions of SFAs can be presented on an aggregated basis where the characteristics of the arrangements are similar. Judgement might be required to assess whether a specific arrangement is dissimilar in nature to other arrangements. An arrangement would be dissimilar if it has unusual or unique terms and conditions. For further guidance on the above judgements, see our In depth INT2023-06 [Bringing transparency on supplier finance](#) on Viewpoint, which explains issues to consider when determining the appropriate presentation and disclosure of such arrangements.

Financial assets and financial liabilities

6. Three years have been presented for the above tables, to meet the disclosure requirements as at the beginning and end of both the current and the comparative reporting period.

AASB1060(87C)

7. The following reliefs are available in the first year of application:
- (a) **Disclosure of comparative information:** comparative information will not be required during the first year that the entity applies the amendments. That is, an entity with a closing reporting date of 30 June 2026 will not need to present comparative information for 2025.
- (b) **Disclosure of certain opening balances:** quantitative disclosures in paragraph 87B(b) of AASB 1060 will normally be required at the opening and closing of each reporting period. However, considering the complexity that might exist for disclosures in paragraphs 87B(b)(ii) and (iii) of AASB 1060, in the first year of application, entities are provided with transition relief, meaning that disclosures in paragraphs 87B(b)(ii) and (iii) of AASB 1060 are only required as of year-end.
- We have elected not to use the reliefs available in (a) and (b) above.

Disclosure of loss allowance

AASB1060(91)(c)

8. AASB 1060 does not require separate disclosure of the loss allowance recognised in relation to financial assets. However, some users may find this information useful and VALUE ACCOUNTS Simplified Disclosure Pty has therefore included it on a voluntary basis. Depending on the individual circumstances, information about the amount of the loss allowance recognised in relation to the financial assets may also be necessary for an understanding of the financial statements as a whole and may therefore need to be provided in accordance with paragraph 91(c) of AASB 1060.

Disclosure of valuation techniques and assumptions in determining fair value

AASB1060(115)

9. Entities shall disclose the following for all financial assets and financial liabilities measured at fair value:
- (a) the basis for determining fair value (e.g. quoted market price in an active market or a valuation technique), and
- (b) when a valuation technique is used – the assumptions applied in determining fair value for each class of financial assets or financial liabilities (e.g. information about the assumptions relating to prepayment rates, rates of estimated credit losses, and interest rates or discount rates).
10. While AASB 1060 is not specific as to how much detail should be provided to satisfy these requirements, we have disclosed the actual assumptions used in circumstances where a valuation would be classified as 'level 3' under the principles used in AASB 13 *Fair Value Measurement*.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

11. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

Financial assets and liabilities at fair value through profit or loss (FVTPL)

Issue not illustrated	Relevant disclosures or references
Disposal of financial assets at FVTPL	Disclose the amounts of gains or losses on disposals.
Financial liabilities at FVTPL	Disclose the carrying amount and amounts recognised in profit or loss

AASB1060(119)(a)

AASB1060(113)(c),
(119)(a)(ii)

Financial assets at fair value through other comprehensive income (FVOCI)

Issue not illustrated	Relevant disclosures or references
Investments in equity instruments designated at FVOCI in accordance with paragraph 5.7.5 of AASB 9	Disclose separately carrying value at reporting date, income, expense, gains or losses, including changes in fair value, disposal gains/losses and impairment losses arising from these investments.
Financial assets measured at FVOCI in accordance with paragraph 4.1.2A of AASB 9	Disclose separately carrying value at reporting date, income, expense, gains or losses, including changes in fair value, disposal gains/losses and impairment losses arising from these investments, and amount reclassified upon derecognition from accumulated OCI to profit or loss.

AASB1060(113)(e)(i),
(119)(a)(v),(c)

AASB1060(113)(e)(ii),
(119)(a)(vi),(c)

Financial assets and financial liabilities

Hedge instruments for which hedge accounting is applied

	Issue not illustrated	Relevant disclosures or references
AASB1060(121)	Fair value hedges	Disclose the amounts of the changes in fair value of the hedging instrument and the hedged item recognised in profit or loss.
AASB1060(122)	Hedges of a net investment in a foreign operation	The disclosure requirement for net investment hedge is the same as that for cash flow hedges.
AASB1060(122)(b)	Hedge accounting had previously been used, but the hedged future cash flows are no longer expected to occur	Describe the forecast transaction.

Other financial instrument disclosures

	Issue not illustrated	Relevant disclosures or references
AASB1060(118)	Defaults and breaches in relation to financial liabilities	Disclose the following if there is a breach of terms or a default of principal, interest, sinking fund or redemption terms that have not been remedied by the reporting date: <ul style="list-style-type: none"> • details of that breach or default, • the carrying amount of the related loans payable at the reporting date, and • whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.
AASB1060(119A)–(119C) AASB2025-2	For financial years beginning on or after 1 January 2026: Financial instruments with contingent features that do not relate directly to basic lending risks and costs	Disclose, by class of affected financial instruments: <ul style="list-style-type: none"> • 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, and • the gross carrying amount of financial assets and the amortised cost of financial liabilities subject to those contractual terms.
AASB1060(122A)–(122C) AASB2025-3	For financial years beginning on or after 1 January 2026: Contracts referencing nature-dependent electricity that meet the 'own-use' criteria and are recognised as procurement contracts	Disclose in a single note: <ul style="list-style-type: none"> • the key contract features that create variability in the amount of electricity supplied, • any risk that the entity may be required to buy electricity that it cannot use in a delivery period, • how the entity assesses whether the contract could become onerous, including key assumptions used, and • how the contracts affected the entity's financial performance during the period. <p>On first-time application, no comparatives are required for earlier periods and the quantitative information otherwise required by AASB 1060 paragraph 106(b) is not required.</p>

12. The following illustrative disclosure might be useful where relevant to an entity:

Difficulties complying with covenants

AASB1060(47A)(b)	<p>Where there are indications that an entity might have difficulty complying with covenants, and that there is therefore a risk that a non-current liability might become repayable within 12 months after the reporting period, the entity might disclose something along the following lines:</p> <p>The group temporarily expects rising costs for some of its business operations in the coming months due to recent unexpected supply chain disruptions in some jurisdictions in which it operates. The group does not consider it realistic or have the practical ability to pass additional costs arising from alternative supply sources to its customers through price increases in the short term. As a result, the entity expects to experience a temporary decrease in adjusted EBITDA and there is a risk that the group will not comply with applicable debt covenants for its major bank loan at the next compliance date (that is, 30 June 2027), in which case the bank loan will become immediately repayable. The group is currently in negotiations with the lender to revise the covenants related to adjusted EBITDA of this bank loan, which has a carrying amount of \$57,000,000 (2025: \$63,365,000).</p>
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7. Non-financial assets and liabilities ^{1-3,10}

This note provides information about the group's non-financial assets and liabilities, including:

- specific information about each type of non-financial asset and non-financial liability
 - property, plant and equipment ([note 7\(a\)](#))
 - leases ([note 7\(b\)](#))
 - investment properties ([note 7\(c\)](#))
 - intangible assets ([note 7\(d\)](#))
 - deferred tax balances ([note 7\(e\)](#))
 - inventories ([note 7\(f\)](#))
 - other current assets and assets classified as held for sale ([note 7\(g\)](#))
 - employee benefit obligations ([note 7\(h\)](#))
 - provisions ([note 7\(i\)](#)).
- accounting policies

information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

(a) Property, plant and equipment ¹⁰

	Non-current assets	Freehold land \$'000	Buildings \$'000	Furniture, fittings and equipment \$'000	Machinery and vehicles \$'000	Assets under construction \$'000	Total \$'000
At 1 July 2025							
AASB1060(134)(d)	Cost	11,200	76,285	29,882	72,693	3,100	193,160
AASB1060(134)(d)	Accumulated depreciation	-	(50,285)	(9,630)	(41,605)	-	(101,520)
AASB1060(44)(a)	Net book amount	<u>11,200</u>	<u>26,000</u>	<u>20,252</u>	<u>31,088</u>	<u>3,100</u>	<u>91,640</u>
At 30 June 2026							
AASB1060(134)(e)	Opening net book amount	11,200	26,000	20,252	31,088	3,100	91,640
AASB1060(134)(e)(iii)	Business combinations	800	3,400	1,890	5,720	-	11,810
AASB1060(134)(e)(i)	Additions	2,500	2,682	5,083	11,402	3,450	25,117
AASB1060(134)(e)(ii)	Assets classified as held for sale and other disposals	(550)	-	(5,985)	(1,680)	-	(8,215)
AASB1060(134)(e)(viii)	Transfers	-	-	950	2,150	(3,100)	-
AASB1060(134)(e)(vii)	Depreciation charge	-	(1,750)	(2,340)	(4,380)	-	(8,470)
AASB1060(134)(e)(vi), (170)(a)	Impairment loss (refer note 1)	-	(465)	(30)	(180)	-	(675)
AASB1060(134)(e)	Closing net book amount	<u>13,950</u>	<u>29,867</u>	<u>19,820</u>	<u>44,120</u>	<u>3,450</u>	<u>111,207</u>
At 30 June 2026							
AASB1060(134)(d)	Cost	13,950	82,367	31,790	90,285	3,450	221,842
AASB1060(134)(d)	Accumulated depreciation and impairment	-	(52,500)	(11,970)	(46,165)	-	(110,635)
AASB1060(44)(a)	Net book amount	<u>13,950</u>	<u>29,867</u>	<u>19,820</u>	<u>44,120</u>	<u>3,450</u>	<u>111,207</u>

(a) Property, plant and equipment

(i) Non-current assets pledged as security

AASB1060(135)(a) Refer to note 6(g)(ii) for information on non-current assets pledged as security by the group.

(ii) Depreciation methods and useful lives ²

AASB1060(134)(a) All property, plant and equipment is recognised at historical cost less depreciation.

AASB1060(134)(b),(c) Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Buildings 25-40 years
- Machinery 10-15 years
- Vehicles 3-5 years
- Furniture, fittings and equipment 3-8 years

Furniture, fittings and equipment include assets received in form of free office fit outs. These assets and other leasehold improvements are recognised at their fair value and depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

See note 19(r) for the other accounting policies relevant to property, plant and equipment.

(b) Leases ^{4,10}

This note provides information for leases where the group is a lessee. For leases where the group is a lessor, see note 7(c).

(i) Amounts recognised in the statement of financial position

AASB1060(44) The following amounts are recognised in the statement of financial position relating to leases:

	Notes	2026 \$'000	2025 \$'000
Right-of-use assets			
Buildings		3,846	2,994
Equipment		4,678	5,264
Vehicles		1,232	1,250
		<u>9,756</u>	<u>9,508</u>
Lease liabilities			
Current		3,008	2,777
Non-current		8,493	8,514
		<u>11,501</u>	<u>11,291</u>
AASB1060(144)(b) Future lease payments in relation to lease liabilities as at period end are as follows:			
Within one year		2,911	2,348
Later than one year but not later than five years		8,248	9,260
Later than five years		2,340	2,017
		<u>13,499</u>	<u>13,625</u>
AASB1060(145). (134)(e)(i) Additions to the right-of-use assets during the 2026 financial year were \$2,152,000 (2025 – \$3,000,000).			

(b) Leases ^{4,10}

(ii) Depreciation of right-of-use assets ⁴

AASB1060(145),
(134)(e)(vii)

The depreciation and amortisation disclosed in the statement of profit or loss includes the following amounts for right-of-use assets:

	2026	2025
	\$'000	\$'000
Buildings	(348)	(366)
Equipment	(1,236)	(681)
Vehicles	(320)	(153)
	(1,904)	(1,200)

(iii) The group's leasing activities and how these are accounted for

AASB1060(144)(c)

The group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years

Extension and termination options, and residual value guarantees are included in a number of property and equipment leases of the group. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Some property and equipment lease payments contain variable lease payments that are linked to consumer price index and are included in the calculations of right-of-use assets and lease liabilities in relation to these leases.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes.

AASB1060(95)

Contracts might contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, the group has elected not to separate lease and non-lease components and it accounts for these instead as a single lease component.

AASB1060(146)(b)

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture. Lease payments for short-term leases and leases of low-value assets amount to \$941,000 (2025 - \$750,000) are recognised as expenses in profit and loss.

See [note 19\(h\)](#) for the other accounting policies relevant to lease accounting.

(c) Investment properties ¹⁰

	2026 \$'000
Non-current assets – at fair value	
AASB1060(132)(e) Opening balance at 1 July	10,050
AASB1060(132)(e)(i) Acquisitions	1,900
AASB1060(132)(e)(ii) Net gain/(loss) from fair value adjustment in other gains/(losses) (note 3(b))	<u>1,350</u>
AASB1060(132)(e) Closing balance at 30 June	<u>13,300</u>

(i) **Significant estimate: measuring investment property at fair value**

The group owns freehold office buildings that are held to earn long-term rental income and for capital appreciation. The properties are not occupied by the group. They are carried at fair value which is determined annually by external, independent and qualified valuers.

The valuers use capitalised income projections based on estimated net market income and a capitalisation rate derived from an analysis of market evidence. Key inputs used in the valuations are the discount rate, terminal yield, capitalisation rate, expected vacancy rates and rental growth rates. The inputs are adjusted, if necessary, for any changes in economic circumstances between the measurement date and the reporting date. Changes in fair value are recognised in profit or loss.

AASB1060(132)(c)

(ii) **Non-current assets pledged as security**

Refer to [note 6\(g\)\(ii\)](#) for information on non-current assets pledged as security by the group.

(iii) **Presenting cash flows** ⁵

The group classifies cash outflows to acquire or construct investment property as investing and rental inflows as operating cash flows.

AASB1060(148)(c)

(iv) **Leasing arrangements**

The investment properties are leased to tenants under operating leases with rentals payable monthly. The lease contracts include variable lease payments which are linked to consumer price index. The leases are under a term of 5 to 6 years and subject to renewal at the option of the tenants for another term of 5 to 6 years. There are no purchase options in the lease. To reduce credit risk, the group has obtained bank guarantees from the tenants for the terms of the leases.

	2026 \$'000	2025 \$'000
AASB1060(148)(a) Minimum lease payments receivable on leases of investment properties are as follows:		
Within one year	4,265	4,245
Later than one year but not later than 5 years	9,120	9,050
Later than 5 years	<u>2,370</u>	<u>2,550</u>
	<u>15,755</u>	<u>15,845</u>

(d) Intangible assets ¹⁰

	Non-current assets	Goodwill \$'000	Patents, trademarks and other rights \$'000	Internally generated software \$'000	Customer contracts \$'000	Total \$'00000
AASB1060(137)(c),(143)	At 1 July 2025					
	Cost	9,700	9,410	3,020	-	22,130
	Accumulated amortisation and impairment	-	(775)	(410)	-	(1,185)
	Net book amount	9,700	8,635	2,610	-	20,945
AASB1060(137)(e),(143)	Year ended 30 June 2026					
	Opening net book amount	9,700	8,635	2,610	-	20,945
AASB1060(137)(e)(i)	Additions – internal development	-	-	735	-	735
AASB1060(137)(iii), (143)(a)	Business combinations <u>(note 10)</u>	1,115	3,020	-	3,180	7,315
AASB1060(137)(e)(vi), (143)(b)	Impairment charge (iv)	(2,410)	-	-	-	(2,410)
AASB1060(137)(e)(v)	Amortisation charge *	-	(525)	(300)	(1,210)	(2,035)
	Closing net book amount	8,405	11,130	3,045	1,970	24,550
AASB1060(137)(c)	30 June 2026					
	Cost	10,815	12,430	3,755	3,180	30,180
	Accumulated amortisation and impairment	(2,410)	(1,300)	(710)	(1,210)	(5,630)
	Net book amount	8,405	11,130	3,045	1,970	24,550

AASB1060(137)(d) * Amortisation expenses are included in the statement of profit or loss in depreciation and amortisation expenses.

(i) Amortisation methods and useful lives

AASB1060(137)(a),(b) The group amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

Patents, trademarks and licences	3-5 years
• IT development and software	3-5 years
• Customer contracts	1-3 years

See note 19(t) for the other accounting policies relevant to intangible assets, and note 19(i) for the group's policy regarding impairments.

(ii) Software

AASB1060(95)

AASB138(57),(66),(74), (97),(118)(a),(b)

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

(d) Intangible assets ¹⁰

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(iii) Customer contracts

AASB1060(95)

The customer contracts were acquired as part of a business combination (see [note 10](#) for details). They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis, based on the timing of projected cash flows of the contracts over their estimated remaining terms.

AASB1060(97)

(iv) Significant estimate: useful life of IT division's intangible assets

The group has recently completed the development of software that is used to analyse business processes by the IT consulting division. As at 30 June 2026, the carrying amount of this software was \$722,000 (2025 – nil). The group estimates the useful life of the software to be at least five years based on the expected technical obsolescence for similar software. However, the actual useful life might be shorter or longer than five years, depending on technical innovations and competitor actions.

AASB1060(97)

(v) Significant judgement and estimate: impairment for goodwill - key assumptions used in value-in-use calculations ⁶⁻⁸

AASB1060(169)(a),170(c)

The impairment loss on goodwill recognised by the group in other expenses in the statement of profit or loss relates to its smartphones and tablets division and followed a decision to reduce the manufacturing output as a result of declining sales due to increased competition in this market.

The group tests annually whether goodwill has suffered any impairment. For the 2026 and 2025 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations, using cash flow projections based on financial budgets approved by management covering a three-year period. The group has used the following assumptions in the calculation of value-in-use:

- Sales growth rates over the three-year forecast period that are based on past performance and management's expectations of market development and include the renewal of certain key customer contracts.
- Sales price annual growth rates over the three-year forecast period that are based on current industry trends and including long-term inflation forecasts for each territory.

Budgeted gross margin, other operating costs and annual capital expenditure that are based on past performance and management's expectations for the future.

- Pre-tax discount rates that reflect the specific risks relating to the relevant CGUs.

Cash flows beyond the three-year period are extrapolated using the long-term growth rates which are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The assumptions used for current reporting period may differ from the assumptions in the next reporting period as internal and external circumstances and expectations change. This may require further impairment write-downs or the reversal of previous write-downs as the case may be. In particular, the group has assumed sales growth rates of 2.5% for the smartphone and tablets division. If this growth rate was revised to 1.5% a further impairment loss of \$500,000 would need to be recognised against the carrying amount of property, plant and equipment.

The group has further used a pre-tax discount rate of 14.5% (June 2025 – 14%) to calculate the recoverable amount of the division. If the pre-tax discount rate was increased to 16%, an impairment loss of \$350,000 would have to be recognised against property plant and equipment.

(e) Deferred tax balances**(i) Deferred tax assets**

	Notes	2026 \$'000	2025 \$'000
The balance comprises temporary differences attributable to:			
Lease liabilities	<u>7(b)</u>	3,450	3,387
Tax losses		925	-
Provisions for warranties, restructurings, refunds, restoration obligations and legal claims	<u>7(i)</u>	1,137	786
Employee benefits	<u>7(h)</u>	914	822
		<u>6,426</u>	<u>4,995</u>
<i>Other</i>			
Hedging instruments	<u>6(c)</u>	230	234
Loss allowances for financial assets	<u>6(b),(c)</u>	212	121
Contingent liability	<u>7(i)</u>	143	-
Impairment of a building	<u>4</u>	140	-
Refund liabilities	<u>6(e)</u>	148	71
Other		65	18
Subtotal other		<u>938</u>	<u>444</u>
Total deferred tax assets		<u>7,364</u>	<u>5,439</u>
Set-off of deferred tax liabilities pursuant to set-off provisions	(ii)	<u>(7,364)</u>	<u>(5,439)</u>
Net deferred tax assets		<u>-</u>	<u>-</u>

Significant estimates ³

AASB1060(97) The deferred tax assets include an amount of \$925,000 which relates to carried-forward tax losses of VALUE Electronics Pty Ltd. These losses were recognised since the acquisition of this entity, see [note 10](#). They were subsequently transferred to the head entity, VALUE ACCOUNTS Simplified Disclosure Pty Ltd when the acquired entity joined the tax consolidated group. The group expects to be able to recover these losses against taxable income over the following two to three years, subject to changes to the available fraction for transferred losses which could reduce the rate at which these losses can be utilised.

Movements	Lease liabilities \$'000	Tax losses \$'000	Employee benefits \$'000	Pro-visions \$'000	Other \$'000	Total \$'000
At 1 July 2024	2,889	-	791	610	275	4,565
(Charged)/credited						
• to profit or loss	498	-	31	176	(134)	571
• to other comprehensive income	-	-	-	-	303	303
At 30 June 2025	3,387	-	822	786	444	5,439
(Charged)/credited						
• to profit or loss	63	(600)	(33)	351	222	3
• to other comprehensive income	-	-	-	-	77	77
• directly to equity	-	-	-	-	60	60
Acquisition of subsidiary	-	1,525	125	-	135	1,785
At 30 June 2026	<u>3,450</u>	<u>925</u>	<u>914</u>	<u>1,137</u>	<u>938</u>	<u>7,364</u>

(e) Deferred tax balances**(ii) Deferred tax liabilities**

AASB1060(178)(e)(i)

The balance comprises temporary differences attributable to:

	Notes	2026 \$'000	2025 \$'000
Property, plant and equipment	7(a)	938	993
Right-of-use assets	7(b)	2,927	2,852
Intangible assets	7(d)	2,375	770
Investment property	7(c)	1,124	719
		<u>7,364</u>	<u>5,334</u>
<i>Other</i>			
Financial assets at FVTPL	6(c)	804	441
Hedging instruments	6(c)	138	243
Investments in associates	12(c)	90	78
Prepayments	7(g)	125	118
Inventories	7(f)	120	-
Other		23	11
Subtotal other		<u>1,300</u>	<u>891</u>
Total deferred tax liabilities		<u>8,664</u>	<u>6,225</u>
Set-off of deferred tax liabilities pursuant to set-off provisions	(i)	<u>(7,364)</u>	<u>(5,439)</u>
Net deferred tax liabilities		<u>1,300</u>	<u>786</u>

Offsetting within tax consolidated group

VALUE ACCOUNTS Simplified Disclosure Pty Ltd and its wholly-owned subsidiaries have applied the tax consolidation legislation, which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

AASB1060(178)(e)(ii)

Movements	Property, plant and equipment \$'000	Right-of- use assets \$'000	Intangible assets \$'000	Invest- ment property \$'000	Other \$'000	Total \$'000
At 1 July 2024	770	2,312	615	300	822	4,819
Charged/(credited)						
• to profit or loss	223	540	155	419	(174)	1,163
• to other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243</u>	<u>243</u>
At 30 June 2025	993	2,852	770	719	891	6,225
Charged/(credited)						
• to profit or loss	(379)	75	(255)	405	396	242
• to other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(107)</u>	<u>(107)</u>
Acquisition of subsidiary	<u>324</u>	<u>-</u>	<u>1,860</u>	<u>-</u>	<u>120</u>	<u>2,304</u>
At 30 June 2026	<u>938</u>	<u>2,927</u>	<u>2,375</u>	<u>1,124</u>	<u>1,300</u>	<u>8,664</u>

(f) Inventories ¹⁰

	2026 \$'000	2025 \$'000
AASB1060(44)(c),(123)(b) Current assets		
Raw materials	6,200	4,800
Work in progress	5,600	5,400
Finished goods	10,353	9,472
	<u>22,153</u>	<u>19,672</u>

(i) Assigning costs to inventories

AASB1060(123)(a) The costs of individual items of inventory are determined using weighted average costs. Volume rebates or discounts are taken into account when estimating the cost of inventory if it is probable that they have been earned and will take effect. See [note 19\(m\)](#) for the group's other accounting policies for inventories.

(ii) Amounts recognised in profit or loss

AASB1060(123)(c) Inventories recognised in the statement of profit or loss during the year ended 30 June 2026 included a credit of \$6,681,000 (2025 – \$5,255,000) recognised as changes in inventories of finished goods and work in progress, an expense of \$62,218,000 (2025 – \$54,108,000) recognised as raw materials and consumables used and \$535,000 of inventories destroyed by a fire recognised in other expense ([note 1](#)).

AASB1060(123)(d) During the year ended 30 June 2026, the group wrote down inventories to net realisable value by \$950,000 (2025 – \$750,000) and reversed \$60,000 (2025 – \$0) of a previous written down inventory. These amounts were recognised in finished goods and work in progress in the statement of profit or loss.

(g) Assets classified as held for sale

	2026 \$'000	2025 \$'000
AASB1060(44) Non-current assets held for sale		
Land	250	-
	<u>250</u>	<u>-</u>

(i) Land held for sale

AASB1060(47)(a),(b) In May 2026, the directors of VALUE Manufacturing Pty Ltd decided to sell a vacant land area which was originally acquired for an expansion of the smartphones and tablets manufacturing division. There are several interested parties and the sale is expected to be completed before the end of December 2026.

Refer to [note 11\(c\)](#) for information about assets and liabilities of a disposal group that were classified as held for sale at 30 June 2026.

(h) Employee benefit obligations

	2026			2025		
	Current \$'000	Non- current \$'000	Total \$000	Current \$'000	Non- current \$'000	Total \$'000
AASB1060(44)						
	690	2,220	2,910	470	2,270	2,740
AASB1060(168)(b)						
	-	138	138	-	-	-
	<u>690</u>	<u>2,358</u>	<u>3,048</u>	<u>470</u>	<u>2,270</u>	<u>2,740</u>

(i) Leave obligations

AASB1060(95)

The leave obligations cover the group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in [note 19\(y\)](#).

AASB1060(40)(d)

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees who are entitled to pro rata payments in certain circumstances. The entire amount of the provision of \$690,000 (2025 – \$470,000) is presented as current, since the group does not have a right, at the end of the reporting period, to defer settlement for any of these obligations beyond 12 months. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. ⁹

Reclassification of employee benefit obligations ¹⁰

AASB1060(18)

The group's liabilities for accumulating sick leave and other long-term employee benefit obligations were previously presented as provisions in the statement of financial position. However, management considers it to be more relevant if all employee benefit obligations are presented in one separate line item in the statement of financial position. Prior year comparatives as at 30 June 2026 have been restated by reclassifying \$470,000 from current provisions to current employee benefit obligations and \$2,270,000 from non-current provisions to non-current employee benefit obligations (\$440,000 and \$2,196,000 respectively as at 1 July 2025).

(ii) Cash-settled share-based payment obligations

AASB1060(164)

In February 2026, VALUE ACCOUNTS Simplified Disclosure Pty Ltd decided to reward divisional managers for their contribution to the performance of the group by granting them 200,000 share appreciation rights (SARs) in relation to the shares of its ultimate listed parent entity, Lion Plc. The rights entitle the employees to a cash payment after three years of service. The amount payable will be determined based on the increase of Lion Plc's share price between the grant date (25 February 2026: GBP 5.43) and the vesting date (24 February 2029). The rights must be exercised on vesting date and will expire if not exercised at on that date.

AASB1060(166)

The fair value of the SARs as at the reporting date was determined using the Black-Scholes model and the share price, expected volatility, dividend yield and a risk-free interest rate as at the measurement date.

AASB1060(168)(a)

The group recognised expenses of \$138,000 in relation to the SARs during the current reporting period (2025 – \$ nil).

(iii) Amounts recognised in profit and loss in relation to defined contribution plans

AASB1060(172)

The group has recognised expenses of \$2,425,000 in the current period (2025 – \$2,075,000) in relation to defined contribution plans which are included in employee benefit expenses in the statement of profit or loss and other comprehensive income.

(iv) Termination benefits

AASB1060(174),(175)

Refer to [note 7\(i\)](#) for information about termination benefits included in the restructuring provision recognised as at 30 June 2026.

(i) Provisions ¹¹

Not mandatory	2026			2025 *		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Provisions for restoration costs (i)	225	1,573	1,798	-	1,382	1,382
Restructuring costs (i)	900	-	900	-	-	-
Service warranties (i)	635	-	635	920	-	920
Legal claim (i)	460	-	460	320	-	320
Contingent liability (note 10)	477	-	477	-	-	-
	<u>2,697</u>	<u>1,573</u>	<u>4,270</u>	<u>1,240</u>	<u>1,382</u>	<u>2,622</u>

* Restated – see [note 7\(h\)\(i\)](#) for further information.

(i) Information about individual provisions and significant estimates

Provisions for restoration costs

AASB1060(153)(b),(c)

The group is required to restore the leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and they are amortised over the shorter of the term of the lease and the useful life of the assets.

Restructuring including termination benefits

AASB1060(153)(b),(c),
(174),(175)

The reduction in output in the smartphones and tablets division (see [note 7\(d\)](#) above) resulted in the loss of 155 jobs at two factories. An agreement was reached with the local union representatives in April 2026, which specifies the number of staff involved and the voluntary redundancy compensation package offered by the group, as well as amounts payable to those made redundant. The total estimated staff restructuring costs to be incurred are \$1,050,000. Other direct costs attributable to the restructuring, including costs incurred in relation to the termination of supply contracts, are \$327,000, and they are fully provided for in the current reporting period. The remaining provision of \$900,000 is expected to be fully utilised over the next 12 months. \$350,000 of this provision relates to termination benefits.

Service warranties

AASB1060(153)(b),(c)

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year.

Significant estimates

AASB1060(153)(c)

The group generally offers 12-month warranties for its personal computer products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information could differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the group's productivity and quality initiatives, as well as parts and labour costs. As at 30 June 2026, this particular provision had a carrying amount of \$330,000 (2025 - \$450,000). If claims costs were to differ by 10% from management's estimates, the warranty provisions would be an estimated \$33,000 higher or lower (2025 - \$45,000 higher/lower).

Legal claim

AASB1060(153)(b),(c)

In April 2026, an unfavourable judgment was ruled down against the group in respect of a legal claim made by a customer of the IT consulting division. However, after taking appropriate legal advice, the directors have decided to appeal against the decision. No payment has been made to the claimant pending outcome of the appeal. If upheld, payment of \$860,000 will be required. The recognised provision reflects the management's best estimate of the most likely outcome. The court of appeal is expected to consider this matter in February 2027.

See [note 19\(x\)](#) for the group's other accounting policies relevant to provisions.

(i) Provisions ¹¹

(ii) Movements in provisions

AASB1060(135)(a)

Movements in each class of provision during the financial year are set out below:

	2026	Provisions for restoration costs \$'000	Restructuring obligations \$'000	Service warranties \$'000	Contingent liability \$'000	Legal claim \$'000	Total \$'000
AASB1060(153)(a)(i)	Carrying amount at beginning of year	1,382	-	920	-	320	2,622
AASB1060(153)(a)(ii)	Acquired through business combination	-	-	-	450	-	450
AASB1060(153)(a)(ii)	Additional provision charged to plant and equipment	350	-	-	-	-	350
	Charged/(credited) to profit or loss						
AASB1060(153)(a)(ii)	additional provisions recognised	-	1,377	268	-	140	1,785
AASB1060(153)(a)(iv)	• unused amounts reversed	-	-	(330)	-	-	(330)
AASB1060(153)(a)(ii)	• unwinding of discount	66	-	-	27	-	93
AASB1060(153)(a)(iii)	Amounts used during the year	-	(477)	(223)	-	-	(700)
	Carrying amount at end of year	1,798	900	635	477	460	4,270

Non-financial assets and liabilities

Disclosing non-financial assets and non-financial liabilities in one note

1. Users of financial report have indicated that they would like to be able to quickly access all of the information about the entity's financial assets and liabilities in one location in the financial report. We have therefore restructured our notes such that financial items and non-financial items are discussed separately. However, this is not a mandatory requirement in the accounting standards.

Disaggregation of information notes

2. AASB 1060 paragraph 35 sets out the minimum line items that should be presented in the statement of financial position. Entities shall disclose further subclassifications of these line items, classified in a manner appropriate to the entity's operation, either in the statement of financial position or in the notes. More or less detailed information than illustrated in this note may be appropriate depending on the individual circumstances.

Accounting policies, estimates and judgements

3. As explained on [page 32](#), in our view it is also helpful for readers of the financial report if information about accounting policies that are specific to the entity and about significant estimates and judgements is disclosed with the relevant line items, rather than in separate notes. However, this format is also not mandatory.

Lease disclosures for right-of-use assets

4. AASB 1060 only requires disclosure of depreciation expense and additions to right-of-use assets, but not of a full reconciliation of the right-of-use assets held. However, additional disclosures might be necessary to explain significant changes in the amounts of right-of-use assets, for example as a result of foreign exchange movements or modifications to lease agreements.

AASB1060(44)

AASB1060(145),
(134)(e)(i),(vii),(91)(c)

Non-financial assets and liabilities

Investment property

AASB1060(67),(68)

5. Normally, cash outflows in respect of the purchase of long-term assets (including property, plant and equipment and investment property) are classified as investing activities. However, paragraph 67 of AASB 1060 requires cash flows that are primarily derived from the principal revenue-producing activities of the entity to be classified as operating activities. If the entity with investment property has leasing as its principal revenue-producing activity, the entity may either classify the cash outflow as investing (in line with paragraph 68 of AASB 1060) and the rental inflows as operating, or it may deem both the cash inflow and outflow as operating. An accounting policy should be developed and applied on a consistent basis. VALUE ACCOUNTS Simplified Disclosure Pty Ltd has chosen to present the outflows as investing activities and it discloses this in [note 7\(c\)](#).

Impairment testing and disclosure of significant estimates

AASB1060(97)

6. AASB 1060 requires an entity to disclose information about the key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Entities must also disclose nature of the assets and liabilities that are affected by the estimation uncertainty and their carrying amount as at the end of the reporting period.
7. Impairment calculations will often involve significant estimates and judgements which may need to be explained, as they can have a material impact on the carrying amounts of the assets. This applies in particular to the annual impairment test of goodwill or intangible assets with an indefinite useful life. In relation to impairment, an entity may describe how they have measured the recoverable amount, what key assumptions were made in that calculation and possibly also the sensitivity of the carrying amounts to changes in the assumptions.
8. However, AASB 1060 does not prescribe how much detail needs to be provided and it will therefore depend on the individual circumstances of the entity as to how much information is necessary and appropriate. Most importantly, the disclosures should be entity specific and describe the nature of the uncertainty and the key assumptions that are relevant and provide users with sufficient context to make their own assessments about the potential impact on the financial statements.

Employee benefit obligations

Classification of employee benefits obligations as non-current

AASB1060(40)

9. Other long-term employee benefit obligations, which are those that are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the service that gives rise to the benefit, can only be classified in the statement of financial position as a non-current liability if the entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months. This means that where employees are entitled to take their long service leave or accrued annual leave within the next 12 months, the obligation relating to them must be recorded as a current liability even though the employees might not be expected to take the leave for a longer period.

Reclassification

AASB1060(18)

10. Where an entity has reclassified comparative amounts because of a change in presentation, it must disclose the nature and reason for the reclassification in the notes. To illustrate this disclosure, we have assumed in this publication that VALUE ACCOUNTS Simplified Disclosure Pty Ltd has reclassified its employee obligations in the current year from provisions to a separate line item in the statement of financial position.

Non-financial assets and liabilities

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

11. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

Property, plant and equipment and investment property at cost

	Issue not illustrated	Relevant disclosures or references
AASB1060(134)(e)(iv),(136)	Revaluation of property, plant and equipment	Disclose the amount of increase or decrease from revaluations in the reconciliation in <u>note 7(a)</u> . Disclose also the following: <ul style="list-style-type: none"> • effective date of the revaluation • whether an independent valuer was involved • methods and significant assumptions applied in estimating the items' fair values, and revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.
AASB1060(135)(c)	Fair value of investment property at cost cannot be reliably measured	Disclose that fact and the reasons why fair value cannot be measured reliably.

Leases

	Issue not illustrated	Relevant disclosures or references
AASB1060(144)(a)	Right-of-use assets included in the same line item in the statement of financial position as the corresponding underlying assets	Disclose the net carrying value of the right-of-use assets for each class of underlying assets in which the right-of-use asset is included at the end of the reporting period.
AASB1060(150)	Sale and leaseback transactions as lessees or lessors	Describe significant leasing arrangements including unique or unusual provisions of the agreement or terms of the sale and leaseback transactions. Provide the same disclosure as for other leases as lessee or lessor.
AASB1060(144)(c)	Sub-leasing of right-of-use assets	Describe the sub-lease arrangement.
AASB1060(146)(a)	Portfolio of short-term leases at the end of the reporting period is dissimilar to the portfolio of short-term leases held during the year	Disclose the amount of lease commitments for short-term leases that are recognised as expenses.
AASB1060(133)	Right-of-use assets that meet the definition of investment property	Must be presented as investment property. Apply the disclosure requirements of paragraphs 144 and 146 of this standard, which are applicable to lessees.
AASB1060(145)	Right-of-use assets are measured at revalued amount	Provide the disclosures required by paragraph 136 of this standard, which is applicable to property, plant and equipment at revalued amount.

Non-financial assets and liabilities

	Issue not illustrated	Relevant disclosures or references
AASB1060(147)	The entity is a lessor with finance leases	<p>Disclose the following:</p> <ul style="list-style-type: none"> • a reconciliation between the gross investment in the lease at the end of the reporting period and the present value of lease payments receivable at the end of the reporting period • gross investment in the lease and the present value of lease payments receivable at the end of the reporting period for each of the following periods: <ul style="list-style-type: none"> – not later than one year, – later than one year and not later than five years, and – later than five years. • unearned finance income • the unguaranteed residual values accruing to the benefit of the lessor • the loss allowance for uncollectable lease payments receivable • income relating to variable lease payments not included in the measurement of the net investment • a general description of the lessor's significant leasing arrangements, including, for example, information about variable lease payments, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements
AASB1060(148)(b)	The entity is a lessor with operating leases which contain variable lease payments that do not depend on an index or a rate and are recognised as income	Disclose the total variable lease payments that do not depend on an index or a rate and are recognised as income.
AASB1060(151),(152)	Not-for-profit lessee having leases with significantly below-market terms and conditions principally to enable the entity to further its objectives, and where the entity elects to measure a class or classes of right-of-use assets at initial recognition at cost	<p>Disclose the entity's dependence on these leases and the nature and terms of the leases, including the following:</p> <ul style="list-style-type: none"> • the lease payments, • the lease term, • a description of the underlying assets, and • restrictions on the use of the underlying assets specific to the entity. <p>The above information should be disclosed individually for each material lease or in aggregate for leases involving right-of-use assets of a similar nature. An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.</p>
AASB2020-7 AASB1060(146A)	COVID-19-related rent concessions – entity has applied practical expedient in AASB 16.	Disclose that/to what extent the entity has applied the practical expedient and the amount recognised in profit or loss.

Non-financial assets and liabilities

Investment property at fair value

	Issue not illustrated	Relevant disclosures or references
AASB1060(132)(e)(iii), (iv),(v)	Other changes in carrying value of investment property including the following: transfers to and from investment property carried at cost less accumulated depreciation and impairment transfers to and from inventories and owner-occupied property, and other changes	Disclose the amounts in the reconciliation of carrying value at beginning and end of the reporting period.
AASB1060(132)(b)	Fair value of investment property is not based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and class of the investment property being valued	Disclose that fact.

Intangible assets

	Issue not illustrated	Relevant disclosures or references
AASB1060(137)(e)(ii),(vi), (vii),(143)(c),(d)	Other changes in carrying value of intangible assets including the following: assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5 and other disposals <ul style="list-style-type: none"> • reversal of impairment losses • foreign exchange difference disposals of previously acquired businesses;	Disclose the amounts in the reconciliation of carrying value at beginning and end of the reporting period.
AASB1060(141)	Intangible assets with indefinite useful lives	Disclose the carrying amount and factors that have played a significant role in assessing that the assets have an indefinite useful life.
AASB1060(138)(a)	Individually material intangible assets	Describe the assets and disclose the carrying amount and remaining amortisation period.
AASB1060(138)(b)	Intangible assets acquired by way of government grant and initially recognised at fair value	Disclose the fair value initially recognised, the current carrying amount.
AASB1060(138)(c)	Intangible assets with restricted title and/or pledged as security for liabilities	Disclose existence and carrying amounts.
AASB1060(137)(e)(iv),(140)	Intangible assets measured under the revaluation model	Disclose the increases or decreases resulting from revaluations and from impairment losses recognised or reversed in the reconciliation of carrying value at beginning and end of the reporting period. In addition, disclose the following: <ul style="list-style-type: none"> • effective date of the revaluation, • whether an independent valuer was involved, • methods and significant assumptions applied in estimating the items' fair values, and • revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.

Non-financial assets and liabilities

Other non-financial assets and liabilities

	Issue not illustrated	Relevant disclosures or references
AASB1060(123)(e)	Inventories	Disclose the amount of inventories pledged as security for liabilities.
AASB1060(124)	Inventories of not-for-profit entities	Additionally disclose the basis on which any loss of service potential of inventories held for distribution is assessed, or the bases when more than one basis is used.
AASB1060(165)	The entity has equity-settled share-based payment arrangements	Disclose how the entity has determined the fair value of goods or services received or the value of the equity instruments granted. If a valuation methodology was used, disclose the method and the reason for choosing it.
AASB1060(167)	The entity has share-based payment arrangements that were modified during the period	Explain the modifications.
AASB1060(172)	An entity accounts for a defined benefit multi-employer plan as a defined contribution plan because sufficient information is not available to use defined benefit accounting	Disclose this fact and the reason why sufficient information is not available to use defined benefit accounting, along with any available information about the plan's surplus or deficit and the implications, if any, for the entity.
AASB1060(173)	The entity has a defined benefit superannuation plan	See Appendix A for an illustration of the disclosures.
AASB1060(153)(d)	Expected reimbursement for provision made	For each class of provision, disclose the amount of any expected reimbursement and the asset and amount recognised for that expected reimbursement.

8. Equity ²

(a) Contributed equity

AASB1060(45)(a)(ii),(iv),
(44)(f)

(i) Movements in ordinary fully paid shares:

	Notes	Number of shares	Total \$'000
Details			
Balance 1 July 2024 and 1 July 2025		54,793,075	62,619
Share issue	(ii)	1,606,820	10,410
Acquisition of subsidiary	<u>10</u>	<u>1,698,261</u>	<u>14,816</u>
		58,098,156	87,845
Less: Transaction costs arising on share issues		-	(200)
Deferred tax credit recognised directly in equity		-	60
Balance 30 June 2026		<u>58,098,156</u>	<u>87,705</u>

(ii) Ordinary shares

AASB1060(45)(a)(v)

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

AASB1060(45)(a)(i),(iii)

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(b) Hedging reserve

AASB1060(45)(b)

The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in [note 19\(p\)](#). Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss as appropriate.

(c) Franked dividends ¹

The franked portions of the final dividends recommended after 30 June 2026 will be franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ending 30 June 2027.

AASB1060(101)

	Consolidated	
	2026 \$'000	2025 \$'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2025 - 30%)	<u>20,531</u>	<u>15,480</u>

AASB1060(102)

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

Equity

Franking credits

AASB1060(100)-(102)

1. AASB 1060 does not specify whether the disclosure of franking credits available for use in subsequent reporting periods should be made on a consolidated basis or for the parent entity only. The amounts will be the same where all entities are members of the tax consolidated group, as there is only one franking account for the group. However, if there are subsidiaries that are not in the tax consolidated group, we believe that both amounts should be disclosed, as it is the parent entity that will be declaring the dividends in the first place, but the consolidated amounts show the total amount of franking credits available if distributable profits of subsidiaries were paid as dividends.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

2. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

	Issue not illustrated	Relevant disclosures or references
AASB1060(45)(a)(ii)	Partly paid shares	Disclose the number of shares that are issued but not fully paid.
AASB1060(45)(a)(vi)	Shares in the entity held by the entity or by its subsidiaries or associates	Disclose which classes of shares these shares are included.
AASB1060(45)(a)(vii)	Shares reserved for issue under options and contracts for the sale of shares, including the terms and amounts	Disclose which classes of shares these shares are included.
AASB1060(46)	Entities without share capital	Disclose information equivalent to that required for entities having share capital.
AASB1060(180)(b)	Foreign exchange differences classified in a separate component of equity at the end of the period	Disclose the amount arising during the period

9. Cash flow information

(a) Non-cash investing and financing activities

	2026 \$'000	2025 \$'000
Acquisition of office fit outs from lessor as lease incentive (note 7(a))	-	950

Non-cash investing and financing activities disclosed in other notes are:

- Acquisition of right-of-use assets – note 7(b)
- partial settlement of a business combination through the issue of shares – note 10, and
- deferred settlement of part proceeds of the sale of VALUE Equipment Hire Pty Ltd – note 11.

Group structure

Not mandatory

This section provides information which will help users to understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

- changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation, and
- interests in associates.

A list of significant subsidiaries is provided in note 12. This note also discloses details about the group's equity accounted investments.

10	<u>Business combinations</u>	79
11	<u>Discontinued operations</u>	81
12	<u>Interests in other entities</u>	82

10. Business combinations

(a) Summary of acquisition

AASB1060(142)(a)-(e) On 1 October 2026 the parent entity acquired 100% of the issued share capital of VALUE Electronics Pty Ltd, a manufacturer and distributor of peripheral equipment. The acquisition has significantly increased the group's market share in this industry and complements the group's existing IT consultancy division. Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	\$'000
AASB1060(142)(d) Purchase consideration (refer to (b) below):	
Cash paid	4,340
Ordinary shares issued	14,816
Contingent consideration	135
Total purchase consideration	<u>19,291</u>

AASB1060(142)(e) The assets and liabilities recognised because of the acquisition are as follows:

	Fair value \$'000
Cash	1,550
Trade receivables	780
Inventories	840
Property, plant and equipment	11,810
Deferred tax asset	1,785
Intangible assets: trademarks	3,020
Intangible assets: customer contracts	3,180
Trade payables	(470)
Provision for employee benefit obligations	(415)
Bank overdraft	(1,150)
AASB1060(142)(e) Contingent liability	(450)
Deferred tax liability	<u>(2,304)</u>
Net identifiable assets acquired	18,176
AASB1060(142)(e) Add: goodwill	<u>1,115</u>
Net assets acquired	<u>19,291</u>

AASB1060(142)(g) The goodwill is attributable to the workforce and an increase in market share.

AASB1060(20) There were no acquisitions in the year ended 30 June 2025.

AASB1060(97)

(i) Significant estimate: contingent consideration

If certain pre-determined sales volumes are achieved by the acquired business for the year ended 30 June 2026, additional consideration of up to \$1,000,000 may be payable in cash on 1 March 2027.

The potential undiscounted amount payable under the agreement is between \$0 for sales below \$10,000,000 and \$1,000,000 for sales above \$18,000,000. The fair value of the contingent consideration of \$135,000 was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 6% and assumed probability-adjusted sales of VALUE Electronics Pty Ltd of between \$12,000,000 and \$12,500,000.

As at 30 June 2026, the contingent consideration has been derecognised, because the actual sales revenue achieved by VALUE Electronics Pty Ltd was below \$10,000,000. A gain of \$135,000 was included in other income.

(a) Summary of acquisition

AASB1060(96)

(ii) Significant judgement: contingent liability

A contingent liability of \$450,000 was recognised on the acquisition of VALUE Electronics Pty Ltd for a pending lawsuit in which the entity is a defendant. The claim has arisen from a customer alleging defects on products supplied to them. It is expected that the courts will have reached a decision on this case by December 2026. The potential undiscounted amount of all future payments that the group could be required to make, if there was an adverse decision related to the lawsuit, is estimated to be between \$250,000 and \$700,000. As at 30 June 2026, there has been no change in the amount recognised for the liability in October 2026 (except for the unwinding of the discount of \$27,000), since there has been no change in the probability of the outcome of the lawsuit.

Business combinations

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

1. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

Issue not illustrated	Relevant disclosures or references
The entity has made a bargain purchase	Disclose the amount of gain and in which line item in profit or loss it is recognised.
The entity has acquired less than 100% of the equity interests in the acquire	Disclose the amount of the non-controlling interest in the acquiree recognised at the acquisition date and the measurement basis for that amount. This disclosure requirement is illustrated in Appendix A .

AASB1060(142)(f)

AASB1060(142)(h)

11. Discontinued operations

(a) Description

AASB1060(47)(b)

On 30 April 2025 the directors decided to sell VALUE Equipment Hire Pty Ltd and it initiated an active program to locate a buyer and complete the sale. The associated assets and liabilities were consequently presented as held for sale in the 2025 financial statements.

The subsidiary was sold on 31 August 2025 with effect from 1 September 2025 and it is reported in the current period as discontinued operations.

AASB1060(90),(91)(c)

The gain from discontinued operations presented below in the statement of profit or loss and other comprehensive income relates to: ^{1,2}

	2026 \$'000	2025 \$'000
Profit after tax from discontinued operations	246	399
Gain on sale of the subsidiary after income tax	651	-
	<u>897</u>	<u>399</u>

(b) Details of the sale of the subsidiary

AASB1060(91)(c)

In the event that operations of the subsidiary achieve certain performance criteria during the period from 1 September 2025 to 31 August 2027, as specified in an 'earn out' clause in the sale agreement, additional cash consideration of up to \$2,400,000 will be receivable. At the time of the sale the fair value of the consideration was determined to be \$1,200,000. It has been recognised as a financial asset at fair value through profit or loss (see [note 6\(c\)](#)).

At year end, the fair value was re-estimated to be \$1,290,000. The gain of \$90,000 is presented in discontinued operations net of related income tax.

(c) Assets and liabilities of disposal group classified as held for sale

AASB1060(47)(a)

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operations as at 30 June 2025:

	2026 \$'000	2025 \$'000
Assets classified as held for sale		
Property, plant and equipment	-	1,995
Trade receivables	-	1,570
Inventories	-	1,390
Total assets of disposal group held for sale	<u>-</u>	<u>4,955</u>
Liabilities directly associated with assets classified as held for sale		
Trade payables	-	(450)
Provision for employee benefits	-	(50)
Total liabilities of disposal group held for sale	<u>-</u>	<u>(500)</u>

Discontinued operations

AASB1060(90),(91)(c)

1. While AASB 1060 does not require a breakdown of the single amount presented in the statement of profit or loss and other comprehensive income in relation to discontinued operations, such a disaggregation may sometimes be necessary for an understanding of the entity's financial performance, in particular where the discontinued operations make up a material portion of the entity's existing operations.
2. Depending on the circumstances, it may be sufficient to disclose separately the profit or loss after tax attributable to the discontinued operations and the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group constituting the discontinued operation, as is done by VALUE ACCOUNTS Simplified Disclosure Pty Ltd. However, more detail may be needed under certain circumstances.

12. Interests in other entities ²

(a) Material subsidiaries

AASB1060(192)

The group's principal subsidiaries at 30 June 2026 are set out below. They have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business of each entity.

AASB1060(192)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group	
		2026	2025
		%	%
VALUE Consulting Pty Ltd	Australia	100	100
VALUE Manufacturing Pty Ltd	Australia	100	100
VALUE Electronics Pty Ltd	Australia	100	-
VALUE Equipment Hire Pty Ltd	Australia	-	100

(b) Significant restrictions on subsidiaries

AASB1060(104)(d)

Cash and short-term deposits held in VALUE Manufacturing Pty Ltd are subject to loan covenant requirement in maintaining current assets which restricts the ability of Value Manufacturing Pty Ltd to transfer funds to the parent in the form of cash dividends or to repay loans.

The carrying amount of the assets included within the consolidated financial statements to which these restrictions apply is \$650,000 (2025 – \$410,000).

(c) Interests in associates ¹

AASB1060(91)(c)

As at 30 June 2026, the group held 25% of the ordinary shares in Big Hide Pet Ltd (2025 – 25%), a company incorporated in Australia and listed on the Australian Securities Exchange. The group has determined that it has significant influence over Big Hide Pet Ltd and is therefore equity-accounting its investment.

AASB1060(125)(b),(c)

As at 30 June 2026, the fair value of the group's investment in the associate which is based on its market price quoted on the Australian Securities Exchange was \$3,800,000 (2025: \$3,780,000) and the carrying amount of the investment was \$3,340,000 (2025: \$3,160,690).

The amount presented in the statement of profit or loss and other comprehensive income in relation to the investment in the associate relates to:

	2026 \$'000	2025 \$'000
AASB1060(127) Group's share of the profit or loss of the associate	340	312
AASB1060(127) Group's share of a discontinued operations of the associate	-	43 ²

Interests in other entities

AASB1060(91)(c)

1. AASB 1060 does not require the disclosure of information about the entity’s investments in associates such as their name, ownership interest held or place of business. However, where an entity’s investments in associates are material to the overall financial position and performance, the entity should consider whether some of this information may be necessary for an understanding of the financial statements. Note 12(c) shows what an entity could disclose in this case, but it will depend on the individual circumstances as to how much detail is required.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

2. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

Issue not illustrated	Relevant disclosures or references
The parent does not own, directly or indirectly through subsidiaries, more than half of the voting power	Disclose the basis for concluding that control exists.
Subsidiaries with different reporting dates	Disclose the reporting date.
The entity has applied the exemption in AASB 10 paragraph 4 and has not prepared consolidated financial statements	Disclose that the statements are separate financial statements and a description of the methods used to account for investments in joint ventures, subsidiaries and associates. Also identify the consolidated financial statements to which the separate financial statements relate. See the commentary to <u>note 18</u> for further information.
Investments in joint ventures	Disclosures for investments in joint ventures are illustrated in <u>Appendix A</u> .
Investments in associates accounted for under the cost model	Disclose the amount of dividends and other distributions recognised as income.
Interests in associates and joint ventures classified as financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive in accordance with AASB 9	Follow the same disclosure requirements of financial assets as stated in paragraphs 113–115 of AASB 1060.

Unrecognised items

Not mandatory

This section of the notes provides information about items that are not recognised in the financial statements because they do not (yet) satisfy the recognition criteria.

In addition to the items and transactions disclosed below, there are also:

- (a) Unrecognised tax amounts – see [note 5](#), and
- (b) Non-cash investing and financing transactions – see [note 9\(a\)](#).

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Unrecognised items

1. There is no requirement to highlight separately any unrecognised items. However, we believe that this information is useful for users in assessing the financial performance and position of the group.

13. Contingent liabilities and contingent assets ¹

(a) Contingent liabilities

The group had contingent liabilities at 30 June 2026 in respect of:

(i) Claims

AASB1060(154)

A claim for unspecified damages was lodged against VALUE Consulting Pty Ltd in June 2026 in relation to alleged non-performance under a sales contract. The company has disclaimed liability and is defending the action. It is not practical to estimate the potential effect of this claim, but legal advice indicates that it is not probable that a material liability will arise.

In March 2026, a claim was lodged against VALUE Manufacturing Pty Ltd asserting that the entity had breached certain registered patents of a competitor. The matter is currently being considered by the courts, and the group expects judgment before the end of December 2025. The group considers it to be probable that the judgment will be in its favour and so it has therefore not recognised a provision in relation to this claim. The potential undiscounted amount of the total payments that the group could be required to make, if there was an adverse decision related to the lawsuit, is estimated to be approximately \$250,000.

(b) Contingent assets

AASB1060(155)

A subsidiary has lodged a claim against a supplier for damages caused by the supply of faulty products. The matter has been referred to arbitration and, having received legal advice, the directors believe that a favourable outcome is probable. The claim is estimated to be approximately \$150,000. However, the contingent asset has not been recognised as a receivable at 30 June 2026, because receipt of the amount is dependent on the outcome of the arbitration process.

Contingent liabilities and contingent assets

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

1. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

Issue not illustrated	Relevant disclosures or references
Information cannot be disclosed because it is impracticable to do so	Disclose the fact.
Disclosure of information can be expected to seriously prejudice the position of the entity	Disclose the general nature of the dispute together with the fact that, and the reasons why, the information has not been disclosed.

AASB1060(154)

AASB1060(156)

14. Commitments

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

		2026 \$'000	2025 \$'000
AASB1060(135)(b)	Property, plant and equipment	4,200	800
AASB1060(132)(d),(135)(b)	Investment property	520	1,250
AASB1060(138)(d)	Intangible assets	450	-

(b) Repairs and maintenance: investment property

		2026 \$'000	2025 \$'000
AASB1060(132)(d)	Contractual obligation for future repairs and maintenance – not recognised as a liability	540	389

15. Events after the reporting period

(a) Acquisition of Better Manufacturing Limited

AASB1060(187)(a),(188)(a) On 15 August 2026, VALUE ACCOUNTS Simplified Disclosure Pty Ltd acquired 87.5% of the issued shares in Better Manufacturing Limited, a manufacturer of IT equipment, for consideration of \$12,030,000. The acquisition is expected to increase the group's market share and create cost synergies.

The financial effects of this transaction have not been recognised at 30 June 2026. The operating results and assets and liabilities of the acquired company will be consolidated from 15 August 2026.

The group estimates that the acquisition will result in the recognition of goodwill of approximately \$1,400,000 which is attributable to Better Manufacturing Limited's strong position and profitability in trading in the IT equipment market and synergies expected to arise after the company's acquisition of the new subsidiary.s

The purchase price includes contingent consideration which is depending on the profits achieved by Better Manufacturing in the year ending 30 June 2027. The maximum undiscounted amount payable under this arrangement is \$800,000 and the fair value as at the date of acquisition is estimated to be approximately \$280,000.

(b) Refinancing of borrowing

AASB1060(187)(a),(b) At the beginning of August 2026, the group renegotiated its existing loan facility to finance the construction of the new production plant for the electronic equipment division. The total available amount under the facility was increased by \$20,000,000, which is expected to be drawn down over the next 12 months. The facility is now repayable in three annual instalments, commencing 1 November 2031. The refinancing resulted in the recognition of a modification gain of \$80,000 which will be recognised in profit or loss in the 2027 financial year.

Further details

Not mandatory

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

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16. Related party transactions ^{1-3,8,12-16}

(a) Parent entities

AASB1060(192)

The group is controlled by the following entities:

Name	Type	Ownership interest	
		2026	2025
Lion Immediate Plc	Immediate parent entity	100%	100%
Lion Plc	Ultimate parent entity and controlling party	100%	100%

* Lion Plc holds 100% of the issued ordinary shares of Lion Immediate Plc..

(b) Subsidiaries

Interests in subsidiaries are set out in note 12(a).

(c) Key management personnel compensation ^{4,14-16}

	2026 \$ ¹¹	2025 \$ ^{9,10}
AASB1060(194) Total key management compensation	3,273,000	2,510,000

AASB1060(198)(b),(199) The compensation disclosed above includes \$354,000 (2025 – \$296,000) of bonuses payable under a short-term incentive scheme which were unpaid as at year end and are included in other payables. In addition, the leave obligations disclosed in note 7(h)(i) include \$234,000 (2025 – \$56,000) of obligations payable to the key management personnel. ⁵

AASB1060(195),(196) In addition to the key management compensation disclosed above, the group paid \$110,000 (2025 - \$105,000) to a management entity for CFO services provided to the group.

(d) Transactions with other related parties ^{6,7,13}

AASB1060(198)(a)

The following transactions occurred with related parties:

	2026 \$ ¹¹	2025 \$ ^{9,10}
<i>Sales and purchases of goods and services</i>		
AASB1060(199)(b),(201)(a) Sale of goods to associates	125,222	-
AASB1060(199)(a), (201)(c) Purchase of management services from parent	450,000	370,000
AASB1060(199)(d),(201)(a) Purchases of electronic equipment from other related parties	182,232	78,300
AASB1060(199)(c), (201)(a),(c) Purchases of various goods and services from entities controlled by key management personnel (i)	764,265	576,020
<i>Dividend revenue</i>		
AASB1060(199)(d) Other related parties	150,000	300,000
<i>Dividend payments</i>		
AASB1060(199)(a) Lion Immediate Plc	25,940,234	12,865,329

(i) Purchases from entities controlled by key management personnel ²

AASB1060(199)(c), (201)(c),(d)

The group acquired the following goods and services from entities that are controlled by members of the group's key management personnel:

- construction of a warehouse building
- rental of an office building, and
- legal services.

(e) Outstanding balances arising from sales/purchases of goods and services

AASB1060(198)(b)

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2026 \$ ¹¹	2025 \$ ^{9,10}	
Current payables (purchases of goods and services)			
AASB1060(198)(a)	Lion Immediate Plc (parent entity)	58,200	73,000
AASB1060(198)(c)	Entities controlled by key management personnel	196,375	91,294
AASB1060(198)(d)	Other related parties	265,327	94,300

(f) Loans to/from related parties

AASB1060(199)(c)	<i>Loans to key management personnel⁵</i>		
AASB1060(198)(b)	Beginning of the year	606,300	502,700
AASB1060(198)(a)	Loans advanced	220,000	150,000
AASB1060(198)(a)	Loan repayments received	(108,850)	(46,400)
AASB1060(198)(a)	Interest charged	56,929	41,275
AASB1060(198)(a)	Interest received	(56,929)	(41,275)
AASB1060(198)(c)	Loss allowance (see note 6(c))	(3,000)	(2,000)
AASB1060(198)(b)	End of year	<u>714,450</u>	<u>604,300</u>
AASB1060(199)(d)	<i>Loans to other related parties</i>		
AASB1060(198)(b)	Beginning of the year	700,000	600,000
AASB1060(198)(a)	Loans advanced	1,000,400	600,400
AASB1060(198)(a)	Loan repayments received	(400,300)	(500,400)
AASB1060(198)(a)	Interest charged	81,450	62,130
AASB1060(198)(a)	Interest received	(81,450)	(62,130)
AASB1060(198)(c)	Loss allowance (see note 6(c))	(4,000)	(2,000)
AASB1060(198)(b)	End of year	<u>1,296,100</u>	<u>698,000</u>
AASB1060(199)(a)	<i>Loans from Lion Immediate Plc (parent entity)</i>		
AASB1060(198)(b)	Beginning of the year	4,000,000	-
AASB1060(198)(a)	Loans advanced	7,150,000	4,100,000
AASB1060(198)(a)	Loan repayments made	(2,050,000)	(100,000)
AASB1060(198)(a)	Interest charged	185,400	104,900
AASB1060(198)(a)	Interest paid	(185,400)	(104,900)
AASB1060(198)(b)	End of year	<u>9,100,000</u>	<u>4,000,000</u>
AASB1060(199)(b)	<i>Loans from associates</i>		
AASB1060(198)(b)	Beginning of the year	-	-
AASB1060(198)(a)	Loans advanced	6,285,230	800,220
AASB1060(198)(a)	Loan repayments made	(200,000)	(800,220)
AASB1060(198)(a)	Interest charged	245,450	84,830
AASB1060(198)(a)	Interest paid	(245,450)	(84,830)
AASB1060(198)(b)	End of year	<u>6,085,230</u>	<u>-</u>

AASB1060(198)(d)

An allowance of \$2,000 was recognised in relation to loans to related parties during the year, and the loss allowance on loans to key management personnel was increased by \$1,000, see [note 6\(c\)\(i\)](#). No loss allowance was recognised in expense in 2026.

(g) Terms and conditions

AASB1060(198)(b)(i)

Transactions relating to dividends, calls on partly paid ordinary shares and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

The loans to key management personnel are generally for periods of 10 years, repayable in quarterly instalments at interest rates of 5% per annum. They are secured by first mortgages over the individuals' residences. One unsecured loan of \$60,000 was made to a director of VALUE ACCOUNTS Simplified Disclosure Pty Ltd for a period of two years with an interest rate of 8% per annum. This loan is repayable in full on 30 September 2026.

Goods were sold to associates during the year based on the price lists in force and terms that would be available to third parties. Management services were bought from the immediate parent entity on a cost-plus basis, with a margin ranging from 15% to 30% (2025 – 10% to 24%). All other transactions were made on normal commercial terms and conditions and at market rates. The loans to other related parties are repayable between two to four years from the reporting date, the loan from the associate matures in three years, and the loans from the parent entity are denominated in Australian dollars and repayable in instalments from 2031. The average interest rate on the other loans during the year was 9.5% (2025 – 9.75%).

AASB1060(198)(b)(i)

Outstanding balances other than loans to key management personnel are unsecured and are repayable in cash.

Related party transactions

Presentation

1. All of the related party information required by AASB 1060 that is relevant to VALUE ACCOUNTS Simplified Disclosure Pty Ltd has been presented, or referred to, in one note. This is considered to be a convenient and desirable method of presentation, but there is no requirement to present the information in this manner. Compliance with the standard could also be achieved by disclosing the information in relevant notes throughout the financial statements.

Materiality

AASB1060(Appendix A)

2. The disclosures required by AASB 1060 apply to the financial statements when the information is material. According to the definition of 'material' in Appendix A, materiality depends on the size and nature of an item. It might be necessary to treat an item or a group of items as material because of their nature, even if they would not be judged material on the basis of the amounts involved. This might apply where transactions occur between an entity and parties who have a fiduciary responsibility in relation to that entity, such as those transactions between the entity and its key management personnel.

Related party definition

AASB1060(Appendix A)

3. The definition of a related party includes the following persons and entities:
 - (a) A person (or a close member of that person's family) is related to the reporting entity if the person:
 - (i) has control or joint control over the reporting entity
 - (ii) has significant influence over the reporting entity, or
 - (iii) is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity
 - (b) The reporting entity (A) is related to another entity (B) if:
 - (i) A and B are members of the same group (that is all entities within a group are related to each other)
 - (ii) A is an associate or joint venture of B. In this case A is related to all members of the group that B belongs to
 - (iii) A and B are joint ventures of the same third party, C
 - (iv) A is a joint venture of C and B is an associate of C (or vice versa)
 - (v) B is a post-employment benefit plan for the benefit of employees of A or an entity related to A. If A is itself a post-employment benefit plan, any sponsoring employers are also related to A
 - (vi) B is controlled or jointly controlled by a person identified in (a) above
 - (vii) a person who has control or joint control over A has significant influence over B or is a member of the key management personnel of B, or
 - (viii) B (or any member of the group of which B is a part) provides key management personnel services to A or A's parent.

In this definition, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Related party transactions

Key management personnel

- AASB1060(193)
4. Key management personnel (KMP) 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.
- AASB1060(198),(199)
5. Whether it is necessary to disclose additional information about KMP compensation and amounts such as outstanding leave balances, unpaid salaries, bonuses or pension obligations to satisfy the requirements in AASB 1060 paragraph 198 will depend on the individual circumstances and on the materiality of the amounts involved - both from a quantitative and qualitative point of view. Disclosure will more likely be required if there are unusual circumstances associated with those payments and balances, such as special bonuses provided to KMPs only, unusual payment terms or unusually large unpaid amounts.

Transactions with related parties

- AASB1060(Appendix A), (197),(201)
6. Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged. They include commitments to do something if a particular event occurs (or does not occur) in the future and executory contracts (recognised or unrecognised). In accordance with AASB 137, executory contracts are contracts under which neither party has performed any of its obligations, or both parties have partially performed their obligations to an equal extent.
- AASB1060(201),(203)
7. AASB 1060 provides examples of different categories of related party transactions. An entity may disclose items of a similar nature in the aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.

Exemption for government-related entities

- AASB1060(200)
8. An entity does not have to disclose transactions with
- (a) a state (a national, regional or local government) that has control, joint control or significant influence over the entity, and
 - (b) another entity that is a related party because the same state has control, joint control or significant influence over both the reporting entity and the other entity.

Comparatives

- AASB1060(20)
AASB1060(25)(e)
9. Comparative information must be provided for all amounts reported in the financial statements, except where AASB 1060 permits or requires otherwise. As there are no such exemptions in AASB 1060. Since the notes are part of the financial statements (see paragraph 25 of AASB 1060), comparative information should be included for all amounts that provide further analysis of the line items in the financial statements.
- AASB1060(20)
10. AASB 1060 further states that comparative information should also be provided for narrative and descriptive information where it is relevant to an understanding of the current period's financial statements. In the case of related party disclosures, comparative information is likely to be relevant for all narrative and descriptive information. The comparative information should disclose transactions with parties that were related when the time the transaction took place, but need not disclose information about transactions with parties that were unrelated at that time.

Rounding

- ASIC2026/183
11. Under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* amounts disclosed in relation to transactions between related parties can only be rounded to the nearest \$1,000 for entities with total assets of more than \$1,000m.

Related party transactions

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

12. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

	Issue not illustrated	Relevant disclosures or references
AASB1060(198)(b)	Commitments to related parties, including committed future purchases or sales	Disclose amount of commitments as at the end of the reporting period, including terms and conditions.
AASB1060(198)(b)(ii)	Guarantees given or received in relation to relation to outstanding balances due to/from related parties	Disclose the details of guarantees.
AASB1060(200),(192)	The entity applies the exemption for government-related entities	Disclose the parent-subsidiary relationship.
	An investment entity is exempt from consolidating certain subsidiaries and it measures them at fair value through profit or loss instead	Disclose any transactions and outstanding balances with those subsidiaries, because they are not eliminated on consolidation.

Superannuation plans

13. Post-employment benefit plans for the benefit of employees of the entity, or of any entity that is a related party of the entity, are related parties under the definition in [Appendix A](#) of AASB 1060. This means that contributions made to such plans by the entity or any other entity in the consolidated group must be disclosed as a related party transaction, regardless of whether the plans are defined contribution or defined benefit plans. However, industry-wide and state pension schemes that are not exclusively for the benefit of the entity's employees, or for the benefit of employees of the entity's related parties, would generally not be regarded as related parties of the entity. Similarly, where employees have a choice of selecting a post-employment benefit plan into which the entity will make contributions and the plan is otherwise unrelated to the reporting entity it would not become a related party merely because of the employees' membership.

KMP compensation paid by the parent or another group entity

AASB1060(193)	14. In some groups, certain employees may be appointed as directors of several subsidiaries within the group. In those cases, the compensation for the management of the affairs of those subsidiaries is often paid by the parent entity, or another entity in group and may, or may not be, recharged to the relevant subsidiaries.
	15. The directorship of the subsidiaries will form part of the executive's overall role for which they are compensated and the directors will have certain fiduciary duties to the subsidiaries. Some compensation may therefore need to be allocated to the subsidiaries even if there is no recharge made between the entities.
	16. If it is possible to allocate the compensation to each of the subsidiaries on a reasonable basis (e.g. based on details of the compensation packages agreed by the remuneration committee or records maintained on the time spent managing the affairs of each entity), it would be appropriate to disclose the allocated amounts in the financial statements of the subsidiaries. Where it is not possible to allocate the compensation on a reasonable basis, alternative disclosures should be considered to ensure the financial statements still provide a true and fair view. For example, the total compensation could be disclosed in the financial statements of each subsidiary, with an explanatory footnote.

17. Remuneration of auditors ^{1,2,11-17}

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the parent entity, VALUE ACCOUNTS Simplified Disclosure Pty Ltd, by PwC's related network firms and by non-related audit firms:

	2026	2025
	\$ ¹⁸	\$ ¹⁸
(a) Auditors of the Group – PwC and related network firms		
AASB1060(98)(a)		
Audit of financial reports ³⁻⁵		
Group	653,000	635,000
Controlled entities	963,000	945,000
AASB1060(98)(a)	1,616,000	1,580,000
AASB1060(98)(b),(99) Revised illustration		
Other statutory assurance services ^{6,7,8}	166,000	52,000
AASB1060(98)(b),(99)		
Other assurance services ^{9,10}	241,000	75,000
AASB1060(98)(b)		
Other services ¹¹		
AASB1060(99)		
Tax compliance services	20,000	15,000
AASB1060(99)		
Tax advisory services	10,000	10,000
AASB1060(99)		
Consulting services	15,000	12,000
	45,000	37,000
	2,068,000	1,744,000
(b) Other auditors and their related network firms		
AASB1060(98)(a)		
Audit of financial reports ³⁻⁵		
Controlled entities	15,000	12,000
AASB1060(98)(b),(99)		
Other statutory assurance services ^{6,7}	40,000	35,000
AASB1060(98)(b),(99)		
Other assurance services ^{9,10}	21,000	21,000
AASB1060(98)(b)		
Other services ¹¹		
AASB1060(99)		
Tax compliance services	30,000	25,000
	106,000	93,000

Remuneration of auditors

AASB1060(98)

1. AASB 1060 requires disclosure of fees to each auditor or reviewer, including any network firm, separately for
 - (a) the audit or review of the financial statements, and
 - (b) all other services performed during the reporting period.
2. The *Parliamentary Joint Committee on Corporations and Financial Services Regulation of Auditing in Australia* recommended standard setters enhance the disclosures of auditor remuneration by better defining the categories so that they provide more information about the split of remuneration between audit and non-audit services. While changes to the audit remuneration disclosure requirements are yet to be made, we have developed the illustrative disclosures in this publication based on draft recommendations made by ASIC and we encourage entities to consider these in their financial statements. These enhanced disclosures go further than the current disclosure requirements in AASB 1060 as outlined in paragraph 1 of this commentary.

Audit and review of the financial report

AASB1060(98)(a)

3. In our illustrative disclosures, audit and review of the financial report includes services provided by the group auditor and their network firms to audit the statutory financial report of the parent and the statutory financial reports of any controlled entities and joint operations in the group. As a practical approach, the fees disclosed for the current year will also include overruns identified and billed after the financial statements for the previous financial year were finalised and which had therefore not been accrued in the prior year.

SI 2011/2198
FRC Ethical Standard (2019)
UK ICAEW Tech 14/13

4. In the UK, the inclusion of audit fees of associates and joint ventures is encouraged but not required due to the possibility of different reporting deadlines. In Australia, remuneration paid to other auditors outside of PwC networks also needs to be disclosed separately.
5. There are some new areas of work such as wages trust or fraud where a component of the work is done as part of the audit of the financial report and so is included in the audit fees. Other components of this work, such as legal assurance over compliance with contracts, may currently be included in other assurance services.

Other statutory assurance services

6. Mandatory sustainability reporting has commenced in Australia, and the sustainability report is required to be assured consistent with the timeline in ASSA 5010. Whilst this fee relates to statutory assurance services, it cannot be disclosed in the same line as the fee for the audit or review of the financial statements. This is because the fee for the audit or review of the financial statements is required to be disclosed separately by AASB 1060 paragraph 98(a). VALUE ACCOUNTS Simplified Disclosure Pty Ltd has disclosed the fee for the review of the sustainability report in the line 'Other statutory assurance services'.
7. Other statutory assurance services include services required by legislation to be provided by the statutory financial report auditor. Examples are Australian Financial Services License audits.

FRC Ethical Standard (2019)

8. In the UK this category is referred to as audit-related services and includes: reporting required by law or regulation to be provided by an auditor, reviews of interim financial information, reporting on regulatory returns, reporting to a regulator on client assets, reporting on government grants, reporting on internal financial controls when required by law or regulation and extended audit work that is authorised by those charged with governance performed on financial information and/or financial controls where this work is integrated with the audit work and is performed on the same principal terms and conditions.

Other assurance services

9. In our illustrative disclosures, other Assurance services include other assurance and agreed-upon-procedures services as defined in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (or similar professional requirements, or performed under contractual arrangements) where there is discretion as to whether the service is provided by the statutory auditor or another firm.
10. It would also include extended audit work that is authorised by those charged with governance and performed on financial or non-financial information and financial or non-financial controls where this work is intended to extend the audit work and provide additional assurance. Examples of other assurance services might include reviews of climate-related financial disclosures, cyber controls assurance, fraud or wage contract compliance agreed-upon- procedures, financial due diligence, controls assurance and agreed-upon-procedures performed for APRA.

Remuneration of auditors

Other non-audit services

AASB1060(98)(b)

11. AASB 1060 requires disclosure of the nature of other services but does not require a numerical breakdown. The UK requires separate disclosure of tax compliance, tax advisory, internal audit, corporate finance related service and other. The UK also suggests a subtotal of all non-audit and review services separately from the financial report audit fees. Note for the SEC and UK, some of these services are specifically prohibited.

Network firms

AASB1060(BC75)
APES110(2)

12. A network firm is defined in APES 110 as a firm or entity that belongs to a network. A network is 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.
13. Further guidance on networks and network firms can be found in paragraphs 290.13 to 290.24 of APES 110.

Joint venture operations vs associates and joint ventures

14. The share of auditor's remuneration relating to joint venture operations should be included in the disclosures, However, fees paid to other auditors of associates or joint ventures are not included, as only the share of profits is consolidated.

Amounts paid or payable by another entity

15. Where an amount is paid or payable by another entity (e.g. the parent entity) the recommended approach is to disclose the amount in the individual entity's financial statements, regardless of who paid it. In cases where it is not possible to make an allocation, the individual entity's financial statements should include a suitable explanation.

Goods and Services Tax (GST)

UIG1031(6),(7)

16. Amounts disclosed for auditor's remuneration should be net of goods and services tax (GST) except where the GST included in fees is not recoverable from the tax authority. GST that is not recoverable should be included as part of the remuneration. This disclosure is consistent with UIG 1031 *Accounting for the Goods and Services Tax* (GST) which requires revenues, expenses and assets to be recognised net of the amount of GST, except that where the GST is not recoverable it shall be recognised as part of the cost of acquisition of the asset or as part of the item of expense to which it relates.
17. We recommend that entities that are not able to recover GST on fees for audit and other services and other expenses should include a policy note indicating which expense items disclosed in the financial statements are inclusive of non-recoverable GST. They could also amend the wording of specific disclosures such as auditor's remuneration to make it clear that the amounts disclosed are inclusive of non-recoverable GST, e.g. by adding the words "including non-recoverable GST" to the relevant captions.

Rounding

ASIC2026/183

18. Audit remuneration must be disclosed to the nearest dollar by entities with assets (or consolidated assets) of less than \$1,000 million, and such remuneration may only be rounded to the nearest \$1,000 by entities with assets (or consolidated assets) of more than \$1,000 million.

18. Parent entity financial information ²⁻⁶

(a) Summary financial information

CR2M.3.01

The individual financial statements for the parent entity show the following aggregate amounts:

	2026 \$'000	2025 \$'000
Statement of financial position		
CR2M.3.01(1)(a),(k)	31,726	5,651
CR2M.3.01(1)(b),(k)	112,085	74,198
CR2M.3.01(1)(c),(k)	7,389	4,842
CR2M.3.01(1)(d),(k)	19,301	7,462
CR2M.3.01(1)(e),(k)	<i>Shareholders' equity</i>	
	87,705	62,619
	(223)	(26)
	5,302	4,143
	<u>92,784</u>	<u>66,736</u>
CR2M.3.01(1)(f),(k)	27,099	14,663
CR2M.3.01(1)(g),(k)	(319)	(82)

(b) Guarantees entered into by the parent entity

	2026 \$'000	2025 \$'000
	<u>23</u>	<u>28</u>
	<u>23</u>	<u>28</u>

The parent entity has provided financial guarantees in respect of bank overdrafts and loans of subsidiaries amounting to \$365,000 (2025 – \$360,000), secured by registered mortgages over the freehold properties of the subsidiaries.

The parent entity has also given unsecured guarantees in respect of:

- (i) lease contracts of subsidiaries amounting to \$2,500,000 (2025 – \$2,600,000)
- (ii) the bank overdraft of a subsidiary amounting to \$790,000 (2025 – \$845,000)
- (iii) a bank loan of the subsidiary amounting to \$2,750,000 (2025 – \$5,800,000).

A liability has been recognised in relation to these financial guarantees in accordance with the policy set out in [note 19\(q\)](#) and [\(e\)](#) below.

CR2M.3.01(1)(i),(k)

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2026 or 30 June 2025. For information about guarantees given by the parent entity, please see above.

CR2M.3.01(1)(j),(k)

(d) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2026, the parent entity had contractual commitments for the acquisition of property, plant or equipment totalling \$850,000 (2025 – \$770,000). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

AASB1060(105)(b)

(e) Determining the parent entity financial information ¹

(i) Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost in the financial statements of VALUE ACCOUNTS Simplified Disclosure Pty Ltd.

(ii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

Parent entity financial information

Disclosing accounting policies

CR2M.3.01

1. Parent entities no longer need to include separate parent entity financial statements in their annual financial report unless they are required to do so under other statutory rules (e.g. AfS licensing requirements or APRA rules). However, they still need to provide key financial information for the parent entity in the notes. Where the policies applied in preparing the parent entity information are different to those applied in preparing the consolidated financial statements, this should be explained.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

Additional information to give a true and fair view

CA297
CA295(3)(c)

2. While CR2M.3.03 provides an exhaustive list of the information that must be disclosed for the parent entity, additional explanations may be necessary if the information required under the *Corporations Regulations* alone does not give a true and fair view of the parent entity's financial position and performance. This could be the case where significant transactions or events have affected the financial position and/or performance of the entity (e.g. a large impairment loss recognised during the reporting period).

Preparation of full separate financial statements in addition to, or instead of, consolidated financial statements

AASB127(4)

3. Guidance on the preparation of full separate financial statements for parent entities, including the recognition and measurement of investments in subsidiaries, joint ventures and associates, is included in AASB 127 *Separate Financial Statements*. Separate financial statements are those presented by an entity in which the entity could elect, subject to the requirements in AASB 127, to account for its investments in subsidiaries, joint ventures and associates either at cost, in accordance with AASB 9 *Financial Instruments*, or using the equity method as described in AASB 128 *Investments in Associates and Joint Ventures*. This also includes separate financial statements prepared where an entity has applied the exemption from preparing consolidated financial statements in paragraph 4 of AASB 10 *Consolidated Financial Statements*.
4. An entity that prepares full parent entity financial statements in addition to consolidated financial statements will need to make sure all of the required disclosures are made both for the group and the parent entity.

AASB1060(105)

5. Further, regardless of whether prepared in addition to, or instead of consolidated financial statements, the separate financial statements shall disclose the fact that the statements are separate financial statements and provide a description of the methods used to account of the investments in subsidiaries, joint ventures and associates, and shall identify the consolidated financial statements or other primary financial statements to which they relate.

Deed of cross guarantee

ASIC2016/785.6(1)(v)(v)

6. If the entity has entered into a deed of cross guarantee with wholly-owned subsidiaries to relieve the subsidiaries from the requirement to prepare and lodge financial statements with ASIC, this fact should also be noted in the disclosure of the guarantees provided by the parent entity. This is illustrated in our *Value Accounts Holdings Limited* publication. The publication also shows in note 2Y the additional disclosures that are required where the consolidated financial statements cover entities which are not members of the closed group of entities that have entered into the deed of cross guarantee.

19. Summary of other material accounting policies ^{1-12,14-17,22-26}

Listed below are examples of accounting policies that could potentially be material for an entity and should therefore be disclosed. See [commentary paragraphs 1 to 12](#) to help assessing whether a particular accounting policy should be included.

This note provides a list of other material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of VALUE ACCOUNTS Simplified Disclosure Pty Ltd and its subsidiaries.

(a) Basis of preparation

AASB1060(11)(a),(b),

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. VALUE ACCOUNTS Simplified Disclosure Pty Ltd is a for-profit entity for the purpose of preparing the financial statements

(i) Compliance with Australian Accounting Standards – Simplified Disclosure Requirements ¹³

AASB1060(10),(104)(a)

The consolidated financial statements of the VALUE ACCOUNTS Simplified Disclosure Pty Ltd group comply with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and investment property – measured at fair value, and
- assets held for sale – measured at fair value less cost of disposal.

(iii) New and amended standards adopted by the group ¹⁵

AASB1060(106)
Revised requirements

The group has applied the following standards and amendments for first time for their annual reporting period commencing 1 July 2025:

- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121 & AASB 1060]

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

AASB1060(95)

(b) Principles of consolidation

(i) Subsidiaries

AASB10(5)-(7),(20),(25)

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date when control ceases.

AASB3(4)

The acquisition method of accounting is used to account for business combinations by the group (refer to [note 19\(i\)](#)).

AASB10(19),(B86)(c)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

AASB10(22)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

AASB1060(95)

(ii) Associates

AASB128(5),(16)
AASB1060(125)(a)

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint arrangements

[Removed as not applicable. For an illustration of relevant disclosures for joint arrangements refer to [Appendix A.](#)]

AASB1060(95)

(iv) Equity method

AASB128(10)

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

AASB128(38),(39)

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

AASB128(28),(30)

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

AASB128(42)

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in [note 19\(j\)](#).

AASB1060(95)

(v) Changes in ownership interests

AASB10(23)(B96)

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of VALUE ACCOUNTS Simplified Disclosure Pty Ltd

AASB10(25),(B97)-(B99)
AASB128(22)

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This might mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

AASB128(25)

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Removed as not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd.

AASB1060(95)

(d) Foreign currency translation

AASB1060(95)

(i) Functional and presentation currency

AASB121(9),(17),(18)
AASB101(51)(d)

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

AASB1060(95)

(ii) Transactions and balances

AASB121(21),(28),
(32)
AASB9(6.5.11)(b),(6.5.13)(a)

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) **Group companies**

[Removed as not applicable. For an illustration of relevant disclosures for joint arrangements refer to [Appendix A.](#)]

AASB1060(95)

(e) Revenue recognition

The accounting policies for the group's revenue from contracts with customers are explained in [note 3\(b\)](#).

AASB1060(95)

(f) Government grants

AASB1060(160)(d)
AASB120(7)

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. [Note 4\(a\)](#) provides further information on how the group accounts for government grants.

AASB1060(95)

(g) Income tax ²³⁻²⁶

AASB112(46)

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

AASB112(12),(46)

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

AASB112(15),(24),
(47)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

AASB112(51C)

The deferred tax liabilities in relation to investment property that is measured at fair value is determined assuming that the property will be recovered entirely through sale.

AASB112(24),(34)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

AASB112(39),(44)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

AASB112(71),(74)

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

AASB112(61A)

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

AASB1060(95)

(h) Leases

AASB16(27)
AASB16(18)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees

the exercise price of a purchase option if the group is reasonably certain to exercise that option,

lease payments to be made under an extension option if the group is reasonably certain to exercise the option, and

payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

AASB16(26)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

AASB16(38)

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

AASB16(24)

Right-of-use assets are measured at cost comprising the following:

the amount of the initial measurement of lease liability

- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

AASB16(35)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

AASB1060(95)

(i) Business combinations

AASB3(5),(37),(39),
(53),(18),(19)

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- the fair values of the assets transferred
- the liabilities incurred
- the equity interests issued by the group
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

AASB3(32),(34)	<p>The excess of the</p> <ul style="list-style-type: none"> • the consideration transferred, • the amount of any non-controlling interest in the acquired entity, and <p>the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.</p> <p>Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.</p> <p>Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.</p>
AASB3(42)	<p>If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.</p>
AASB1060(95)	<p>(j) Impairment of assets</p>
AASB136(9),(10)	<p>Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.</p>
AASB1060(95)	<p>(k) Cash and cash equivalents</p>
AASB1060(Appendix A)	<p>For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.</p>
	<p>(l) Trade receivables ¹²</p>
AASB1060(112)	<p>Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 6(b) for further information about the group's accounting for trade receivables and description of the group's impairment policies.</p>
AASB1060(95)	<p>(m) Inventories</p>
AASB1060(95)	<p>(i) Raw materials and stores, work in progress and finished goods</p>
AASB1060(123)(a) AASB102(9),(10),(23)	<p>Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the transfer from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but it excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p>
AASB9(6.5.11)(d)(i)	
AASB1060(95)	<p>(ii) Land held for resale</p>
AASB1060(123)(a) AASB102(9),(10),(23) AASB123(8),(22)	<p>Land held for resale is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.</p>

AASB1060(95)	(n) Non-current assets (or disposal groups) held for sale and discontinued operations
AASB5(5),(6),(15)	Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and groups of contracts within the scope of AASB 17 <i>Insurance Contracts</i> , which are specifically exempt from this requirement.
AASB5(20)-(22)	An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.
AASB5(25)	Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.
AASB5(38)	Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.
AASB5(31),(32)	A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.
AASB1060(95),(112)	(o) Investments and other financial assets ¹²
	(i) Classification
AASB9(4.1.1)	The group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through OCI or through profit or loss), and <ul style="list-style-type: none"> • those to be measured at amortised cost. <p>The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.</p>
AASB9(4.1.4),(5.7.1)	For assets measured at fair value, gains and losses will either be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition present subsequent changes in fair value in other comprehensive income.
AASB9(4.4.1)	The group reclassifies debt instruments when and only when its business model for managing those assets changes.
AASB1060(95),(112) AASB1060(112) AASB9(3.1.1),(3.2.2), (B3.1.3)-(B3.1.6)	(ii) Recognition and derecognition Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all of the risks and rewards of ownership.
AASB1060(95),(112)	(iii) Measurement ^{12,18-19}
AASB9(5.1.1)	At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.
AASB9(4.3.2),(4.3.3)	Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

- AASB9(5.2.1) Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:
- AASB9(4.1.2) Amortised cost: assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- AASB9(4.1.1),(4.1.2A),(5.7.10) FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as a separate line item in the statement of profit or loss.
- AASB9(4.1.1),(4.1.4) FVTPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

- AASB9(5.7.5),(5.7.6) The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.
- AASB9(5.7.1) Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

AASB1060(95),(112)

(iv) Impairment

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see [note 6\(b\)](#) for further details.

AASB1060(95),(112)

(p) Derivatives and hedging activities ^{12,18}

AASB9(5.1.1),(5.2.1)(c),(5.2.3)

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as either:

AASB9(6.5.2)

- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

AASB9(6.4.1)(b)

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in [note 6\(d\)](#). Movements in the hedging reserve in shareholders' equity are shown in the [statement of changes in equity](#).

AASB1060(95),(112)	Cash flow hedges that qualify for hedge accounting ¹⁹
AASB9(6.5.11)	The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).
AASB9(6.5.15)	Where option contracts are used to hedge forecast transactions, the group designates only the intrinsic value of the options as the hedging instrument.
AASB9(6.5.15)(c)	Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity.
AASB9(6.5.16)	When forward contracts are used to hedge forecast transactions, the group designates the full change in fair value of the forward contract (including forward points) as the hedging instrument and recognises the gains or losses relating to the effective portion of the change in fair value of the entire forward contract in the cash flow hedge reserve within equity.
	Amounts accumulated in equity are accounted for as follows:
AASB9(6.5.15) AASB9(6.5.16)	Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss because the hedged item affects profit or loss (for example, through cost of goods sold).
AASB9(6.5.11)(d)(i)	The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.
AASB9(6.5.12)	When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.
AASB1060(95),(112)	(q) Financial guarantee contracts ^{12,18}
AASB9(4.2.1)(c)	Financial guarantee contracts are recognised as a financial liability when the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of: <ul style="list-style-type: none"> • the amount determined in accordance with the expected credit loss model under AASB 9 <i>Financial Instruments</i> and • the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of AASB 15 <i>Revenue from Contracts with Customers</i>. <p>The fair value of financial guarantees on initial recognition equals the present value of the premium in an arm's length transaction.</p> <p>Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.</p>
AASB1060(95)	(r) Property, plant and equipment
AASB116(73)(a),(35)(b),(17)	The group's property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost might also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.
AASB9(6.5.11)(d)(i)	
AASB116(12)	Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
AASB116(39)	Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

AASB116(50),(73)(b)	The depreciation methods and periods used by the group are disclosed in <u>note 7(a)</u> .
AASB116(51)	The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
AASB136(59)	An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (<u>note 19(j)</u>).
AASB116(68),(71),(41)	Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.
AASB1060(95)	(s) Investment properties The group's accounting policy for investment properties is disclosed in <u>note 7(c)</u> .
AASB1060(95)	(t) Intangible assets
AASB1060(95)	(i) Goodwill
AASB3(32) AASB136(10)	Goodwill is measured as described in <u>note 19(i)</u> . Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.
AASB136(80)	Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.
AASB1060(95)	(ii) Trademarks, licences and customer contracts
AASB138(74),(97), (118)(a),(b)	Separately acquired trademarks and licences are shown at historical cost. Trademarks, licences and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.
AASB1060(95)	(iii) Research and development
AASB138(54),(71)	Research expenditure and development expenditure that do not meet the criteria for capitalisation as set out in <u>note 7(d)(ii)</u> are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.
AASB1060(95)	(iv) Amortisation methods and periods Refer to <u>note 7(d)</u> for details about amortisation methods and periods used by the group for intangible assets.
AASB1060(95)	(u) Trade and other payables ¹²
AASB1060(112) AASB9(5.1.1)	These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

AASB1060(95)	(v) Borrowings ¹²
AASB1060(112) AASB9(5.1.1),(4.2.1)	Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
AASB132(18)	Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.
AASB132(18),(28), (AG31)(a)	The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.
AASB9(3.3.1),(3.3.3)	Borrowings are derecognised from the statement of financial position when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.
AASB-119(9)	Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.
AASB1060(40)	Borrowings are classified as current liabilities unless, at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period.
AASB101(72B)	Covenants that the group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the group is required to comply with after the reporting period do not affect the classification at the reporting date.
AASB1060(95)	(w) Borrowing costs
AASB1060(163)	General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. 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. Other borrowing costs are expensed in the period in which they are incurred.
AASB1060(95)	(x) Provisions
AASB137(14),(24), (63)	Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.
AASB137(36),(45), (47),(60)	Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

AASB1060(95)	(y) Employee benefits
AASB1060(95)	(i) Short-term obligations ²⁰⁻²¹
AASB119(11),(13)	Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.
AASB1060(95)	(ii) Other long-term employee benefit obligations ²⁰⁻²¹
AASB119(8),(155),(156)	The group has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
AASB1060(40)	The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right at the end of the reporting period, to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.
AASB1060(95)	(iii) Post-employment obligations
AASB119(51)	The group pays contributions to publicly or privately administered defined contribution superannuation plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.
AASB1060(95)	(iv) Share-based payments – share-appreciation rights
AASB2(30)	Liabilities for the share appreciation rights granted over the parent entity's shares are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the statement of financial position.
AASB1060(95)	(v) Profit-sharing and bonus plans
AASB119(19)	The group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.
AASB1060(95)	(vi) Termination benefits
AASB119(165),(166)	Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.
AASB1060(95)	(z) Contributed equity
AASB132(18)(a)	Ordinary shares are classified as equity, see note 8 .
AASB132(35),(37)	Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.
AASB132(33)	Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of VALUE ACCOUNTS Simplified Disclosure Pty Ltd as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of VALUE ACCOUNTS Simplified Disclosure Pty Ltd.

AASB1060(95)

(aa) Dividends

AASB110(12),(13)

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(ab) Earnings per share

Removed as not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd.

AASB1060(95)

(ac) Goods and Services Tax (GST)

UIG1031(6),(7)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

UIG1031(8),(9)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

UIG1031(10),(11)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Summary of other material accounting policies

Whether to disclose an accounting policy

- AASB1060(91)(c),(95)
1. In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in the reported financial performance and financial position. Disclosure of particular accounting policies is especially useful to users where those policies are selected from alternatives allowed in Australian Accounting Standards.
- AASB1060(112),(123),(125),(129),(134),(160)
2. AASB 1060 further specifically requires disclosures of particular accounting policies, including choices made by management between different policies allowed under the other accounting standards. For example, management must disclose the measurement basis (or bases) for financial instruments and property plant equipment, the policies applied for measuring inventories, investments in associates and joint ventures and for government grants.
3. In this publication, we have disclosed policies that are specific to the entity and relevant for an understanding of individual line items in the financial statements together with the notes for those line items. Other, more general policies are disclosed in [note 19](#).

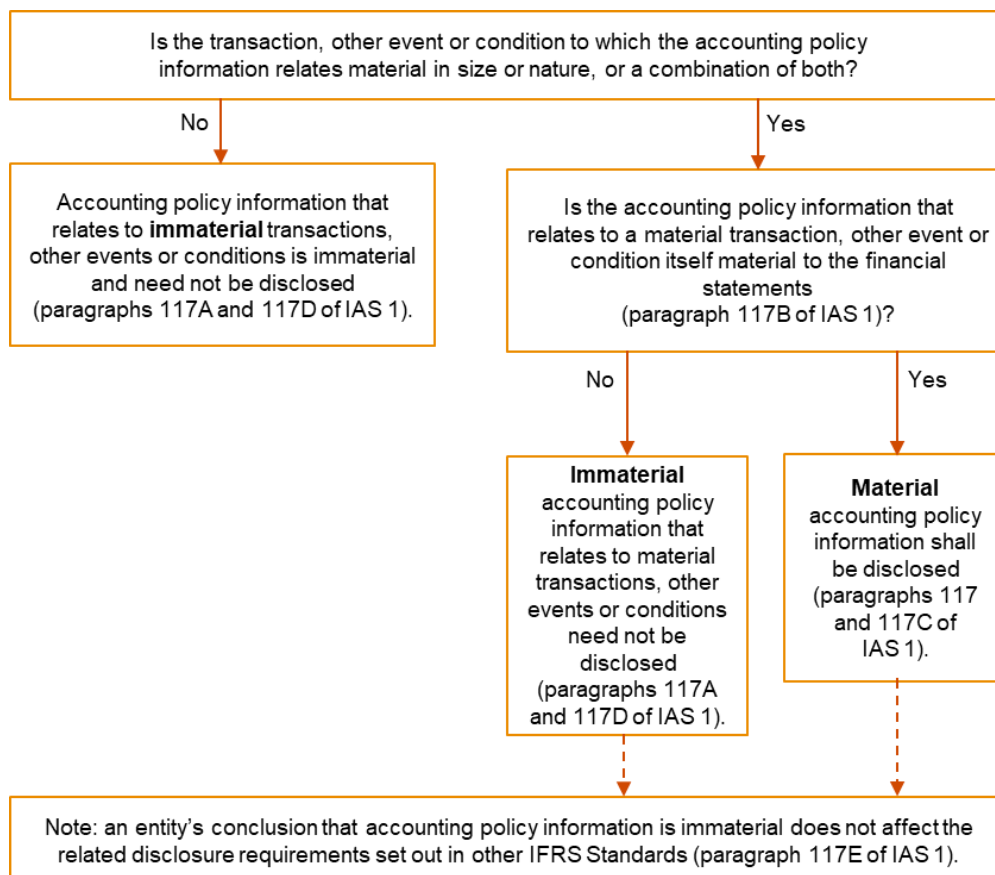
Changes made to AASB 1060 and AASB 101 from 1 January 2023

4. The AASB has amended AASB 1060 and AASB 101 *Presentation of Financial Statements* to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting policy information.
- AASB1060(2)
AASB2021-6(BC11)
5. Guidance on how to assess whether accounting policy information is material is provided in AASB 101. While this guidance is not repeated in AASB 1060, it equally applies to entities preparing simplified disclosure financial statements.
- AASB101(117)
6. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.
- AASB101(117A)
7. Even if a transaction or other event is material in terms of amounts, accounting policy information could be omitted if the information itself is not material for an understanding of the entity's accounting for that particular transaction or event. Conversely, accounting policy information for less significant transactions or other events could, because of the nature of the related transaction or event, be material.
- AASB101(117B)
8. Factors to consider when determining if accounting policy information is material could include, but not necessarily be limited to, the following:
- (a) The entity changed its accounting policies during the reporting period, and the change resulted in a material change to the information in the financial statements.
 - (b) The accounting policies were chosen from a set of alternatives under Australian Accounting Standards (AAS).
 - (c) Accounting policies for the particular transaction or event are not specifically described under AAS, and so the entity derived the accounting policies using the guidance in AASB 108 paragraphs 10-12.
 - (d) The accounting policies relate to areas where the entity was required to apply significant judgement or assumptions in applying those policies, and the entity discloses those judgements or assumptions as required by AASB 101 paragraphs 122 and 125.
 - (e) The accounting requirements for the particular transaction or event are complex, and so the primary users of the financial statements need information about the accounting policies to gain an understanding of the accounting for that transaction or event.
- AASB101(117C)
9. Accounting policy information that is entity-specific and tailor-made is more relevant for the primary user's understanding of the financial statements than generic information ("boilerplate information").

Summary of other material accounting policies

Summary of other material accounting policies

10. To support the amendments made to AASB 1060 and AASB 101, the AASB also amended Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The following decision tree from the practice statement might be helpful in determining if accounting policy information should be disclosed for any particular transaction or event:



11. As noted in paragraph 3, VALUE ACCOUNTS Simplified Disclosure Pty Ltd discloses policies that are specific to the entity and relevant for an understanding of individual line items in the financial statements together with the notes for those line items. This includes policies which were chosen from a set of alternatives, policies for transactions or events that are not specifically described under Australian Accounting Standards or where the entity was required to apply significant judgements or assumptions in applying the policies. Policies which are not entity-specific but rather summarise the requirements of the accounting standards are included in [notes 19\(b\) to 19\(ac\)](#). These policies will only need to be disclosed if they are assessed to be material based on the criteria listed above.

AASB1060(112)
AASB2021-6(7)

12. However, preparers should note that AASB 1060 has been amended to state that information about the measurement basis (bases) for financial instruments used in preparing the financial statements is expected to be material accounting policy information. See [paragraph 18](#) for guidance on what the disclosures of the measurement basis may include.

Statement of compliance with IFRS Accounting Standards and simplified disclosure requirements

AASB1060(10)

13. Entities whose financial statements comply with Australian Accounting Standards – Simplified Disclosures shall make an explicit unreserved statement of such compliance in the notes. These entities cannot state compliance with International Financial Reporting Standards (IFRS) Accounting Standards because of the omission of disclosures that are required under IFRS Accounting Standards.

Summary of other material accounting policies

Change in accounting policy

AASB1060((106),(108)

14. Where an entity has changed any of its accounting policies either as a result of a new or revised accounting standard or voluntarily it must explain the change in its notes. For the purpose of this edition, we have assumed that VALUE ACCOUNTS Simplified Disclosure Pty Ltd did not have to make any changes to its accounting policies as a result of the amendments summarised in [Appendix B\(a\)](#). However, this assumption will not necessarily apply to all entities. Additional disclosures are required where a policy is changed retrospectively, see [note 20](#) for further information.

AASB1060(106)

15. New or revised accounting standards and interpretations only need to be disclosed if they resulted in a change in accounting policy which had an impact in the current year or could impact on future periods. There is no need to disclose pronouncements that did not have any impact on the entity's accounting policies and amounts recognised in the financial statements.

New and revised accounting standards issued but not yet effective

16. AASB 1060 does not require an entity to disclose the impact on the entity's accounting policies and financial statements for new accounting pronouncement which has not become effective.

Early adoption of accounting standards

17. VALUE ACCOUNTS Simplified Disclosure Pty Ltd does not generally adopt any standards or amendments to standards early, unless the amendments are only clarifying existing practice and do not introduce any major changes (for example the amendments made as part of the IASB's annual improvement programme).

Financial instruments

AASB1060(112),
AASB7(B5)

18. Disclosure of the measurement bases of financial instruments might include:

- (a) the nature of financial assets and financial liabilities that have been designated at fair value through profit or loss (FVTPL), the criteria for designating them at FVTPL and how the entity has satisfied the conditions in AASB 9 for such designation
- (b) whether regular way purchases and sales of financial assets are accounted for at trade date or at settlement date
- (c) how net gains or net losses on each category of financial instruments are determined (for example, whether the net gains or losses on items at FVTPL include interest or dividend income).

AASB1060(2)

While entities that are preparing financial statements under the simplified disclosure regime of AASB 1060 are not required to comply with AASB 7 *Financial Instruments: Disclosures*, paragraph 2 of AASB 1060 permits referring to other standards such as AASB 7 for guidance on applying the requirements in AASB 1060. We have therefore referred to paragraph B5 of AASB 7 when considering what type of information an entity may provide in relation to the measurement basis of its financial instruments.

Presentation of fair value gains and losses on financial assets and derivatives

19. VALUE ACCOUNTS Simplified Disclosure Pty Ltd's accounting policies for financial assets and derivatives ([notes 19\(o\)](#) and [\(p\)](#)) specify where in the statement of comprehensive income (or statement of profit or loss, as applicable) the relevant fair value gains or losses are presented. However, AASB 9 does not prescribe the presentation in the statement of comprehensive income. Other ways of presenting the fair value gains and losses might be equally appropriate. For example, fair value changes on interest rate hedges or the ineffective portion of an interest rate hedge may be presented within other expenses or other gains/(losses) rather than in finance cost.

Employee benefits

Presentation and measurement of annual leave obligations

20. VALUE ACCOUNTS Simplified Disclosure Pty Ltd has presented its obligation for accrued annual leave within current employee benefit obligations. However, it might be equally appropriate to present these amounts either as provisions (if the timing and/or amount of the future payments is uncertain such that they satisfy the definition of 'provision' in AASB 137), or as other payables

Summary of other material accounting policies

AASB119(8),(BC16)-
(BC21)

21. For measurement purposes, we have assumed that VALUE ACCOUNTS Simplified Disclosure Pty Ltd has both, annual leave obligations that are classified as short-term benefits and those that are classified as other long-term benefits under the principles in AASB 119. The appropriate treatment will depend on the individual facts and circumstances and the employment regulations in the respective countries. To be classified and measured as short-term benefits, the obligations must be expected to be settled wholly within 12 months after the end of the annual reporting period in which the employee has rendered the related services. The IASB has clarified that this must be assessed for the annual leave obligation as a whole and not on an employee-by-employee basis.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

22. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

Issue not illustrated	Relevant disclosures or references
Financial reporting in hyperinflationary economies	Disclose the fact that the financial statements and comparatives have been restated, which method was used (historical cost or current cost approach), information about the identity and the level of the price index and the amount of gain or loss on monetary items.

Tax consolidation legislation

AASB1060(91)(c),(95)

23. While AASB 1060 does not require any specific disclosures in relation to tax consolidated groups, there is still the overriding requirement to disclose accounting policies and other information that is relevant to an understanding of the financial statements. Subsidiaries that are part of a tax consolidated group should therefore consider whether to explain the accounting policies applied in respect of the tax consolidation. The same applies in relation to the separate financial statements of the head entity in a tax consolidated group (if prepared).

UIG1052(7),(8)

24. In particular, each entity in the tax consolidated group must account for the current and future tax consequences of its own assets and liabilities, transactions and other events as required by AASB 112. However, UIG 1052 does not prescribe how to allocate the consolidated current and deferred tax amounts among the individual entities, except to say that the method adopted shall be systematic, rational and consistent with the broad principles established in AASB 112.

25. Acceptable methods are:

- (a) stand-alone taxpayer approach (paragraph 9(a) of UIG 1052)
- (b) separate-taxpayer within group (paragraph 9(b) of UIG 1052, and
- (c) group allocation (paragraph 9(c) of UIG 1052).

26. Further guidance on each of the three methods is in paragraphs 34-40 of UIG 1052. Examples of unacceptable methods can be found in paragraphs 10 and 39 of UIG 1052. An example policy for the stand-alone taxpayer method can be found in note 2Z of our [Value Accounts Holdings Limited](#) publication.

20. Changes in accounting policies ¹⁻⁸

Summary of other material accounting policies

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

1. As explained in [note 19\(a\)\(iii\)](#), VALUE ACCOUNTS Simplified Disclosure Pty Ltd has applied the new and amended accounting standards that became effective for the 2026 financial year. However, these standards and amendments did not have a material impact on the entity and did not result in material changes to its accounting policies. Accordingly, we have not illustrated the changes in accounting policies disclosure in this year's publication.

Change in accounting policy following the initial application of an Australian Accounting Standard

AASB1060(106)

2. When initial application of an Australian Accounting Standard has an effect on the current period or any prior period, or might have an effect on future periods, the entity shall disclose:
 - (a) the nature of the change in accounting policy
 - (b) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment for each financial statement line item affected, and
 - (c) the amount of the adjustment relating to periods before those presented, to the extent practicable, and
 - (d) an explanation if it is impracticable to determine the amounts to be disclosed in (b) or (c).

Specific transition disclosure requirements in new/revised standards

AASB1060(107),
(BC85)-(BC87)

3. However, where a standard permits a transition approach other than the full retrospective adoption that would be required under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and this transition option is accompanied by specific transition disclosure requirements, the entity must apply these requirements instead of the requirements in AASB 1060.

Change of accounting policy in response to IFRS Interpretations Committee agenda decisions

AASB1060(106)

4. While IFRS Interpretations Committee agenda decisions do not form part of the Australian Accounting Standards, they often produce explanatory material that provides new information 'that was not otherwise available and could not otherwise reasonably have been expected to be obtained' relating to the application of accounting standards. Therefore, an entity might be required to change its previous accounting treatment following the issue of an IFRS Interpretations Committee agenda decision. Often, but not always, changes resulting from an agenda decision would be a voluntary accounting policy change in accordance with AASB 108 as it arises from 'new information' and would generally have to be applied retrospectively. For a list of IFRS Interpretations Committee agenda decisions issued in the last 12 months see [Appendix B\(b\)](#).

AASB1060(106)

5. Where the entity has to change its accounting treatment, it should apply AASB 108 and AASB 1060 to determine the nature of and provide sufficient disclosure of the reasons for the change, having regard to the particular facts of the individual case. Entities might consider the following description for the change in accounting treatment:

The group previously accounted for [explanation of previous accounting practice]. Following the IFRS Interpretations Committee agenda decision on [subject matter] in [date], the group has reconsidered its accounting treatment. The group has adopted the treatment set out in the agenda decision [description of the new treatment]. This change in accounting treatment has been accounted for retrospectively and comparative information has been restated. [Disclose details of the effect].

AASB1060(61)(b)

6. In addition, entities should:
 - (a) explain any adjustments made to prior periods
 - (b) discuss the impact of the change on the current period as noted in paragraph 2(b) above
 - (c) identify which of the primary financial statements have been restated (usually by adding the word 'restated' to the relevant column headers), together with a reference to the note where information about the restatement can be found
 - (d) show the effects of the retrospective restatement in the statement of changes in equity for each component of equity in the same way as illustrated in [Appendix A](#) for an error restatement.

Summary of other material accounting policies

7. The IASB has stated that it expects that entities should be entitled to have sufficient time to determine whether an IFRS Interpretations Committee agenda decision will require a change in their accounting policies and to implement this change. Entities will need to apply judgement to determine what sufficient time is in this context. In our view, it should be just long enough to be able to implement the change. The judgement is an entity-specific assessment, and would consider, for example, whether additional information needs to be collected for the implementation of the new policy or to provide disclosures, or whether processes and systems need to be modified. We expect that, in many cases, sufficient time would be a matter of months, but it is unlikely that it would extend for more than a year. Entities should consider the views of any relevant securities regulator as part of the assessment.

Voluntary change in accounting policy

8. When a voluntary change in accounting policy has an effect on the current period or any prior period, an entity shall disclose:
- (a) the nature of the change in accounting policy
 - (b) the reasons why applying the new accounting policy provides reliable and more relevant information
 - (c) to the extent practicable, the amount of the adjustment for each financial statement line item affected, shown separately:
 - (i) for the current period
 - (ii) for each prior period presented, and
 - (iii) in the aggregate for periods before those presented, and
 - (d) an explanation if it is impracticable to determine the amounts to be disclosed in (b) or (c).

Financial statements of subsequent periods need not repeat these disclosures.

AASB106(108)

CA295(1)(c)

Directors' declaration ^{1,5-6}

In the directors' opinion:

In the directors' opinion:

CA295(4)(d)

- (a) the financial statements and notes set out on pages 17 to 116 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements ²; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date, and

CA295(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. ³

CA295(5)(a)

This declaration is made in accordance with a resolution of the directors.

CA295(5)(c)

M K Hollingworth
Director

Sydney

CA295(5)(b)

22 August 2026

Directors' declaration

Format of directors' declaration

1. The directors' declaration illustrated above is included by way of example. Other formats can be used as long as they comply with all relevant requirements.

Reference to other mandatory professional reporting requirements

2. Reference to other mandatory professional reporting requirements Reference to other mandatory professional reporting requirements is not required, but is recommended.

Solvency declaration

ASIC-RG22

3. In Regulatory Guide 22 ASIC provides guidance to directors and auditors of companies in relation to the solvency declaration previously required by CA 301(5), but now required by CA 295(4)(c). As there is no substantive change to the requirements for the solvency declaration, the guidance in Regulatory Guide 22 is still relevant. The Guide discusses the obligations on directors in making the declaration, and the implications for auditors, under the following headings:
- (a) debts to be taken into account by directors in making the solvency statement
 - (b) matters to be considered by directors
 - (c) qualified statements by directors, and
 - (d) implications for auditors.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

Deed of cross guarantee

4. If the entity is the holding entity in a deed of cross guarantee that was entered into to provide wholly-owned subsidiaries with relief from preparing financial statements, the directors' declaration made in relation to the consolidated financial statements must include a statement confirming that there are reasonable grounds to believe that the members of the extended closed group will be able to meet any liabilities to which they are or may become subject because of the deed of cross guarantee. We have illustrated this in our current [Value Accounts Holdings - Annual financial reporting](#) publication.

Consolidated entity disclosure statement for public companies

ASIC2016/785.6(1)(w)(i)

5. Listed and unlisted public companies will need to include a consolidated entity disclosure statement ('CEDS') in their annual financial report lodged with ASIC. For these entities, the directors' declaration must include a separate statement that the CEDS is "true and correct".
6. As VALUE ACCOUNTS Simplified Disclosure Pty Ltd is not a public company, we have not included a CEDS in this publication. For an illustration of such a statement and associated guidance, please refer to our current [Value Accounts Holdings - Annual financial reporting](#) publication.

Independent auditor's report to the members of VALUE ACCOUNTS Simplified Disclosure Pty Ltd

The audit report will be provided by the entity's auditor upon completion of the audit of the financial report. As the wording of the report is likely to differ from firm to firm, we have not included an illustrative report in this publication.

Independent auditor's report

Form and content of audit report

CA307A
APES210

1. Standards and guidance on the preparation of audit reports on general purpose financial statements are given in Auditing Standard ASA 700 Forming an Opinion and Reporting on a Financial Report. Compliance with ASA 700 is mandatory for all audits carried out under the Corporations Act 2001 and for all other audits carried out by members of the Accounting Bodies

Other matters on which the auditor may be required to report

CA308(2)

2. If the auditor is of the opinion that the financial report does not comply with an accounting standard, the audit report must, to the extent it is practicable to do so, quantify the effect of the non-compliance. If it is not practicable to quantify the effect fully, the report must say why.

CA308(3)

3. The audit report must describe (on an exception basis):
 - (a) any defect or irregularity in the financial report
 - (b) any deficiency, failure or shortcoming in respect of the following matters:
 - (i) whether the auditor has been given all information, explanation and assistance necessary for the conduct of the audit
 - (ii) whether the entity has kept financial records sufficient to enable a financial report to be prepared and audited
 - (iii) whether the entity has kept other records and registers as required by the Corporations Act 2001.

CA308(3A)

4. The audit report must include any statements or disclosures required by auditing standards.

CA308(3B)

5. If the financial report includes additional information under CA 295(3)(c) (information included to give a true and fair view of financial position and performance), the audit report must 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 CA 297.

VALUE ACCOUNTS Simplified Disclosure Pty Ltd

Appendices

Appendix A

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Statement of income and retained earnings

AASB1060(26)

1. Entities are only permitted to present a single statement of income and retained earnings if the only changes to equity during the periods for which financial statements are presented arise from:
 - (a) profit or loss
 - (b) payment of dividends
 - (c) corrections of prior period errors, and
 - (d) changes in accounting policy.
2. This condition must be satisfied for all periods presented, i.e. including any comparative periods presented in the financial statements. For example, entities that have recognised amounts in other comprehensive income, or have had a share issue during the current or prior period cannot choose this presentation.

Correction of error

AASB108(42)

This section shows the disclosures required when an entity has made a material prior period error that requires a restatement of the comparatives for the prior periods presented.

Consolidated statement of changes in equity (extract)

		Attributable to owners of VALUE ACCOUNTS Simplified Disclosure Pty Ltd				
	Notes	Share capital \$'000	Other equity \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
		62,619	(251)	7,395	21,115	90,878
AASB1060(61)(b)						
		62,619	(251)	7,395	21,115	90,878
	2(c)	-	-	-	(910)	(910)
		62,619	(251)	7,395	20,205	89,968
		-	-	-	26,123	26,123
		-	-	3,810	(403)	3,407
		-	-	3,810	25,720	29,530
*See note 2(c) for details regarding the restatement as a result of an error.						
		63,976	(550)	12,381	35,588	111,395
AASB1060(61)(b)						
	2(c)	-	-	-	(1,085)	(1,085)
		63,976	(550)	12,381	34,503	110,310

2. Critical estimates, judgements and errors

(c) Correction of error in calculating depreciation

In March 2026, a subsidiary discovered a computational error in calculating depreciation of some its equipment. The error resulted in an understatement of depreciation recognised for the 2025 and prior financial years and a corresponding overstatement of property, plant and equipment.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Consolidated statement of financial position (extract)	30 June 2025 (As reported) \$'000	Increase/ (Decrease) \$'000	30 June 2025 (Restated) \$'000	30 June 2024 (As reported) \$'000	Increase/ (Decrease) \$'000	1 July 2024 (Restated) \$'000
Property, plant and equipment	103,630	(1,550)	102,080	94,445	(1,300)	93,145
Deferred tax liability	(7,285)	465	(6,820)	(4,745)	390	(4,355)
Net assets	111,395	(1,085)	110,310	90,878	(910)	89,968
Retained earnings	(35,588)	1,085	(34,503)	(21,115)	910	(20,205)
Total equity	111,395	(1,085)	110,310	90,878	(910)	89,968

	2025 (As reported) \$'000	Profit Increase/ (Decrease) \$'000	2025 (Restated) \$'000
Consolidated statement of profit or loss and other comprehensive income (extract)			
Depreciation and amortisation	(9,830)	(250)	(10,080)
Profit before income tax	39,925	(250)	39,675
Income tax expense	(11,650)	75	(11,575)
Profit from discontinued operations	399	-	399
Profit for the period	26,298	(175)	26,123
Other comprehensive income for the period	3,407	-	3,407
Total comprehensive income for the period	29,705	(175)	29,530

Financial assets at fair value through other comprehensive income

AASB9(4.1.4),(5.7.5),
(4.1.2A)

This section shows the disclosures required if an entity has debt instruments or equity securities that are measured at fair value through other comprehensive income (FVOCI) as permitted or required under AASB 9 *Financial Instruments*.

Consolidated statement of profit or loss and other comprehensive income (extract)

	Notes	2026 \$'000	2025 \$'000
Other comprehensive income			
AASB1060(52)(g)(ii)	<i>Items that may be reclassified to profit or loss</i>		
AASB1060(119)(a)(vi)	Changes in the fair value of debt instruments at fair value through other comprehensive income	6(c) 126	(228)
AASB1060(178)(a)	Income tax relating to these items	(37)	68
AASB1060(52)(g)(ii)	<i>Items that will not be reclassified to profit or loss</i>		
AASB1060(119)(a)(v)	Changes in the fair value of equity investments at fair value through other comprehensive income	6(c) 632	(1,230)
AASB1060(178)(a)	Income tax relating to these items	(190)	369

Consolidated statement of changes in equity (extract)

	Notes	Attributable to owners of VALUE ACCOUNTS Simplified Disclosure Pty Ltd				Total \$'000	
		Share capital \$'000	Other equity \$'000	Other reserves \$'000	Retained earnings \$'000		
Profit for the period		-	-	-	26,164	26,164	
Other comprehensive income		-	-	3,810	(403)	3,407	
Total comprehensive income for the period (30 June 2025)		-	-	3,810	25,761	29,571	
AASB9(B5.7.1)	Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	6(c)	-	-	384	(384)	-
Profit for the period		-	-	-	32,626	32,626	
Other comprehensive income		-	-	5,501	307	5,808	
Total comprehensive income for the period (30 June 2026)		-	-	5,501	32,933	38,434	
AASB9(B5.7.1)	Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	6(c)	-	-	(452)	452	-

6. Financial assets and liabilities (extracts)

(c) Other financial assets

Notes	2026 \$'000	2025 \$'000
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Non-current assets

AASB1060(113)(e)	Financial assets at fair value through other comprehensive income (FVOCI)	(i) 6,782	7,148
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(i) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

AASB1060(44)		2026 \$'000	2025 \$'000
	Non-current assets		
	Equity investments at FVOCI:		
	Australian listed equity securities	4,114	4,126
	Unlisted equity securities	<u>1,150</u>	<u>1,622</u>
AASB1060(113)(e)(i)	Carrying amount of equity investments at FVOCI	5,264	5,748
	Debt investments at FVOCI:		
	Listed bonds	728	650
	Unlisted debt securities	<u>790</u>	<u>750</u>
AASB1060(113)(e)(ii)	Carrying amount of debt investments at FVOCI	1,518	1,400
		<u>6,782</u>	<u>7,148</u>

AASB1060(95),(112) Classification of financial assets at fair value through other comprehensive income

AASB9(4.1.4),(5.7.5) Equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant. On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings. Note 19(o) sets out the remaining accounting policies.

AASB9(4.1.2A) Debt securities where the contractual cash flows are solely principal and interest and the objective of the group's business model is achieved both by collecting contractual cash flows and selling financial assets. On disposal of these debt investments, any related balance within the FVOCI reserve is reclassified to other gains/(losses) within profit or loss.

Impairment of debt investments at FVOCI

AASB1060(112) All of the entity's debt investments at FVOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

(c) Other financial assets

Amounts recognised in profit or loss and other comprehensive income

During the year, the following gains/(losses) were recognised in profit or loss and other comprehensive income:

		2026 \$'000	2025 \$'000
	Fair value gains/(losses) recognised in other comprehensive income		
AASB1060(119)(a)(v)	Related to equity investments	632	(1,230)
AASB1060(119)(a)(vi)	Related to debt investments	118	(228)
AASB1060(119)(c)	Impairment loss on debt investments recognised in other comprehensive income	<u>8</u>	<u>-</u>
		<u>758</u>	<u>(1,458)</u>
	Amount reclassified upon derecognition from accumulated other comprehensive income to profit or loss for the period		
AASB1060(119)(a)(vi)	Related to debt investments	<u>xx</u>	<u>(xx)</u>
AASB1060(119)(a)(v)	Dividends from equity investments held at FVOCI recognised in profit or loss in other income (see note 4(a))	<u>1,605</u>	<u>800</u>

Fair value measurements

AASB1060(115) The valuation techniques and key assumptions used in measuring the fair value of financial assets measured at FVOCI for 2026 and 2025 are as follows:

Unlisted equity securities: Present value of net cash inflows from expected future dividends and subsequent disposal of the securities. The discount rates used to determine the present value of the net cash inflows were based on a market interest rate and the risk premium specific to the unlisted securities. Main assumptions used are earnings growth factors (ranging from 2.5% to 3.5%; 2025 – 3.5% to 4.3%) and risk adjusted discount rates (ranging from 5% to 7%; 2025 – 6% to 7.5%)

- Unlisted debt securities: Present value of expected cash inflows based on the terms of the contracts, using discount rates that are adjusted for counterparty credit risk (ranging from 2.5% to 3.5 %; 2025 – 3.9% to 4.3%).
- Listed equity securities and bonds: Quoted market prices in active markets.

(iv) Significant estimates

AASB1060(97) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of the key assumptions used are stated above.

7. Non-financial assets and liabilities (extracts)

(e) Deferred tax balances (extracts)

	Notes	2026 \$'000	2025 \$'000
<i>Deferred tax liabilities</i>			
AASB1060(178)(e)(i)	The balance comprises temporary differences attributable to:		
	6(c)	173	142
AASB1060(178)(e)(ii)	Movements – deferred tax liabilities		
		Financial assets at FVOCI \$'000	
			421
			At 1 July 2024
			Charged/(credited)
			• to profit or loss
			158
			• to other comprehensive income
			(437)
			At 30 June 2025
			142
			Charged/(credited)
			• to profit or loss
			(194)
			• to other comprehensive income
			225
			At 30 June 2026
			173

8. Equity (extracts)

8(xx) Reserves (extracts)

AASB1060(45)(b) (i) Nature and purpose of other reserves

Financial assets at FVOCI

AASB9(B5.7.1) The group has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in [note 7\(c\)](#). These changes are accumulated within the FVOCI reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

AASB9(B5.7.1A) The group also has certain debt investments measured at FVOCI, as explained in [note 7\(c\)\(iv\)](#). For these investments, changes in fair value are accumulated within the FVOCI reserve within equity. The accumulated changes in fair value are transferred to profit or loss when the investment is derecognised or impaired.

19. Summary of significant accounting policies (extracts)**(a) Investments and other financial assets (extracts)***(iii) Measurement (extracts)***Debt instruments**

AASB9(5.2.1)

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: [see [note 19\(o\)](#) of the main body of this publication]

AASB9(4.1.1),(4.1.2A),
(5.7.10)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVTPL: [see [note 19\(o\)](#) of the main body of this publication]

Equity instruments

AASB9(5.7.5),(5.7.6)

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

AASB9(5.7.1)

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial assets at fair value through other comprehensive income

1. [Note 6](#) commentary paragraphs 5 and 6 in the main body of this publication explain the requirements of AASB 1060 regarding fair value measurements and how we have applied the requirements in this publication.

Revaluation of property, plant and equipment

This section shows disclosures required where an entity has revalued some of its property, plant and equipment.

Consolidated statement of profit or loss and other comprehensive income (extract)

	Notes	2026 \$'000	2025 \$'000
Other comprehensive income			
AASB1060(52)(g)(i)	<i>Items that will not be reclassified to profit or loss</i>		
	Revaluation of land and buildings	7,243	5,840
AASB1060(178)(a)	Income tax relating to these items	(2,173)	(1,752)

7. Non-financial assets and liabilities (extracts)

(a) Property, plant and equipment (extracts)

Non-current	Freehold land \$'000	Buildings \$'000	Furniture, fittings and equipment \$'000	Machinery and vehicles \$'000	Assets under construction \$'000	Total \$'000	
At 1 July 2025							
AASB1060(134)(d)	Cost or fair value	16,500	31,140	29,882	72,693	3,100	153,315
AASB1060(134)(d)	Accumulated depreciation	-	-	(9,630)	(41,605)	-	(51,235)
AASB1060(44)(a)	Net book amount	16,500	31,140	20,252	31,088	3,100	102,080
At 30 June 2026							
AASB1060(134)(e)	Opening net book amount	16,500	31,140	20,252	31,088	3,100	102,080
	[not all changes shown here]						
AASB1060(134)(e)(iv)	Revaluation surplus	3,320	3,923	-	-	-	5,840
AASB1060(134)(e)(vii)	Depreciation charge	-	(1,750)	(2,340)	(4,380)	-	(8,470)
AASB1060(134)(e)	Closing net book amount	22,570	38,930	19,820	44,120	-	128,890
At 30 June 2026							
AASB1060(134)(d)	Cost or fair value	22,570	38,930	31,790	90,285	3,450	187,025
AASB1060(134)(d)	Accumulated depreciation and impairment	-	-	(11,970)	(46,165)	-	(58,135)
AASB1060(44)(a)	Net book amount	22,570	38,930	19,820	44,120	3,450	128,890

(iii) Revaluation of land and buildings

AASB1060(95) Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. See [note 19\(r\)](#) for the other accounting policies relevant to property, plant and equipment.

(iv) Significant estimates – valuations of land and buildings

AASB1060(97)
AASB1060(136) The land and buildings were valued on 30 June 2025. The fair value of land and buildings was derived from the current market prices of comparable real estate. In determining the fair value, the valuer referred to current market conditions and recent sales transactions of similar properties. A revaluation surplus is credited to other reserves in shareholders' equity (note 8(d)).

(e) Deferred tax balances (extracts)

	Deferred tax liabilities	Notes	2026 \$'000	2025 \$'000
AASB1060(178)(e)(i)	The balance comprises temporary differences attributable to:			
	Property, plant and equipment	<u>7(a)</u>	6,243	4,125
AASB1060(178)(e)(ii)	Movements – deferred tax liabilities			Property, plant and equipment \$'000
	At 1 July 2024			2,150
	Charged/(credited)			
	• to profit or loss			223
	• to other comprehensive income			<u>1,752</u>
	At 30 June 2025			4,125
	Charged/(credited)			
	• to profit or loss			(379)
	• to other comprehensive income			2,173
	Acquisition of subsidiary			<u>324</u>
	At 30 June 2026			<u>6,243</u>

8. Equity (extracts)

8(xx) Reserves (extracts)

AASB1060(45)(b)

(i) Nature and purpose of other reserves

Revaluation surplus – property, plant and equipment

AASB1060(136)(d)

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings, see accounting policy [note 19\(r\)](#) for details.

AASB1060(95)

19. Summary of significant accounting policies (extracts)

(a) Basis of preparation

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less costs to sell
- certain biological assets – measured at fair value less costs to sell, and
- defined benefit pension plans – plan assets measured at fair value.

(r) Property, plant and equipment (extracts)

AASB116(39)

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Defined employee benefit plans ¹⁻⁴

This section shows the disclosures required if the entity has obligations under a defined benefit plan.

Consolidated statement of profit or loss and other comprehensive income (extract)

	Notes	2026 \$'000	2025 \$'000
Other comprehensive income			
AASB1060(52)(g)(ii)	<i>Items that will not be reclassified to profit or loss</i>		
	Remeasurements of post-employment benefit obligations	7(h)	119 (910)
AASB1060(178)(a)	Income tax relating to these items	(36)	273

7. Non-financial assets and liabilities (extracts)

(h) Employee benefit obligations (extracts)

(ii) Defined benefit superannuation plans

AASB1060(173)(a) The group sponsors a defined benefit superannuation plan which provides lump sum benefits to members based on members' length of service and their salary in the final years leading up to resignation or retirement. The plan rules provide benefits which are at least as great as the minimum required under Australia's superannuation guarantee legislation. The plan is closed to new members.

Plan assets are held in trusts which are subject to supervision by the prudential regulator. Funding levels are reviewed at least once every three years. Where assets are less than vested benefits, being those payable upon exist, a management plan must be formed to restore the coverage to at least 100%.

Responsibility for governance of the plans – including investment decisions and plan rules – rests solely with the board of trustees of the plan. Contributions levels are also the responsibility of the trustee, although these are usually set in consultation with the employer. The Trustee must hold a registrable superannuation entity (RSE) licence issued by APRA.

Statement of financial position amounts

AASB1060(173)(b),(c) The amounts recognised in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation \$'000	Fair value of plan assets \$'000	Net amount \$'000	
AASB1060(173)(b),(c)	1 July 2025	5,702	(3,091)	2,611
AASB1060(173)(d)	Defined benefit cost recognised in profit or loss	1,458	(326)	1,132
AASB1060(173)(c)(iii)	Remeasurements recognised in other comprehensive income	101	(220)	(119)
AASB1060(173)(c)(i)	Contributions:			
	Employers	-	(1,093)	(1,093)
	Plan participants	55	(55)	-
AASB1060(173)(b),(c)(ii)	Benefit payments	(846)	846	-
AASB1060(173)(b),(c)	Other changes	xxx	xxx	xxx
AASB1060(173)(b),(c)	30 June 2026	10,130	(5,739)	4,391

AASB1060(173)(g) The actual return on plan assets for the current year was \$xx,xxx (2025 – \$xx,xxx).

AASB1060(91)(c) The group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The group intends to continue to contribute to the defined benefit section of the plan at a rate of 14% of salaries in line with the actuary's latest recommendations.

(h) Employee benefit obligations (extracts)

Significant estimates: actuarial assumptions

AASB1060(173)(h)

The significant actuarial assumptions were as follows:

	2026	2025
Discount rate	0.8%	1.3%
Expected rates of return of the plan assets	x.x%	x.x%
Salary growth rate	3.0%	3.5%

AASB1060(173)(e)

The major categories of plan assets are as follows:

	30 June 2026		30 June 2025	
	\$'000	in %	\$'000	in %
Equity instruments	1,824	32%	1,216	39%
Debt instruments	2,161	38%	571	18%
Property	1,047	18%	943	31%
Other assets	707	12%	361	12%
Total	5,739	100%	3,091	100%

AASB1060(173)(f)

The assets set out in the above table include ordinary shares issued by VALUE ACCOUNTS Simplified Disclosure Pty Ltd with a fair value of \$530,000 (2025– \$410,000) and land and buildings occupied by the group with a fair value of \$550,000 (2025 – \$580,000).

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19. Summary of significant accounting policies (extracts)

(y) Employee benefits (extracts)

(iii) Post-employment obligations

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

Defined benefit superannuation plan

AASB119(57),(67)

The liability or asset recognised in the statement of financial position in respect of defined benefit superannuation plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

AASB119(83),(86)

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

AASB119(123)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

AASB119(57)(d)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

AASB119(103)

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined benefit obligations

AASB1060(173)

1. If an entity has more than one defined benefit plan, the disclosures may be made in total, or separately for each plan, or in such groupings as are considered to be the most useful.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

Multi-employer benefit plans

AASB1060(173),(172)

2. If the entity participates in a multi-employer defined benefit plans that is accounted for as a defined contribution plan because sufficient information is not available to use defined benefit accounting (paragraph 34 of AASB 119), the entity shall disclose that the plan is a defined benefit plan and the reason why it is being accounted for as a defined contribution plan, along with any available information about the plan's surplus or deficit and the implications, if any, for the entity.

Group plans

AASB1060(173)

3. If an entity recognises and measures employee benefit expense on the basis of a contractual agreement or stated policy for charging the net defined benefit cost or based on their contributions payable for the period (paragraph 41 of AASB 119), it shall
 - (a) describe the contractual agreement or stated policy for charging the net defined benefit cost or the fact that there is no such policy
 - (b) the policy for determining the contributions to the paid by the entity, and
 - (c) make the disclosures required by AASB 1060 paragraph 173(a)-(h) for the plan as a whole.
4. Alternatively, the subsidiary can disclose this information by cross-reference to disclosures in another group entity's financial statement if
 - (a) that group entity's financial statements separately identify and disclose the information required about the plan, and
 - (b) that group entity's financial statements are available to users of the financial statements on the same terms as the financial statements of the entity and at the same time as, or earlier than the financial statements of the entity.

Non-controlling interests

This section shows the additional disclosures that will be required if an entity has non-controlling interests in one or more of its subsidiaries.

Consolidated statement of profit or loss and other comprehensive income (extract)

	Notes	2026 \$'000	2025 \$'000
Profit is attributable to:			
AASB1060(53)(a)(ii)	Owners of VALUE ACCOUNTS Simplified Disclosure Pty Ltd	xx	xx
AASB1060(53)(a)(i)	Non-controlling interests	xx	xx
		<u>xx</u>	<u>xx</u>
Total comprehensive income for the period is attributable to:			
AASB1060(53)(b)(ii)	Owners of VALUE ACCOUNTS Simplified Disclosure Pty Ltd	xx	xx
AASB1060(53)(b)(i)	Non-controlling interests	xx	xx
		<u>xx</u>	<u>xx</u>

Consolidated statement of changes in equity (extract)

Notes	Attributable to owners of VALUE ACCOUNTS Simplified Disclosure Pty Ltd							
	Share capital \$'000	Other equity \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non- con- trolling interests \$'000	Total equity \$'000	
	[Illustration only - comparatives not provided and not all lines reproduced]							
	Balance at 30 June 2026	63,976	(550)	12,381	34,319	110,126	5,689	115,815
AASB1060(61)(c)(i)	Profit for the period	-	-	-	32,626	32,626	3,005	35,631
AASB1060(61)(c)(ii)	Other comprehensive income	-	-	5,501	307	5,808	(99)	5,709
AASB1060(61)(b)	Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>5,501</u>	<u>32,933</u>	<u>38,434</u>	<u>2,906</u>	<u>41,340</u>
	Transactions with owners in their capacity as owners:							
AASB1060(61)(c)(iii)	Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	5,051	5,051
AASB1060(61)(c)(iii)	Transactions with non-controlling interests	-	-	(333)	-	(333)	(1,167)	(1,500)
AASB1060(61)(c)(iii)	Dividends provided for or paid	-	-	-	(22,923)	(22,923)	(3,017)	(25,940)
		<u>19,078</u>	<u>2,324</u>	<u>594</u>	<u>(22,780)</u>	<u>(784)</u>	<u>867</u>	<u>83</u>
	Balance at 30 June 2026	83,054	1,774	17,993	45,108	147,929	9,462	157,391

10. Business combinations

(iv) Accounting policy choice for non-controlling interests

AASB1060(142)(h)

The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in VALUE Electronics Pty Ltd, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 19(i) for the group's accounting policies for business combinations.

Joint arrangements ^{1,2}

This section provides illustrative disclosures for entities that have interests in joint operations and joint ventures.

16(a) Joint operations

AASB1060(91)(c) A subsidiary has a 50% interest in a joint arrangement called the Fernwood Partnership which was set up as a partnership together with House of Cards Constructions Limited, to develop properties for residential housing in regional areas in the south of Australia.

The principal place of business of the joint operation is in Australia.

Significant judgement: classification of joint arrangements

AASB1060(96) The joint venture agreements in relation to the Fernwood Partnership require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation, and the group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 19(b)(iii).

16(b) Interests in joint ventures accounted for using the equity method

AASB1060(91)(c) As at 30 June 2026, the group had a 35% interest in Cuddly Pear Pty Ltd, a developer of residential land (2025 – 35%). This is a strategic investment which utilises the group's knowledge and expertise in the development of residential land, but at the same time limits the group's risk exposure. The group also holds a 15% interest in Squirrel Ltd which distributes computer software to wholesale customers in the Australian market (2025 – 15%).

AASB1060(129)(b) The carrying amounts of these investments were \$492,000 and \$2,340,000 respectively (2025 – \$490,000 and \$1,900,000).

Significant judgement: existence of significant influence

AASB1060(96) Through the shareholder agreement, VALUE ACCOUNTS Simplified Disclosure Pty Ltd is guaranteed two seats on the board of Squirrel Ltd and participates in all significant financial and operating decisions. The group has therefore determined that it has significant influence over this entity, even though it only holds 15% of the voting rights.

The amount presented in the statement of profit or loss and other comprehensive income in relation to the investment in the associate relates to:

	2026	2025
	\$'000	\$'000
Group's share of the profit or loss of joint ventures	320	170
AASB1060(130) Group's share of discontinued operations of joint ventures	-	43

Commitments and contingent liabilities in respect joint ventures

	2026	2025
	\$'000	\$'000
AASB1060(129)(d) <i>Commitment</i>		86
Commitment to provide funding for joint ventures' capital commitments, if called	250	200
AASB1060(129)(d), (198)(b) <i>Contingent liabilities</i>		
Share of contingent liabilities incurred jointly with other investors of the joint ventures	150	120
AASB1060(129)(d), (198)(b) Contingent liabilities relating to liabilities of the joint ventures for which the company is severally liable	-	80
Share of joint venture's contingent liabilities in respect of a legal claim lodged against the joint venture	200	180
	350	380

AASB1060(95)

19. Summary of significant accounting policies (extracts)

(b) Principles of consolidation and equity accounting

(iii) Joint arrangements

AASB1060(129)(a)

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. VALUE ACCOUNTS Simplified Disclosure Pty Ltd has both joint operations and joint ventures.

Joint operations

VALUE ACCOUNTS Simplified Disclosure Pty Ltd recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 12(d).

Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated statement of financial position.

Joint arrangements

1. As explained in the commentary to note 12, AASB 1060 does not require the disclosure of information about the entity's investments in associates and joint ventures such as their name, ownership interest held or place of business. However, where an entity's interests in joint arrangements are material to the overall financial position and performance, the entity should consider whether some of this information may be necessary for an understanding of the financial statements. This Appendix shows what an entity could disclose in this case, but it will depend on the individual circumstances as to how much detail is required.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

2. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

AASB1060(129)(c)

AASB1060(131)

Issue not illustrated	Relevant disclosures or references
Investment in a joint venture for which there are published price quotations	Disclose the fair value of the investment.
Interests in associates and joint ventures classified as financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive in accordance with AASB 9	Follow the same disclosure requirements of financial assets as stated in paragraphs 113–115 of AASB 1060.

Translation of foreign operations

This section shows additional disclosures that may be required where an entity has foreign operations.

Consolidated statement of profit or loss and other comprehensive income (extract)

	Notes	2026 \$'000	2025 \$'000
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
AASB1060(52)(g)(i)			
AASB1060(180)(a)		(617)	185

Consolidated statement of cash flows (extract)

	Notes	2026 \$'000	2025 \$'000
Net increase in cash and cash equivalents			
		6,986	6,693
		35,536	28,627
AASB1060(81)		(247)	216
		<u>42,275</u>	<u>35,536</u>

8. Equity (extracts)

8(xx) Reserves (extracts)

AASB1060(45)(b) (i) Nature and purpose of other reserves

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 25(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

AASB1060(95) 19. Summary of significant accounting policies (extracts)

(xx) Foreign currency translation

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Equity-settled share-based payments ³

This section shows additional disclosures that may be required where an entity has equity-settled share-based payment schemes.

Consolidated statement of profit or loss and other comprehensive income (extract)¹

	Notes	2026 \$'000	2025 \$'000
Continuing operations			
AASB1060(168)(a)	Share-based payment expense	X 896	330

Consolidated statement of financial position

	Notes	2026 \$'000	2025 \$'000
Equity			
AASB1060(44)(f)	Share-based payment reserve	8 (xx) Xxx	Xxx

Consolidated statement of changes in equity (extract)

Attributable to owners of VALUE ACCOUNTS Simplified Disclosure Pty Ltd							
Notes	Share capital \$'000	Other equity \$'000	Share-based payments reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000

[Illustration only - comparatives not provided and not all lines reproduced]

	Balance at 30 June 2026	Xxx	Xxx	Xxx	Xxx	Xxx	Xxx
	Profit for the period				Xxx	Xxx	Xxx
	Other comprehensive income			-	Xxx	Xxx	Xxx
	Total comprehensive income for the period	Xxx	Xxx	-	Xxx	Xxx	Xxx
	Transactions with owners in their capacity as owners:						
AASB1060(61)(c)(iii)	Employee share schemes – value of employee services	X		896			
		Xxx	Xxx	Xxx	Xxx	Xxx	Xxx
	Balance at 30 June 2026	Xxx	Xxx	Xxx	Xxx	Xxx	Xxx

8. Equity (extracts)

8(xx) Reserves (extracts)

AASB1060(45)(b)

(i) *Nature and purpose of other reserves*

Share-based payment reserve

The share-based payments reserve is used to recognise the grant date fair value of options issued to employees. Any amounts recognised in this reserve remain in the reserve, no amounts are transferred to issued capital on exercise of the options, see [note 19\(y\)](#) for the accounting policy for share-based payments.

X Share-based payments

AASB1060(164)(a)

(a) **Employee Option Plan**

The Employee Option Plan is designed to provide long-term incentives for senior managers and above (including executive directors) to deliver long-term shareholder returns. Under the plan, participants are granted options over shares in the ultimate parent entity, Lion Plc, which vest after three years provided certain EBITDA hurdles are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Once vested, the options remain exercisable for a period of two years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. VALUE ACCOUNTS Simplified Disclosure Pty Ltd has no obligation to settle the share-based payment transactions or to make any payments to the parent entity in relation to the options.

Set out below are summaries of options granted under the plan:

	2026		2025		
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options	
AASB1060(164)(b)(i)	As at 1 July	\$5.55	2,056,000	\$5.33	1,688,000
AASB1060(164)(b)(ii)	Granted during the year	\$6.18	818,000	\$5.78	814,000
AASB1060(164)(b)(iv)	Exercised during the year	\$5.28	(228,000)	-	-
AASB1060(164)(b)(iii)	Forfeited during the year	\$5.71	(445,000)	\$5.12	(446,000)
AASB1060(164)(b)(iv)	As at 30 June	\$5.78	2,201,000	\$5.55	2,056,000
AASB1060(164)(b)(vii)	Vested and exercisable at 30 June	\$5.28	263,000	-	-

No options expired during the periods covered by the above tables.

AASB1060(165)

(i) *Fair value of options granted*

The assessed fair value at grant date of options granted during the year ended 30 June 2026 was \$1.80 per option (2025 – \$1.75). The fair value at grant date is independently determined using an adjusted form of the Black-Scholes Model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(ii) *Expenses arising from share-based payment transactions* ^{1,2}

AASB1060(168)(a)

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were \$896,000 (2025 – \$330,000).

19. Summary of significant accounting policies (extracts)**(y) Employee benefits (extracts)****(viii) Employee options**

The fair value of options granted under the VALUE Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)

excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Share-based payments

1. Expenses arising from share-based payment transactions would not need to be disclosed in the notes, if they are disclosed as a separate line item in the statement of profit or loss and other comprehensive income as presented above.

Rounding

2. Under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* amounts disclosed in relation to share-based payment transactions can only be rounded to the nearest \$1,000 for entities with total assets of more than \$1,000m.

Disclosures not illustrated: not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd

3. The following requirements are not illustrated in this publication because they are not applicable to VALUE ACCOUNTS Simplified Disclosure Pty Ltd:

Issue not illustrated**Relevant disclosures or references**

Share options expired during the year

Include the number and weighted average exercise price of share options expired in the reconciliation of share options.

Share-based payment arrangements that were modified during the period

Explain the modifications.

ASIC2026/183

AASB1060(164)(b)(iii)

AASB1060(167)

Appendix B: New standards and amendments

This appendix provides a summary of (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 July 2025 (i.e. years ending 30 June 2026), (b) a list of IFRS® Interpretations Committee agenda decisions for consideration and (c) forthcoming requirements, being standards and amendments that will become effective on or after 1 July 2026.

(a) New standards and amendments – applicable 1 July 2025

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 July 2025:

Title	Key requirements	Effective date * and further guidance
AASB 2023-5 <i>Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121 & AASB 1060]</i>	In October 2023, the AASB amended AASB 121 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, AASB 121 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.	1 January 2025 In brief INT2023-19
AASB 2026-1 <i>Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements [AASB 136 & AASB 137]</i>	<p>The IASB has published several examples to illustrate how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The examples illustrate this through climate-related scenarios, but the principles and requirements are applicable to disclosure of other uncertainties. The examples do not add to or change requirements in IFRS Accounting Standards and therefore, there are no transition requirements. Refer to our In brief – Clarifying uncertainties: helping companies navigate disclosure requirements for more information.</p> <p>The AASB has incorporated the examples in relation to impairment and provisions into the relevant accounting standards under AASB 2026-1. The remaining new examples (relating to IFRS 7, IFRS 18, IAS 1 and IAS 8) are available at the AASB's webpage which includes IASB Support Materials.</p>	Annual periods beginning on or after 1 July 2025 that end on or after 28 February 2026 In brief INT2025-18

* Applicable to reporting periods commencing on or after the given date, unless otherwise stated.

(b) IFRS Interpretations Committee agenda decisions issued in the last 12 months

As at 30 April 2026, the following agenda decisions were issued that might be relevant for the preparation of financial statements for years ending on or after 30 June 2026. The date issued refers to the date of approval by the IASB according to [IASB's website](#). For more recent information, refer to our website at [viewpoint.pwc.com](#).

Date issued	Topic
April 2025	Recognition of Revenue from Tuition Fees (IFRS 15)
April 2025	Recognition of Intangible Assets from Climate-related Expenditure (IAS 38)
April 2025	Guarantees Issued on Obligations of Other Entities
July 2025	Assessing Indicators of Hyperinflationary Economies (IAS 29)
February 2026	Embedded Prepayment Option (IFRS 9)
February 2026	Determining and Accounting for Transaction Costs (IFRS 9)
April 2026	Scope of the Requirement to Disclose Expenses by Nature (IFRS 18)*
April 2026	Fair Presentation and Compliance with IFRS Accounting Standards (IAS 1) [IAS 8]
April 2026	Economic Benefits from Use of a Battery under an Offtake Arrangement (IFRS 16)
April 2026	Classification of Gains and Losses on a Derivative Managing a Foreign Currency Exposure (IFRS 18)*
April 2026	Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset) (IFRS 18)*
April 2026	Assessment of a Specified Main Business Activity for the Purposes of the Separate Financial Statements of a Parent (IFRS 18)*

*These agenda decisions are not relevant in the current reporting period and will only become applicable when AASB 18 is adopted.

(c) Forthcoming requirements

As at 31 March 2026, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 30 June 2026. For more recent information, refer to our website at www.viewpoint.pwc.com.

Title	Key requirements	Effective date * and further guidance
<p>AASB 2024-2 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments [AASB 7 & AASB 9]</i></p>	<p>In July 2024, the AASB issued targeted amendments to AASB 9 <i>Financial Instruments</i> and AASB 7 <i>Financial Instruments: Disclosures</i> to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.</p> <p>These amendments:</p>	<p>1 January 2026 (early adoption is permitted)</p> <p><u>In brief</u> <u>INT2024-14</u></p>
<p>AASB 2025-2 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures [AASB 1060]</i></p>	<p>(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;</p> <p>(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</p> <p>(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and</p> <p>(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).</p>	
	<p>The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.</p> <p>The amendments to AASB 9 and AASB 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted.</p>	
<p>AASB 2024-3 <i>Amendments to Australian Accounting Standards – Annual Improvements Volume 11 [AASB 1, AASB 7, AASB 9, AASB 10 & AASB 107]</i></p>	<p>The AASB has made the following minor improvements in September 2024:</p> <ul style="list-style-type: none"> • AASB 1 <i>First-time Adoption of International Financial Reporting</i> – to improve consistency between AASB 1 and AASB 9 <i>Financial Instruments</i> in relation to the requirements for hedge accounting, and improve the understandability of AASB 1; • AASB 7 <i>Financial Instruments: Disclosures</i> – to improve consistency in the language used in AASB 7 with the language used in AASB 13 <i>Fair Value Measurement</i>; • AASB 9 <i>Financial Instruments</i> – to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished and address an inconsistency between AASB 9 and AASB 15 <i>Revenue from Contracts with Customers</i> in relation to the term ‘transaction price’; <p>AASB 10 <i>Consolidated Financial Statements</i> – to clarify the requirements in relation to determining de facto agents of an entity; and</p> <ul style="list-style-type: none"> • AASB 107 <i>Statement of Cash Flows</i> – to replace the term ‘cost method’ with ‘at cost’ as the term is no longer defined in Australian Accounting Standards. 	<p>1 January 2026 (early adoption is permitted)</p>

* Applicable to reporting periods commencing on or after the given date.

(c) Forthcoming requirements

Title	Key requirements	Effective date * and further guidance
<p>AASB 2025-1 <i>Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity [AASB 7 & AASB 9]</i></p>	<p>In February 2025, the AASB issued targeted amendments to AASB 7 Financial Instruments: Disclosures and AASB 9 Financial Instruments to allow entities to better reflect Nature-dependent electricity contracts in the financial statements.</p>	<p>1 January 2026 (early adoption is permitted)</p>
<p>AASB2025-3 <i>Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures [AASB 1060]</i></p>	<p>The amendments:</p> <ul style="list-style-type: none"> (a) clarify the application of the ‘own-use’ criteria to nature-dependent electricity contracts; (b) permit hedge accounting if these contracts are used as hedging instruments; and (c) add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity’s financial performance and cash flows. 	<p><u>In brief</u> <u>INT2024-22</u></p>
<p>AASB 2022-9 <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector[^]</i></p>	<p>The AASB has added modifications to AASB 17 <i>Insurance Contracts</i> which apply only to public sector entities. These modifications provide public sector entities with:</p> <ul style="list-style-type: none"> • pre-requisites, indicators and other considerations to help identify which arrangements fall within the scope of AASB 17 in a public sector context • an exemption from sub-grouping onerous versus non-onerous contracts at initial recognition • an exemption from sub-grouping contracts issued no more than a year apart • an amendment to the initial recognition requirements so that they do not depend on when contracts become onerous • guidance on coverage periods, which has consequences for assessing eligibility for the premium allocation approach in a public sector context • an accounting policy choice to measure liabilities for remaining coverage applying the premium allocation approach, and • a transition requirement which grandfathers existing arrangements such that they can either be classified as liability for incurred claims within the scope of AASB 17 or a provision within the scope of AASB 137 Provisions, Contingent Liabilities and Contingent Assets. <p>AASB 1050 <i>Administered Arrangements</i> was also amended to provide an accounting policy choice for government departments to apply either AASB 17 or ASB 137 in determining the information to be disclosed about administered captive insurer activities.</p>	<p>1 July 2026</p>

* Applicable to reporting periods commencing on or after the given date.

[^] Applicable only to not-for-profit and/or public sector entities.

(c) Forthcoming requirements

Title	Key requirements	Effective date * and further guidance
AASB 18 <i>Presentation and Disclosure in Financial Statements</i>	<p>This is the new standard on presentation and disclosure in financial statements, which replaces AASB 101, with a focus on updates to the statement of profit or loss.</p> <p>The key new concepts introduced in AASB 18 relate to:</p> <ul style="list-style-type: none"> the structure of the statement of profit or loss with defined subtotals; requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. <p>Key consideration for AASB 1060 reporters</p> <p>At its March 2026 meeting, the AASB decided to issue an Exposure Draft proposing amendments to AASB 1060 to align its presentation and classification requirements with AASB 18 Presentation and Disclosure in Financial Statements. The AASB also decided that relevant AASB 18 guidance would be incorporated in a new Appendix B to AASB 1060.</p> <p>These proposals were not final at the date of this publication. However, entities applying AASB 1060 should be aware that future amendments may affect the presentation of primary financial statements, including the statement of profit or loss, and may require consequential updates to financial statement formats and related accounting policy disclosures. Preparers using these illustrative financial statements should therefore monitor developments on AASB 1060 review project when planning for future reporting periods.</p> <p>** While technically available for early adoption for not-for-profit and superannuation entities, the applicability of AASB 18 to superannuation is still under consultation by the AASB.</p>	<p>1 January 2027 (early adoption is permitted) - for for-profit entities</p> <p>1 January 2028 (early adoption is permitted) - for not-for-profit and superannuation entities**</p> <p>In brief INT2024-06</p> <p>IFRS 18 landing page on Viewpoint</p> <p>For financial services companies, see In brief INT2024-08</p> <p>For treasury topics for corporate entities, see In brief INT2024-09</p>
AASB 2025-4 <i>Amendments to Australian Accounting Standards – Translation to a Hyperinflationary Presentation Currency [AASB 121 & AASB 129]</i>	<p>These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:</p> <ul style="list-style-type: none"> its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy. <p>The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.</p>	<p>1 January 2027 (early adoption is permitted)</p> <p>In brief INT2025-23</p>

* Applicable to reporting periods commencing on or after the given date.

(c) Forthcoming requirements

Title	Key requirements	Effective date * and further guidance
AASB 2014-10 <i>Amendments to Australian Accounting Standards: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture</i>	The AASB has made limited scope amendments to AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> . The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in AASB 3 <i>Business Combinations</i>).	n/a ***
AASB 2015-10 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</i>	Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.	
AASB 2017-5 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	*** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method. However, the AASB cannot legally issue amendments without an operative date. It has therefore initially deferred the application date to 1 January 2018 and subsequently extended this to 1 January 2028.	
AASB 2021-7 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	Even though the amendments are not yet mandatory, they can be applied early if an entity elects to do so.	
AASB 2024-4 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</i>		

* Applicable to reporting periods commencing on or after the given date.

Appendix C: Abbreviations

Abbreviations used in this publication are set out below.

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
AASB (Number)	Accounting Standards issued by the AASB
AASB (Number)R	Revised accounting standard – not yet operative (e.g. AASB 1053 as amendment by AASB 2020-2 <i>Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities</i>)
AASB-I (Number)	Interpretations issued by the AASB
ABN	Australian Business Number
ACN	Australian Company Number
ADI	Authorised Deposit-taking Institution
AfS	Available-for-sale (financial assets)
AFSL	Australian Financial Services Licence
AGM	Annual General Meeting
AGS	Auditing Guidance Statements
APES	Standards issued by the Accounting Professional & Ethical Standards Board (APESB)
APS	Miscellaneous Professional Statements
APRA	Australian Prudential Regulation Authority
ASA	Auditing Standards issued by the AUASB under the <i>Corporations Act 2001</i>
ASIC	Australian Securities and Investments Commission
ASIC Act	Australian Securities and Investments Commission Act 2001
ASIC CPc	ASIC Consultation Paper
ASIC IR	ASIC Information Releases
ASIC RG	ASIC Regulatory Guide
ASIC (Number)	ASIC Class Orders
ASX	ASX Limited, trading as Australian Securities Exchange
ASX (Number)	ASX Listing Rules
AUASB	Auditing and Assurance Standards Board
bps	basis points
CA	<i>Corporations Act 2001</i>
CAANZ	Chartered Accountants in Australia and New Zealand

CGC (Number)	ASX Corporate Governance Council - Principles of Good Corporate Governance and Best Practice Recommendations
CGU	Cash-Generating Unit
CODM	Chief operating decision maker
CPA	CPA Australia
CR	Corporations Regulations 2001
CSF	Crowd-sourced equity funding
DP	Discussion Papers
EBITDA	Earnings before interest, tax, depreciation and amortisation
ED	Accounting Exposure Drafts
ED securities	Enhanced Disclosure securities
ESMA	European Securities and Markets Authority
FRC	Financial Reporting Council
FRS	Financial Reporting Standard (UK)
FVLCOD	Fair value less cost of disposal
FVTOCI	(Financial assets/liabilities at) fair value through other comprehensive income
FVTPL	(Financial assets/liabilities at) fair value through profit or loss
GAAP	Generally Accepted Accounting Principles
GGG	General Government Sectors
Pillar Two rules	Global Anti-Base Erosion Proposal (GloBE) from the Organisation for Economic Co-operation and Development (OECD)
GPFS	General Purpose Financial Statements
GS	Guidance Statements issued by the AUASB
GST	Goods and Services Tax
IAS[®] standards	International Accounting Standards
IASB[®]	International Accounting Standards Board
ICAEW	Tech UK Institute of Chartered Accountants in England and Wales Technical Release
IFRIC[®]	Interpretations issued by the IFRS Interpretations Committee of the IASB
IFRS[®] Accounting Standards	IFRS Accounting Standards issued by the IASB
KPI	Key Performance Indicator
LTI	Long-term Incentive
MEC group	Multiple Entry Consolidated group

MIS	Managed Investment Scheme
NFP	Not-for-Profit
NCI	Non-controlling interest
OCI	Other comprehensive income
Pillar Two rules	Global Anti-Base Erosion Proposal (GloBE) from the Organisation for Economic Co-operation and Development (OECD)
PSASB	Public Sector Accounting Standards Board (former)
RDR	Reduced Disclosure Regime
RCF	(Revised) Conceptual Framework for Financial Reporting as issued by the AASB in May 2019
RSE	Registrable Superannuation Entities as defined in the SIS Act
SAC	Statements of Accounting Concepts
SDS	Simplified Disclosure Standard (referring to AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>)
SPFS	Special Purpose Financial Statements
STI	Short-term Incentive
TSR	Total shareholder return
UIG	Urgent Issues Group
UIG (Number)	UIG Interpretations

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