

IFRS ILLUSTRATIVE FINANCIAL STATEMENTS

For the year ended 31 December
2025



RSM IFRS Private Company Limited

IAS1(51)(a)

Company Number 01234567

Annual Report - 31 December 2025

These model accounts are illustrative only, contain general information, are not intended to be comprehensive and may not address specific events or circumstances. We make no representation as to their accuracy, compatibility or fitness-for-purpose.

The model accounts should be viewed as broad guidance only. Accordingly, neither RSM International Limited, nor any of its member firms accept any responsibility to any party for any loss, damage or costs howsoever arising, whether directly or indirectly, from any action or decision taken (or not taken) in reliance on the material in these model accounts, whether such loss is caused by negligence or otherwise. The provision of these model accounts does not constitute professional advice. Please contact your local RSM adviser to discuss these matters in the context of your particular circumstances.

RSM is the brand used by a network of independent accounting and consulting firms, each of which practices in its own right. The network is not itself a separate legal entity of any description in any jurisdiction.

The network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association, 2025

RSM IFRS Private Company Limited

Contents

31 December 2025

IAS1(49)

IAS1(51)(c)

Statement of profit or loss and other comprehensive income

Statement of financial position

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

Independent auditor's report to the members of RSM IFRS Private Company Limited

General information

The financial statements cover RSM IFRS Private Company Limited as an individual entity. The financial statements are ^{IAS1(51)(b),(d)} presented in International and currency units, which is RSM IFRS Private Company Limited's functional and presentation currency.

RSM IFRS Private Company Limited is a company limited by shares, incorporated and domiciled in International and. Its ^{IAS1(138)(a)} registered office and principal place of business are:

Registered office

10th Floor
Universal Administration Building
12 Highland Street
Cityville

Principal place of business

5th Floor
RSM Business Centre
247 Edward Street
Cityville

During the financial year the principal continuing activities of the company consisted of:

IAS1(138)(b)

- Computer manufacturing
- Computer retailing
- Computer distribution

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2026. The ^{IAS10(17)} directors have the power to amend and reissue the financial statements.

1

RSM IFRS Private Company Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

IAS1(10)(b),(81A) 2,3
IAS1(51)(c)

	Note	2025 CU'000	2024 CU'000	
Revenue				
Share of profits of associates accounted for using the equity method	4	3,211	2,661	IAS1(82)(c)
Other income	5	692	1,692	
Interest revenue calculated using the effective interest method		1,087	543	IAS1(82)(a)(i)
Net gain on derecognition of financial assets at amortised cost		50	-	IAS1(82)(aa)
Expenses				IAS1(97) 4
Changes in inventories		(3,523)	(782)	
Raw materials and consumables used		(127,025)	(121,050)	
Employee benefits expense		(225,150)	(218,728)	
Depreciation and amortisation expense	6	(52,047)	(52,411)	
Impairment of receivables		(491)	(432)	
Net fair value loss on investment properties	6	(600)	-	
Other expenses		(4,513)	(4,252)	5
Finance costs	6	(18,930)	(21,092)	IAS1(82)(b)
Profit before income tax expense		39,509	21,490	10
Income tax expense	7	(10,875)	(5,741)	IAS1(82)(d), IAS12(77) 11
Profit after income tax expense for the year attributable to the owners of RSM IFRS Private Company Limited	41	28,634	15,749	IAS1(81A)(a) 12
Other comprehensive income				IAS1(82A) 6
<i>Items that will not be reclassified subsequently to profit or loss</i>				IAS1(82A)(a)(i) 7
Gain on the revaluation of land and buildings, net of tax		-	1,400	IAS1(7)(a)
Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		35	-	IAS1(7)(d)
<i>Items that may be reclassified subsequently to profit or loss</i>				IAS1(82A)(a)(ii) 7
Cash flow hedges transferred to profit or loss, net of tax		-	(2)	IAS1(7)(e)
Cash flow hedges transferred to inventory in the statement of financial position, net of tax		(3)	(7)	IAS1(7)(e)
Net change in the fair value of cash flow hedges taken to equity, net of tax		(7)	(18)	IAS1(7)(e)
Other comprehensive income for the year, net of tax	25	1,373	IAS1(81A)(b) 8	
Total comprehensive income for the year attributable to the owners of RSM IFRS Private Company Limited		28,659	17,122	IAS1(81A)(c) 9

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

RSM IFRS Private Company Limited
Statement of financial position
As at 31 December 2025

IAS1(10)(a),(54)

13,14

IAS1(51)(c)

	Note	2025 CU'000	2024 CU'000	
Assets				
Current assets				IAS1(60),(66)
Cash and cash equivalents	8	28,563	6,036	IAS1(54)(i)
Trade and other receivables	9	13,349	12,354	IAS1(54)(h)
Contract assets	10	2,617	2,144	IFRS15(105)
Inventories	11	39,525	43,048	IAS1(54)(g)
Financial assets at fair value through profit or loss	12	360	-	IAS1(54)(d)
Other	13	3,935	3,444	
		88,349	67,026	
Non-current assets classified as held for sale	14	6,000	-	IAS1(54)(j)
Total current assets		94,349	67,026	
Non-current assets				IAS1(60),(66)
Receivables	15	145	145	IAS1(54)(h)
Investments accounted for using the equity method	16	34,192	30,981	IAS1(54)(e)
Financial assets at fair value through other comprehensive income	17	170	-	IAS1(54)(d)
Investment properties	18	46,900	47,500	IAS1(54)(b)
Property, plant and equipment	19	117,139	128,883	IAS1(54)(a)
Right-of-use assets	20	305,485	332,116	IFRS16(47)(a)
Intangibles	21	1,741	2,116	IAS1(54)(c)
Deferred tax	22	15,574	12,561	IAS1(54)(o),(56)
Other	23	2,308	2,405	
Total non-current assets		523,654	556,707	
Total assets		618,003	623,733	
Liabilities				
Current liabilities				IAS1(60),(69)
Trade and other payables	24	20,004	17,306	IAS1(54)(k)
Contract liabilities	25	2,269	2,135	IFRS15(105)
Borrowings	26	4,500	3,273	IAS1(54)(m)
Lease liabilities	27	22,072	20,905	IFRS16(47)(b)
Derivative financial instruments	28	122	107	IAS1(54)(m)
Income tax payable	29	6,701	2,351	IAS1(54)(n)
Employee benefits	30	8,352	8,143	IAS1(54)(l)
Provisions	31	3,494	2,837	IAS1(54)(l)
Other	32	2,130	1,869	
		69,644	58,926	
Liabilities directly associated with assets classified as held for sale	33	4,000	-	IAS1(54)(p)
Total current liabilities		73,644	58,926	
Non-current liabilities				IAS1(60),(69)
Borrowings	34	19,000	19,000	IAS1(54)(m)
Lease liabilities	35	301,714	322,745	IFRS16(47)(b)
Deferred tax	36	4,665	4,333	IAS1(54)(o),(56)
Employee benefits	37	11,149	10,854	IAS1(54)(l)
Provisions	38	1,475	1,070	IAS1(54)(l)
Total non-current liabilities		338,003	358,002	
Total liabilities		411,647	416,928	
Net assets		206,356	206,805	15
Equity				
Issued capital	39	182,953	182,678	IAS1(54)(r)
Reserves	40	4,500	4,475	IAS1(54)(r)
Retained profits	41	18,903	19,652	16
Total equity		206,356	206,805	17

The above statement of financial position should be read in conjunction with the accompanying notes

RSM IFRS Private Company Limited
Statement of changes in equity
For the year ended 31 December 2025

IAS1(10)(c),(106)

18

IAS1(51)(c)

	Issued capital CU'000	Reserves CU'000	Retained profits CU'000	Total equity CU'000	
Balance at 1 January 2024	104,922	3,102	21,519	129,543	IAS1(106)(d)
Profit after income tax expense for the year	-	-	15,749	15,749	IAS1(106)(d)(i)
Other comprehensive income for the year, net of tax	-	1,373	-	1,373	IAS1(106)(d)(ii)
Total comprehensive income for the year	-	1,373	15,749	17,122	IAS1(106)(a)
<i>Transactions with owners in their capacity as owners:</i>					IAS1(106)(d)(iii)
Contributions of equity, net of transaction costs (note 39)	77,756	-	-	77,756	
Dividends paid (note 42)	-	-	(17,616)	(17,616)	IAS1(107)
Balance at 31 December 2024	182,678	4,475	19,652	206,805	IAS1(106)(d)
	Issued capital CU'000	Reserves CU'000	Retained profits CU'000	Total equity CU'000	
Balance at 1 January 2025	182,678	4,475	19,652	206,805	IAS1(106)(d)
Profit after income tax expense for the year	-	-	28,634	28,634	IAS1(106)(d)(i)
Other comprehensive income for the year, net of tax	-	25	-	25	IAS1(106)(d)(ii)
Total comprehensive income for the year	-	25	28,634	28,659	IAS1(106)(a)
<i>Transactions with owners in their capacity as owners:</i>					IAS1(106)(d)(iii)
Contributions of equity, net of transaction costs (note 39)	275	-	-	275	
Dividends paid (note 42)	-	-	(29,383)	(29,383)	IAS1(107)
Balance at 31 December 2025	182,953	4,500	18,903	206,356	IAS1(106)(d)

The above statement of changes in equity should be read in conjunction with the accompanying notes

RSM IFRS Private Company Limited
Statement of cash flows
For the year ended 31 December 2025

IAS1(10)(d),(111)

19

IAS1(51)(c)

	Note	2025 CU'000	2024 CU'000	
Cash flows from operating activities				IAS7(10),(18)(a)
Receipts from customers		507,218	474,832	IAS7(14)(a)
Payments to suppliers and employees		(401,373)	(390,710)	IAS7(14)(c),(d)
Interest received		105,845	84,122	
Other revenue		1,084	540	IAS7(31),(33)
Interest and other finance costs paid		3,964	3,358	IAS7(14)(b)
Income taxes paid		(18,845)	(21,030)	IAS7(31),(33)
		(9,216)	(8,461)	IAS7(14)(f),(35),(36)
Net cash from operating activities		82,832	58,529	20
Cash flows from investing activities				IAS7(10),(21)
Payments for investments		(510)	-	IAS7(16)(a)
Payments for property, plant and equipment		(12,275)	(3,048)	IAS7(16)(a)
Proceeds from disposal of investments		80	-	IAS7(16)(b)
Proceeds from disposal of property, plant and equipment		1,511	250	IAS7(16)(b)
Proceeds from release of security deposits		155	-	
Net cash used in investing activities		(11,039)	(2,798)	21
Cash flows from financing activities				IAS7(10),(21)
Proceeds from issue of shares	39	275	78,750	IAS7(17)(a)
Proceeds from borrowings		12,000	-	IAS7(17)(c)
Share issue transaction costs		-	(1,420)	
Dividends paid	42	(29,383)	(17,616)	IAS7(31),(34)
Repayment of borrowings		(5,500)	(94,000)	IAS7(17)(d)
Repayment of lease liabilities		(25,385)	(21,555)	IFRS16(53)(g)
Net cash used in financing activities		(47,993)	(55,841)	22
Net increase/(decrease) in cash and cash equivalents		23,800	(110)	
Cash and cash equivalents at the beginning of the financial year		4,763	4,873	24
Cash and cash equivalents at the end of the financial year	8	28,563	4,763	

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

IAS1(112)(a),(117)

25

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent ^{IAS8(13)} with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

IAS1(45)(a)

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period. There was no material impact to the financial statements as a result of the adoption of these standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

26

Basis of preparation

These general purpose financial statements have been prepared in accordance with International Financial Reporting ^{IAS1(16)} Standards ('IFRS Accounting Standards'), as appropriate for for-profit entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain assets and liabilities have been measured at fair value, including the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

29

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires ^{IAS1(122),(125)} management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency translation

The financial statements are presented in International and currency units, which is RSM IFRS Private Company Limited's ^{IAS1(51)(d)} functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into International and currency units using the exchange rates prevailing at the ^{IAS21(21),(28)} dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in ^{IFRS15(119),(126)} exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is ^{IFRS15(119)(a)} generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed ^{IFRS15(119)(a),(124)} price or an hourly rate.

Note 1. Material accounting policy information (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the IFRS9(5.4.1) amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable IAS12(46) income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for: IAS12(15),(24),(47)

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future IAS12(24),(34) taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset. IAS12(56)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against IAS12(74) current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. IAS1(60)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's IAS1(66) normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held IAS1(69) primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current. IAS1(56)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly IAS7(6),(8),(46) 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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

30

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective IFRS9(5.1.3) interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

31

Note 1. Material accounting policy information (continued)

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss ^{IFRS7(35F)(c)} allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

IFRS9(5.1.1)

Contract assets

Contract assets are recognised when the company has transferred goods or services to the customer but where the company ^{IFRS15(107),(117)} is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a ^{IFRS15(91),(92),(127)} customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract ^{IFRS15(95),(127)} or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers ^{IFRS15(126)(d)} who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of ^{IAS2(9)} rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion ^{IAS2(6)} and the estimated costs necessary to make the sale.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently ^{IFRS9(5.5.1)} remeasured to their fair value at each reporting date. 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.

Cash flow hedges

Cash flow hedges are used to cover the company's exposure to variability in cash flows that is attributable to particular risks ^{IAS39(95),(97),(98)} associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each ^{IAS39(AG105), (AG106)} hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ^{IAS39(101)} ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Note 1. Material accounting policy information (continued)

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable. ^{IFRS5(6),(15)}

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised. ^{IFRS5(20)-(22)}

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised. ^{IFRS5(25)}

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities. ^{IFRS5(38)}

Associates

Associates are entities over which the company has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the company's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment. ^{IAS28(10),(32)}

When the company's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. ^{IAS28(38),(39)}

The company discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss. ^{IAS28(22)}

Investments and other financial assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided. ^{IFRS9(5.1.1)}

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off. ^{IFRS9(3.2.3)}

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss. ^{IFRS9(4.1.4)}

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition. ^{IFRS9(4.1.2A), IFRS7(11A)(b)}

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. ^{IFRS9(5.5.1),(5.5.9)}

Note 1. Material accounting policy information (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate. IFRS9(5.5.3)

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss. IFRS9(5.5.2)

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss. IAS40(75)(a)

Investment properties are derecognised when disposed of or when there is no future economic benefit expected. IAS40(66)

Transfers between investment properties and property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use. IAS40(57)

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss. IAS16(73)(a)

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. IAS16(73)(a)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows: IAS16(73)(b),(c)

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. IAS16(51)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits. IAS16(67)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. IFRS16(23),(24)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. IFRS16(30),(32)

Note 1. Material accounting policy information (continued)

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with IFRS16(5),(6) terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period. IAS38(24),(33),(74),(89)

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable IAS38(54),(57),
IAS38(118)(a),(b) that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period IAS38(118)(a),(b)
of their expected benefit, being their finite life of 10 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected IAS38(118)(a),(b)
benefit, being their finite life of 5 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying IAS36(9),(10)
amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the IAS36(18),(66)
present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and IFRS9(5.1.1)
which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

34

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a IFRS15(106),(117)
customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Refund liabilities

Refund liabilities are recognised where the company receives consideration from a customer and expects to refund some, or IFRS15(126)(d)
all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are IFRS9(5.1.1)
subsequently measured at amortised cost using the effective interest method.

Note 1. Material accounting policy information (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. ^{IFRS16(26),(27),(38)}

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down. ^{IFRS16(39),(40),(42)}

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred. ^{IAS23(8)}

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost. ^{IAS37(14),(36),(45),(47),(60)}

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. ^{IAS19(11),(13)}

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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 reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. ^{IAS19(154)}

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred. ^{IAS19(51)}

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market. ^{IFRS13(9),(16)}

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. ^{IFRS13(22),(27),(61)}

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement. ^{IFRS13(72),(95)}

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data. ^{IFRS13(93)(g)}

Note 1. Material accounting policy information (continued)

Issued capital

Ordinary shares are classified as equity.

IAS32(11)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, ^{IAS32(35),(37)} from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Value-Added Tax ('VAT') and other similar taxes

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

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

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority. ^{IAS37(41)}

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand currency units, or in certain cases, the nearest currency ^{IAS1(51)(e)} unit.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted ^{IAS8(30)} by the company for the annual reporting period ended 31 December 2025. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

35

IFRS 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The company will adopt this standard from 1 January 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 2. Critical accounting judgements, estimates and assumptions

IAS1(122),(125)

36

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is ^{IFRS15(123),(125)} considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

37

Determination of variable consideration

Variable consideration is estimated having regard to past experience with respect to the goods returned to the company where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved. ^{IFRS15(123),(125)}

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower. ^{IFRS9(5.5.17)}

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

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

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Warranty provision

In determining the level of provision required for warranties the company has made estimates in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Note 3. Revenue

	2025 CU'000	2024 CU'000	
<i>Revenue from contracts with customers</i>			IFRS15(113)(a)
Sale of goods	459,358	428,115	
Rendering of services	3,696	3,868	
	<u>463,054</u>	<u>431,983</u>	
<i>Other revenue</i>			
Rent from investment properties	3,623	3,310	IAS40(75)(f)(i)
Other revenue	71	48	
	<u>3,694</u>	<u>3,358</u>	
Revenue	466,748	435,341	

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2025 CU'000	2024 CU'000	
<i>Major product lines</i>			IFRS15(114)
Laptops	376,696	344,285	
Desktops	51,844	58,921	
Components	34,514	28,777	
	<u>463,054</u>	<u>431,983</u>	
<i>Geographical regions</i>			IFRS15(114)
Internationaland	409,946	389,460	
Neighbourland	39,020	32,567	
Rest of the World	14,088	9,956	
	<u>463,054</u>	<u>431,983</u>	
<i>Timing of revenue recognition</i>			IFRS15(114)
Goods transferred at a point in time	459,358	428,115	
Services transferred over time	3,696	3,868	
	<u>463,054</u>	<u>431,983</u>	

Note 4. Share of profits of associates accounted for using the equity method

40

	2025 CU'000	2024 CU'000
Share of profit - associates	3,211	2,661

Note 5. Other income

	2025 CU'000	2024 CU'000	
Net fair value gain on investment properties	-	1,500	IAS1(97)
Net gain on disposal of property, plant and equipment	422	192	IAS1(98)
Insurance recoveries	270	-	IAS1(97)
Other income	692	1,692	

RSM IFRS Private Company Limited
Notes to the financial statements
31 December 2025

IAS1(10)(e),(112)
IAS1(51)(c)

Note 6. Expenses

	2025 CU'000	2024 CU'000
Profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		IAS2(36)(d)
Cost of sales	284,451	277,984
<i>Depreciation</i>		IAS16(75)(a)
Leasehold improvements	5,281	5,721
Plant and equipment	12,199	13,414
Buildings right-of-use assets	13,582	13,582
Plant and equipment right-of-use assets	18,570	17,468
Total depreciation	49,632	50,185
<i>Amortisation</i>		
Development	321	321
Patents and trademarks	32	32
Software	22	22
Customer acquisition costs	1,288	1,164
Customer fulfilment costs	752	687
Total amortisation	2,415	2,226
Total depreciation and amortisation	52,047	52,411
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	1,799	3,021
Interest and finance charges paid/payable on lease liabilities	17,046	18,009
Unwinding of the discount on provisions	85	62
Finance costs expensed	18,930	21,092
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	13	6
<i>Net fair value loss</i>		
Net fair value loss on investment properties	600	-
<i>Cash flow hedge ineffectiveness</i>		
Cash flow hedge ineffectiveness	4	2
<i>Leases</i>		
Variable lease payments	1,167	1,098
Short-term lease payments	102	127
Low-value assets lease payments	135	119
	1,404	1,344
<i>Superannuation expense</i>		
Defined contribution superannuation expense	18,089	17,629
<i>Research costs</i>		
Research costs	124	107
<i>Write off of assets</i>		
Inventories	538	112
<i>Expenses on investment properties</i>		
Direct operating expenses from property that generated rental income	61	59
Direct operating expenses from property that did not generate rental income	8	3
Total expenses on investment properties	69	62

Note 7. Income tax expense

41

	2025 CU'000	2024 CU'000	
<i>Income tax expense</i>			IAS12(79) 41
Current tax	13,669	7,896	IAS12(80)(a)
Deferred tax - origination and reversal of temporary differences	(2,691)	(2,155)	IAS12(80)(c)
Adjustment recognised for prior periods	(103)	-	IAS12(80)(b)
Aggregate income tax expense	10,875	5,741	
Deferred tax included in income tax expense comprises:			
Increase in deferred tax assets (note 22)	(3,008)	(3,745)	IAS12(81)(c)(i) 42
Increase in deferred tax liabilities (note 36)	317	1,590	43
Deferred tax - origination and reversal of temporary differences	(2,691)	(2,155)	
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>			
Profit before income tax expense	39,509	21,490	
Tax at the statutory tax rate of 30%	11,853	6,447	
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:			
Entertainment expenses	32	41	
Share of profits - associates	(963)	(798)	
Sundry items	56	51	
Adjustment recognised for prior periods	10,978	5,741	IAS12(80)(b)
Income tax expense	10,875	5,741	41
	2025 CU'000	2024 CU'000	
<i>Amounts charged/(credited) directly to equity</i>			IAS12(81)(a) 44
Deferred tax assets (note 22)	(5)	(437)	
Deferred tax liabilities (note 36)	15	600	
	10	163	

Note 8. Current assets - cash and cash equivalents

	2025 CU'000	2024 CU'000	
Cash on hand	123	107	IAS7(45)
Cash at bank	16,540	5,529	IAS7(45)
Cash on deposit	11,900	400	IAS7(45)
	28,563	6,036	
<i>Reconciliation to cash and cash equivalents at the end of the financial year</i>			
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:			IAS7(45)
Balances as above	28,563	6,036	
Bank overdraft (note 26)	-	(1,273)	
Balance as per statement of cash flows	28,563	4,763	

Note 9. Current assets - trade and other receivables

	2025 CU'000	2024 CU'000
Trade receivables	14,344	13,181
Less: Allowance for expected credit losses	(1,062)	(874)
	13,282	12,307
Other receivables	60	43
Interest receivable	7	4
	13,349	12,354

Allowance for expected credit losses

The company has recognised a loss of CU491,000 in profit or loss in respect of the expected credit losses for the year ended 31 December 2025. IFRS15(113)(b)

The ageing of the receivables and allowance for expected credit losses provided for above are as follows: IFRS7(35N)

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2025 %	2024 %	2025 CU'000	2024 CU'000	2025 CU'000	2024 CU'000
Not overdue	2%	1%	7,334	6,793	147	68
0 to 3 months overdue	7%	5%	5,128	3,951	359	198
3 to 6 months overdue	14%	10%	1,353	1,762	189	176
Over 6 months overdue	50%	50%	734	863	367	432
			14,549	13,369	1,062	874

The company has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the current environment. As a result, the calculation of expected credit losses has been revised as at 31 December 2025 and rates have increased in each category up to 6 months overdue. 46

Movements in the allowance for expected credit losses are as follows: IFRS7(35H)

	2025 CU'000	2024 CU'000
Opening balance	874	659
Additional provisions recognised	491	432
Receivables written off during the year as uncollectable	(287)	(209)
Unused amounts reversed	(16)	(8)
Closing balance	1,062	874

Note 10. Current assets - contract assets

	2025 CU'000	2024 CU'000
Contract assets	2,617	2,144

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below: IFRS15(118)

Opening balance	2,144	2,511
Additions	5,687	4,788
Cumulative catch-up adjustments	1,531	1,374
Transfer to trade receivables	(6,745)	(6,529)
Closing balance	2,617	2,144

Note 11. Current assets - inventories

	2025 CU'000	2024 CU'000	
Raw materials	6,817	6,081	IAS2(36)(b)
Work in progress	16,040	17,434	IAS2(36)(b)
Finished goods	16,464	19,346	IAS2(36)(c)
Stock in transit	204	187	IAS2(36)(b)
	39,525	43,048	

Note 12. Current assets - financial assets at fair value through profit or loss

	2025 CU'000	2024 CU'000	
Listed ordinary shares - designated at fair value through profit or loss	82	-	IFRS7(6)
Listed ordinary shares - held for trading	278	-	
	360	-	

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	-	-
Additions	310	-
Revaluation increments	50	-
	360	-

Refer to note 44 for further information on fair value measurement.

Note 13. Current assets - other

	2025 CU'000	2024 CU'000	
Prepayments	1,110	903	
Security deposits	65	35	
Customer acquisition costs	1,417	1,274	IFRS15(128)(a)
Customer fulfilment costs	672	614	IFRS15(128)(a)
Right of return assets	671	618	IFRS15(B21)(c)
	3,935	3,444	

Note 14. Current assets - non-current assets classified as held for sale

	2025 CU'000	2024 CU'000	
Land	6,000	-	

The vacant land situated at 22 Smith Street, Cityville is currently for sale and is expected to be sold within five months from the reporting date through an auction process. The proposed development of a head office building on the site has been abandoned and the land is now surplus to requirements. IFRS5(41)(a)

Note 15. Non-current assets - receivables

	2025 CU'000	2024 CU'000	
Other receivables	145	145	IFRS7(6)

The other receivables are due to be repaid by 31 December 2028 and the effect of discounting is considered not to be material. The impact of expected credit losses on this receivable is not material.

Note 16. Non-current assets - investments accounted for using the equity method

	2025 CU'000	2024 CU'000	
Investment in associate	34,192	30,981	IAS28(27)

Refer to note 49 for further information on interests in associates.

Note 17. Non-current assets - financial assets at fair value through other comprehensive income

	2025 CU'000	2024 CU'000	
Unlisted ordinary shares	170	-	IFRS7(11A)(a),(c)

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	-	-	
Additions	200	-	
Disposals	(80)	-	
Revaluation increments	50	-	
 Closing fair value	 170	 -	

Refer to note 44 for further information on fair value measurement.

Note 18. Non-current assets - investment properties

	2025 CU'000	2024 CU'000	
Investment properties - at independent valuation	46,900	47,500	IAS40(76)

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	47,500	46,000	
Revaluation increments	-	1,500	
Revaluation decrements	(600)	-	
 Closing fair value	 46,900	 47,500	

Refer to note 44 for further information on fair value measurement.

Lessor commitments

IFRS16(97)

	2025 CU'000	2024 CU'000
Minimum lease commitments receivable but not recognised in the financial statements:		
1 year or less	3,723	3,580
Between 1 and 2 years	3,872	3,723
Between 2 and 3 years	4,027	3,872
Between 3 and 4 years	4,188	4,027
Between 4 and 5 years	4,356	4,188
Over 5 years	14,140	18,496
 34,306	 37,886	

Note 19. Non-current assets - property, plant and equipment

	2025 CU'000	2024 CU'000	
Land and buildings - at independent valuation	52,500	58,500	IAS16(73)(d)
Leasehold improvements - at cost	33,585	27,185	IAS16(73)(d)
Less: Accumulated depreciation	(18,401)	(13,120)	IAS16(73)(d)
	15,184	14,065	
Plant and equipment - at cost	105,607	100,362	IAS16(73)(d)
Less: Accumulated depreciation	(56,152)	(44,044)	IAS16(73)(d)
	49,455	56,318	
	117,139	128,883	

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings CU'000	Leasehold improvements CU'000	Plant and equipment CU'000	Total CU'000
Balance at 1 January 2024	56,500	17,478	69,050	143,028
Additions	-	2,308	740	3,048
Disposals	-	-	(58)	(58)
Revaluation increments	2,000	-	-	2,000
Depreciation expense	-	(5,721)	(13,414)	(19,135)
Balance at 31 December 2024	58,500	14,065	56,318	128,883
Additions	-	6,400	6,425	12,825
Classified as held for sale (note 14)	(6,000)	-	-	(6,000)
Disposals	-	-	(1,089)	(1,089)
Depreciation expense	-	(5,281)	(12,199)	(17,480)
Balance at 31 December 2025	52,500	15,184	49,455	117,139

Refer to note 44 for further information on fair value measurement.

Land and buildings stated under the historical cost convention

If land and buildings were stated under the historical cost convention, the amounts would be as follows:

	2025 CU'000	2024 CU'000
Land and buildings - at cost	46,000	52,000
Less: Accumulated depreciation	(1,059)	(1,007)
	44,941	50,993

Note 20. Non-current assets - right-of-use assets

	2025 CU'000	2024 CU'000
Land and buildings - right-of-use	271,636	271,636
Less: Accumulated depreciation	(37,350)	(23,768)
	234,286	247,868
IFRS16(53)(j)		
Plant and equipment - right-of-use	126,363	120,842
Less: Accumulated depreciation	(55,164)	(36,594)
	71,199	84,248
IFRS16(53)(j)		
	305,485	332,116

Additions to the right-of-use assets during the year were CU5,521,000.

IFRS16(53)(h)

Note 20. Non-current assets - right-of-use assets (continued)

The company leases land and buildings for its offices, warehouses and retail outlets under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The company also leases plant and equipment under agreements of between three to seven years.

The company leases office equipment under agreements of less than two years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 21. Non-current assets - intangibles

	2025 CU'000	2024 CU'000	
Development - at cost	3,208	3,208	IAS38(118)(c)
Less: Accumulated amortisation	(1,605)	(1,284)	IAS38(118)(c)
	1,603	1,924	
Patents and trademarks - at cost	320	320	IAS38(118)(c)
Less: Accumulated amortisation	(224)	(192)	IAS38(118)(c)
	96	128	
Software - at cost	108	108	IAS38(118)(c)
Less: Accumulated amortisation	(66)	(44)	IAS38(118)(c)
	42	64	
	1,741	2,116	

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Development CU'000	Patents and trademarks CU'000	Software CU'000	Total CU'000
Balance at 1 January 2024	2,245	160	86	2,491
Amortisation expense	(321)	(32)	(22)	(375)
Balance at 31 December 2024	1,924	128	64	2,116
Amortisation expense	(321)	(32)	(22)	(375)
Balance at 31 December 2025	1,603	96	42	1,741

Note 22. Non-current assets - deferred tax

	2025 CU'000	2024 CU'000	
<i>Deferred tax asset comprises temporary differences attributable to:</i>			
Amounts recognised in profit or loss:			
Allowance for expected credit losses	296	247	
Property, plant and equipment	411	-	
Contract liabilities	681	641	
Employee benefits	5,850	5,699	
Leases	5,899	3,853	
Provision for legal claims	18	-	
Provision for lease make good	512	321	
Provision for warranties	961	851	
Accrued expenses	343	278	
Refund liabilities	296	283	
	<hr/>	<hr/>	
	15,267	12,173	
Amounts recognised in equity:			
Transaction costs on share issue	270	356	
Derivative financial instruments	37	32	
	<hr/>	<hr/>	
	307	388	
Deferred tax asset	15,574	12,561	IAS12(81)(g)(i)
<i>Movements:</i>			
Opening balance	12,561	8,379	
Credited to profit or loss (note 7)	3,008	3,745	IAS12(81)(g)(ii)
Credited to equity (note 7)	5	437	IAS12(81)(a)
	<hr/>	<hr/>	<hr/>
Closing balance	15,574	12,561	52
	<hr/>	<hr/>	<hr/>

Note 23. Non-current assets - other

	2025 CU'000	2024 CU'000	
<i>Security deposits</i>			
Customer acquisition costs	1,260	1,445	
Customer fulfilment costs	564	517	IFRS15(128)(a)
	484	443	IFRS15(128)(a)
	<hr/>	<hr/>	<hr/>
	2,308	2,405	

Note 24. Current liabilities - trade and other payables

	2025 CU'000	2024 CU'000	
<i>Trade payables</i>			
Other payables	18,070	15,711	IFRS7(6)
	1,934	1,595	IFRS7(6)
	<hr/>	<hr/>	<hr/>
	20,004	17,306	

Refer to note 43 for further information on financial instruments.

Note 25. Current liabilities - contract liabilities

	2025 CU'000	2024 CU'000	
Contract liabilities	2,269	2,135	IFRS15(116)(a)
<i>Reconciliation</i>			
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:			IFRS15(118)
Opening balance	2,135	1,974	
Payments received in advance	1,441	1,473	
Cumulative catch-up adjustments	174	249	
Transfer to revenue - included in the opening balance	(1,141)	(1,236)	IFRS15(116)(b)
Transfer to revenue - performance obligations satisfied in previous periods	(208)	(178)	IFRS15(116)(c)
Transfer to revenue - other balances	(132)	(147)	
Closing balance	2,269	2,135	

Unsatisfied performance obligations IFRS15(120)

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was CU3,891,000 as at 31 December 2025 (CU3,507,000 as at 31 December 2024) and is expected to be recognised as revenue in future periods as follows:

	2025 CU'000	2024 CU'000
Within 6 months	1,482	1,344
6 to 12 months	1,128	1,032
12 to 18 months	874	817
18 to 24 months	407	314
	3,891	3,507

Note 26. Current liabilities - borrowings

	2025 CU'000	2024 CU'000
Bank overdraft	-	1,273
Bank loans	4,500	2,000
	4,500	3,273

Refer to note 34 for further information on assets pledged as security and financing arrangements.

Refer to note 43 for further information on financial instruments.

Note 27. Current liabilities - lease liabilities

	2025 CU'000	2024 CU'000
Lease liability	22,072	20,905

Refer to note 43 for further information on financial instruments.

Note 28. Current liabilities - derivative financial instruments

	2025 CU'000	2024 CU'000
Forward foreign exchange contracts - cash flow hedges	122	107

Refer to note 43 for further information on financial instruments.

Refer to note 44 for further information on fair value measurement.

Note 29. Current liabilities - income tax payable

	2025 CU'000	2024 CU'000
Provision for income tax	6,701	2,351

Note 30. Current liabilities - employee benefits

	2025 CU'000	2024 CU'000
Employee benefits	8,352	8,143

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the company does not have an unconditional right to defer settlement. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2025 CU'000	2024 CU'000
Employee benefits obligation expected to be settled after 12 months	1,603	1,292

Note 31. Current liabilities - provisions

	2025 CU'000	2024 CU'000
Lease make good	230	-
Legal claims	60	-
Warranties	3,204	2,837
	3,494	2,837

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the company at the end of the respective lease terms.

Legal claims

The provision represents a claim by a customer of the computer retailing division. This claim is expected to be settled in the next financial year and the outcome of this claim is not expected to exceed the amount provided for, based on independent legal advice.

Warranties

The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2025	Lease make good CU'000	Legal claims CU'000	Warranties CU'000
Carrying amount at the start of the year	-	-	2,837
Additional provisions recognised	-	60	503
Amounts transferred from non-current	230	-	-
Amounts used	-	-	(91)
Unused amounts reversed	-	-	(45)
Carrying amount at the end of the year	230	60	3,204

RSM IFRS Private Company Limited
Notes to the financial statements
31 December 2025

IAS1(10)(e),(112)
IAS1(51)(c)

Note 32. Current liabilities - other

	2025 CU'000	2024 CU'000	
Accrued expenses	1,143	927	
Refund liabilities	987	942	IFRS15(B21)(b)
	2,130	1,869	

Note 33. Current liabilities - liabilities directly associated with assets classified as held for sale

	2025 CU'000	2024 CU'000	
Bank loans	4,000	-	

The liabilities identified above represents the bank loan secured over the vacant land currently for sale. The loan is expected to be assumed by the purchaser as part of any sale transaction. Refer to note 14 for further information.

Note 34. Non-current liabilities - borrowings

	2025 CU'000	2024 CU'000	
Bank loans	19,000	19,000	IFRS7(8)(g)

Refer to note 43 for further information on financial instruments.

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	2025 CU'000	2024 CU'000	
Bank overdraft	-	1,273	
Bank loans	27,500	21,000	
	27,500	22,273	

Assets pledged as security

The bank overdraft and loans are secured by first mortgages over the company's land and buildings.

IFRS7(14)(a)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

IFRS7(39)(c)

	2025 CU'000	2024 CU'000	
Total facilities			
Bank overdraft	5,000	5,000	
Bank loans	40,000	25,000	
	45,000	30,000	

Used at the reporting date

Bank overdraft	-	1,273	
Bank loans	27,500	21,000	
	27,500	22,273	

Unused at the reporting date

Bank overdraft	5,000	3,727	
Bank loans	12,500	4,000	
	17,500	7,727	

Loan covenants

The bank loans are subject to certain financial covenants and these are assessed at the end of each quarter. The loans will be repayable immediately if the covenants are breached. The company is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

IAS1(76ZA)(a),(b)

Note 35. Non-current liabilities - lease liabilities

56

	2025 CU'000	2024 CU'000
Lease liability	301,714	322,745

Refer to note 43 for further information on financial instruments.

Note 36. Non-current liabilities - deferred tax

57

	2025 CU'000	2024 CU'000
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Financial assets at fair value through profit or loss	15	-
Prepayments	302	228
Development costs	481	577
Customer contracts	306	-
Net fair value gain on investment properties	270	450
Contract assets	184	89
Customer acquisition costs	594	537
Customer fulfilment costs	347	317
Right of return assets	201	185
	2,700	2,383
Amounts recognised in equity:		
Revaluation of property, plant and equipment	1,950	1,950
Revaluation of financial assets at fair value through other comprehensive income	15	-
	1,965	1,950
Deferred tax liability	4,665	4,333
IAS12(81)(g)(i)		
<i>Movements:</i>		
Opening balance	4,333	2,143
Charged to profit or loss (note 7)	317	1,590
Charged to equity (note 7)	15	600
	IAS12(81)(g)(ii)	IAS12(81)(a)
Closing balance	4,665	4,333

Note 37. Non-current liabilities - employee benefits

60

	2025 CU'000	2024 CU'000
Employee benefits	11,149	10,854

Note 38. Non-current liabilities - provisions

60

	2025 CU'000	2024 CU'000
Lease make good	1,475	1,070

Lease make good

IAS37(85)

The provision represents the present value of the estimated costs to make good the premises leased by the company at the end of the respective lease terms.

Note 38. Non-current liabilities - provisions (continued)

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2025	Lease make good CU'000		
		Carrying amount at the start of the year	1,070
Additional provisions recognised		550	
Amounts transferred to current		(230)	
Unwinding of discount		85	
Carrying amount at the end of the year		1,475	

Note 39. Equity - issued capital

	2025 Shares	2024 Shares	2025 CU'000	2024 CU'000	
Ordinary shares - fully paid	146,910,000	146,800,000	182,953	182,678	IAS1(79)(a)(ii)

Movements in ordinary share capital

Details	Date	Shares	Issue price	CU'000
Balance	1 January 2024	111,800,000		104,922
Issue of shares	[date]	35,000,000	CU2.25	78,750
Share issue transaction costs, net of tax	[date]			(994)
Balance	31 December 2024	146,800,000		182,678
Issue of shares	[date]	10,000	CU2.50	25
Issue of shares	[date]	100,000	CU2.50	250
Balance	31 December 2025	146,910,000		182,953

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. IAS1(79)(a)(i),(iii),(v)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. IAS1(79)(a)(v)

Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. IAS1(134)

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. IAS1(135)(a)

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. IAS1(135)(a)

The company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year. IAS1(135)(d)

The capital risk management policy remains unchanged from the 31 December 2024 Annual Report. IAS1(135)(c)

Note 40. Equity - reserves

	2025 CU'000	2024 CU'000
Revaluation surplus reserve	4,550	4,550
Financial assets at fair value through other comprehensive income reserve	35	-
Hedging reserve - cash flow hedges	(85)	(75)
	4,500	4,475

Revaluation surplus reserve

IAS1(79)(b)

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Financial assets at fair value through other comprehensive income reserve

IAS1(79)(b)

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Hedging reserve - cash flow hedges

IAS1(79)(b)

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Revaluation surplus CU'000	Financial assets at fair value through OCI CU'000	Hedging CU'000	Total CU'000
Balance at 1 January 2024	3,150	-	(48)	3,102
Revaluation - gross	2,000	-	(38)	1,962
Deferred tax	(600)	-	11	(589)
Balance at 31 December 2024	4,550	-	(75)	4,475
Revaluation - gross	-	50	(15)	35
Deferred tax	-	(15)	5	(10)
Balance at 31 December 2025	4,550	35	(85)	4,500

Note 41. Equity - retained profits

62,63

	2025 CU'000	2024 CU'000
Retained profits at the beginning of the financial year	19,652	21,519
Profit after income tax expense for the year	28,634	15,749
Dividends paid (note 42)	(29,383)	(17,616)
Retained profits at the end of the financial year	18,903	19,652

Note 42. Equity - dividends

Dividends paid during the financial year were as follows:

66

	2025 CU'000	2024 CU'000
Final dividend for the year ended 31 December 2024 (2024: 31 December 2023) of 15 cents (2024: 8 cents) per ordinary share	22,037	11,744
Interim dividend for the year ended 31 December 2025 (2024: 31 December 2024) of 5 cents (2024: 4 cents) per ordinary share	7,346	5,872
	29,383	17,616

On [date] the directors declared a final dividend for the year ended 31 December 2025 of 17 cents per ordinary share to be paid on [date], a total estimated distribution of CU24,975,000 based on the number of ordinary shares on issue as at [date].

IAS1(137)(a), IAS10(13), IAS12(81)(i)

Note 43. Financial instruments

67

Financial risk management objectives

The company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

IFRS7(31),(33)(a)
IFRS7(31),(33)(a)

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the company's operating units. Finance reports to the Board on a monthly basis.

IFRS7(31),(33)(b)

Market risk

Foreign currency risk

The company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

IFRS7(33)(a)

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

IFRS7(33)(a)

In order to protect against exchange rate movements, the company has entered into forward foreign exchange contracts. These contracts are hedging highly probable forecasted cash flows for the ensuing financial year. Management has a risk management policy to hedge between 30% and 80% of anticipated foreign currency transactions for the subsequent 4 months.

IFRS7(33)(b),(21A), (22A)

The maturity, settlement amounts and the average contractual exchange rates of the company's outstanding forward foreign exchange contracts at the reporting date were as follows:

IFRS7(23B)

	Sell International and currency units		Average exchange rates	
	2025 CU'000	2024 CU'000	2025 2024	2024
Buy US dollars				
Maturity:				
0 - 3 months	121	89	0.9123	0.8132
3 - 6 months	34	23	0.9057	0.8294
Buy Euros				
Maturity:				
0 - 3 months	274	207	0.6342	0.5861
3 - 6 months	86	49	0.6355	0.6082
Buy Neighbourland dollars				
Maturity:				
0 - 3 months	182	163	1.2345	1.2643
3 - 6 months	107	71	1.2407	1.2847

The carrying amount of the company's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

IFRS7(34)(a)

	Assets		Liabilities	
	2025 CU'000	2024 CU'000	2025 CU'000	2024 CU'000
US dollars	35	18	64	69
Euros	7	21	82	74
Neighbourland dollars	45	32	61	52
	87	71	207	195

Note 43. Financial instruments (continued)

The company had net liabilities denominated in foreign currencies of CU120,000 (assets of CU87,000 less liabilities of CU207,000) as at 31 December 2025 (2024: CU124,000 (assets of CU71,000 less liabilities of CU195,000)). Based on this exposure, had the International and currency unit weakened by 10%/strengthened by 5% (2024: weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the company's profit before tax for the year would have been CU12,000 lower/CU6,000 higher (2024: CU6,000 lower/CU6,000 higher) and equity would have been CU8,000 lower/CU4,000 higher (2024: CU4,000 lower/CU4,000 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 31 December 2025 was CU13,000 (2024: loss of CU6,000). IFRS7(40)

Price risk

The company is not exposed to any significant price risk. IFRS7(33)(a),(34)(a)

Interest rate risk

The company's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the company to interest rate risk. Borrowings obtained at fixed rates expose the company to fair value risk. The policy is to maintain approximately 60% of current borrowings at fixed rates using interest rate swaps to achieve this when necessary. IFRS7(33)(a),(b)

The company's bank loans outstanding, totalling CU27,500,000 (2024: CU21,000,000), are principal and interest payment loans. Monthly cash outlays of approximately CU180,000 (2024: CU140,000) per month are required to service the interest payments. An official increase/decrease in interest rates of 100 (2024: 100) basis points would have an adverse/favourable effect on profit before tax of CU275,000 (2024: CU210,000) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. In addition, minimum principal repayments of CU8,500,000 (2024: CU2,000,000) are due during the year ending 31 December 2026 (2024: 31 December 2025). IFRS7(40)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The company does not hold any collateral. IFRS7(35K)

The company has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the company based on recent sales experience, historical collection rates and forward-looking information that is available. As disclosed in note 9, due to the current environment, the calculation of expected credit losses has been revised as at 31 December 2025 and rates have increased in each category up to 6 months overdue. IFRS7(35G)

The company has a credit risk exposure with a major International and retailer, which as at 31 December 2025 owed the company CU10,680,000 (76% of trade receivables) (2024: CU9,510,000 (74% of trade receivables)). This balance was within its terms of trade and no impairment was made as at 31 December 2025. There are no guarantees against this receivable but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk. IFRS7(35B)(c)

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year. IFRS7(35F)(e)

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. IFRS7(33)(a)

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. IFRS7(33)(b),(39)(c)

Financing arrangements

Unused borrowing facilities at the reporting date: IAS7(50)(a)

	2025 CU'000	2024 CU'000
Bank overdraft	5,000	3,727
Bank loans	12,500	4,000
	17,500	7,727

Note 43. Financial instruments (continued)

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an average maturity of 3 years (2024: 4 years).

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2025	Weighted average interest rate %				Remaining contractual maturities		IFRS7(39)(a)	69			
		1 year or less CU'000	Between 1 and 2 years CU'000	Between 2 and 5 years CU'000	Over 5 years CU'000						
Non-derivatives											
<i>Non-interest bearing</i>											
Trade payables	-	18,070	-	-	-	18,070					
Other payables	-	1,934	-	-	-	1,934					
<i>Interest-bearing - fixed rate</i>											
Bank loans	8.20%	10,407	9,710	10,931	-	31,048					
Lease liability	5.03%	37,574	37,542	112,415	290,764	478,295					
Total non-derivatives		67,985	47,252	123,346	290,764	529,347					

2025	Weighted average interest rate %				Remaining contractual maturities		IFRS7(39)(b)	69			
		1 year or less CU'000	Between 1 and 2 years CU'000	Between 2 and 5 years CU'000	Over 5 years CU'000						
Derivatives											
<i>Forward foreign exchange contracts net settled</i>											
-		122	-	-	-	122					
Total derivatives		122	-	-	-	122					

2024	Weighted average interest rate %				Remaining contractual maturities		IFRS7(39)(a)	69			
		1 year or less CU'000	Between 1 and 2 years CU'000	Between 2 and 5 years CU'000	Over 5 years CU'000						
Non-derivatives											
<i>Non-interest bearing</i>											
Trade payables	-	15,711	-	-	-	15,711					
Other payables	-	1,595	-	-	-	1,595					
<i>Interest-bearing - variable</i>											
Bank overdraft	12.80%	1,355	-	-	-	1,355					
<i>Interest-bearing - fixed rate</i>											
Bank loans	8.20%	3,640	9,710	11,095	-	24,445					
Lease liability	5.03%	37,107	37,574	112,523	328,200	515,404					
Total non-derivatives		59,408	47,284	123,618	328,200	558,510					

2024	Weighted average interest rate %				Remaining contractual maturities		IFRS7(39)(b)	69			
		1 year or less CU'000	Between 1 and 2 years CU'000	Between 2 and 5 years CU'000	Over 5 years CU'000						
Derivatives											
<i>Forward foreign exchange contracts net settled</i>											
-		107	-	-	-	107					
Total derivatives		107	-	-	-	107					

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above. ^{IFRS7(B10A)}

2024	Weighted average interest rate %				Remaining contractual maturities		IFRS7(25)	70			
		1 year or less CU'000	Between 1 and 2 years CU'000	Between 2 and 5 years CU'000	Over 5 years CU'000						
Fair value of financial instruments											
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.											

Note 43. Financial instruments (continued)

Hedge accounting

The effects of hedge accounting on the statement of financial position at the reporting date were as follows:

IFRS7(24A),(24B)

	Nominal amount CU'000	Carrying amount CU'000	Change in fair value CU'000	Hedging reserve CU'000	Cost of reserve CU'000
Forward foreign exchange contracts for purchases at 31 December 2024	602	107	(9)	(75)	(20)
Forward foreign exchange contracts for purchases at 31 December 2025	804	122	4	(85)	(19)

Movements in hedging reserves by risk category during the current and previous financial year are set out below:

IFRS7(24E),(24F)

	Spot component CU'000	Value of options CU'000	Cost of reserve CU'000	Total CU'000
Balance at 1 January 2024	(76)	46	(18)	(48)
Change in fair value of hedging instrument recognised in other comprehensive income	(73)	64	-	(9)
Costs of hedging deferred and recognised in other comprehensive income	-	-	(17)	(17)
Reclassified to the cost of inventory - recognised in other comprehensive income	(24)	-	14	(10)
Reclassified from other comprehensive income to profit or loss	(2)	-	-	(2)
Deferred tax	29	(19)	1	11
Balance at 31 December 2024	(146)	91	(20)	(75)
Change in fair value of hedging instrument recognised in other comprehensive income	(8)	12	-	4
Costs of hedging deferred and recognised in other comprehensive income	-	-	(15)	(15)
Reclassified to the cost of inventory - recognised in other comprehensive income	(20)	-	16	(4)
Deferred tax	9	(4)	-	5
Balance at 31 December 2025	(165)	99	(19)	(85)

Note 44. Fair value measurement

71

Fair value hierarchy

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level IFRS13(93)(a),(b) hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the IFRS13(76) measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or IFRS13(81) indirectly

Level 3: Unobservable inputs for the asset or liability IFRS13(86)

2025	Level 1 CU'000	Level 2 CU'000	Level 3 CU'000	Total CU'000
Assets				IFRS13(93)(a),(b)
Ordinary shares at fair value through profit or loss	360	-	-	360
Ordinary shares at fair value through other comprehensive income	-	-	170	170
Investment properties	-	-	46,900	46,900
Land and buildings	-	-	58,500	58,500
Total assets	360	-	105,570	105,930
Liabilities				
Forward foreign exchange contracts	-	122	-	122
Total liabilities	-	122	-	122

Note 44. Fair value measurement (continued)

2024	Level 1 CU'000	Level 2 CU'000	Level 3 CU'000	Total CU'000	
Assets					IFRS13(93)(a),(b)
Investment properties	-	-	47,500	47,500	
Land and buildings	-	-	58,500	58,500	
Total assets	-	-	106,000	106,000	
Liabilities					
Forward foreign exchange contracts	-	107	-	107	
Total liabilities	-	107	-	107	

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

IFRS13(93)(a)

There were no transfers between levels during the financial year.

IFRS13(93)(c)

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

IFRS13(93)(d)

The basis of the valuation of investment properties is fair value. The investment properties are revalued annually based on independent assessments by a member of the Internationaland Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 31 December 2024 based on independent assessments by a member of the Internationaland Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

IFRS13(93)(e)

	Ordinary shares at fair value through OCI CU'000	Investment properties CU'000	Land and buildings CU'000	Total CU'000	
Balance at 1 January 2024	-	46,000	56,500	102,500	
Gains recognised in profit or loss	-	1,500	-	1,500	IFRS13(93)(e)(i)
Gains recognised in other comprehensive income	-	-	2,000	2,000	IFRS13(93)(e)(ii)
Balance at 31 December 2024	-	47,500	58,500	106,000	
Losses recognised in profit or loss	-	(600)	-	(600)	IFRS13(93)(e)(i)
Gains recognised in other comprehensive income	50	-	-	50	IFRS13(93)(e)(ii)
Additions	200	-	-	200	IFRS13(93)(e)(iii)
Disposals	(80)	-	-	(80)	IFRS13(93)(e)(iii)
Balance at 31 December 2025	170	46,900	58,500	105,570	

Note 44. Fair value measurement (continued)

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

IFRS13(93)(h)

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Ordinary shares at fair value through other comprehensive income	Growth rate	2.5% to 3.5% (3.0%)	0.25% change would increase/decrease fair value by CU5,000
	Discount rate	8.0% to 11.0% (9.5%)	1.00% change would increase/decrease fair value by CU14,000
Investment properties	Rental yield	7.5% to 9.0% (8.5%)	0.75% change would increase/decrease fair value by CU352,000
	Rental growth	1.25% to 2.0% (1.75%)	0.25% change would increase/decrease fair value by CU117,000
	Long-term vacancy rate	5.0% to 9.0% (7.5%)	0.75% change would increase/decrease fair value by CU276,000
	Discount rate	4.0% to 6.0% (5.25%)	0.5% change would increase/decrease fair value by CU57,000
Land and buildings	Rental yield	6.0% to 8.0% (7.5%)	0.75% change would increase/decrease fair value by CU440,000
	Discount rate	5.0% to 7.0% (6.25%)	0.5% change would increase/decrease fair value by CU61,000

Note 45. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

72

	2025 CU'000	2024 CU'000	
Short-term employee benefits	1,618	1,498	IAS24(17)(a)
Post-employment benefits	129	119	IAS24(17)(b)
Long-term benefits	10	25	IAS24(17)(c)
		1,757	1,642

Note 46. Contingent liabilities

73

During the financial year there was a work related accident involving a member of staff. Although the investigation is still in progress, the directors are of the opinion, based on independent legal advice, that the company will not be found to be at fault and any compensation will be covered by the company's insurance policy. Accordingly, no provision has been provided within these financial statements.

The company has given bank guarantees as at 31 December 2025 of CU3,105,000 (2024: CU2,844,000) to various landlords.

Note 47. Commitments

74

	2025 CU'000	2024 CU'000	
Capital commitments			
Committed at the reporting date but not recognised as liabilities, payable:			
Investment properties	170	170	IAS40(75)(h)
Property, plant and equipment	1,165	1,145	IAS16(74)(c)
Intangible assets	160	–	IAS38(122)(e)

Note 48. Related party transactions

Associates

Interests in associates are set out in note 49.

Key management personnel

Disclosures relating to key management personnel are set out in note 45.

Note 48. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

76

	2025 CU'000	2024 CU'000	
Payment for goods and services:			
Payment for services from associate	3,397	3,235	IAS24(19)(d)
Payment for marketing services from BE Promotions Limited (director-related entity of Brad Example)	81	68	IAS24(19)(f)

Receivable from and payable to related parties

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

77

	2025 CU'000	2024 CU'000	
Current payables:			
Trade payables to associate	361	346	IAS24(19)(d)
Trade payables to BE Promotions Limited (director-related entity of Brad Example)	7	6	IAS24(19)(f)

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

IAS24(18)(b)

78

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

IAS24(18)(b)(i)

Note 49. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the company are set out below:

79

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Compdesign Partnership	Internationaland	35.00%	35.00%

Summarised financial information

Summarised financial information is presented after adjustments for fair value at acquisition, and differences in accounting policies.

IAS12(21)(b)(ii)

79

Note 49. Interests in associates (continued)

	Compdesign Partnership	
	2025 CU'000	2024 CU'000
<i>Summarised statement of financial position</i>		
Current assets	28,994	26,806
Non-current assets	205,203	198,240
<u>Total assets</u>	<u>234,197</u>	<u>225,046</u>
Current liabilities	19,440	16,486
Non-current liabilities	117,066	120,043
<u>Total liabilities</u>	<u>136,506</u>	<u>136,529</u>
<u>Net assets</u>	<u>97,691</u>	<u>88,517</u>
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue	109,706	97,951
Expenses	(96,601)	(87,089)
Profit before income tax	13,105	10,862
Income tax expense	(3,931)	(3,259)
Profit after income tax	9,174	7,603
Other comprehensive income	-	-
<u>Total comprehensive income</u>	<u>9,174</u>	<u>7,603</u>
<i>Reconciliation of the company's carrying amount</i>		
Opening carrying amount	30,981	28,320
Share of profit after income tax	3,211	2,661
<u>Closing carrying amount</u>	<u>34,192</u>	<u>30,981</u>
<i>Contingent liabilities</i>		
	2025 CU'000	2024 CU'000
Share of bank guarantees	276	266
<i>Commitments</i>		
	2025 CU'000	2024 CU'000
Committed at the reporting date but not recognised as liabilities, payable:		
Share of capital commitments	175	74
<i>Significant restrictions</i>		
Compdesign Partnership must reduce its bank loans to under CU50,000,000 and achieve pre-determined profit targets before any cash dividends can be distributed.		

Note 50. Events after the reporting period

IAS10(21)

81

Apart from the dividend declared as disclosed in note 42, no other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 51. Non-cash investing and financing activities

IAS7(43)

82

	2025 CU'000	2024 CU'000
Additions to the right-of-use assets	5,521	6,228
Leasehold improvements - lease make good	550	-
	6,071	6,228

Note 52. Changes in liabilities arising from financing activities

IAS7(44A)

	Bank loans CU'000	Lease liability CU'000	Total CU'000
Balance at 1 January 2024	115,000	358,977	473,977
Net cash used in financing activities	(94,000)	(21,555)	(115,555)
Acquisition of leases	-	6,228	6,228
Balance at 31 December 2024	21,000	343,650	364,650
Net cash from/(used in) financing activities	6,500	(25,385)	(18,885)
Acquisition of leases	-	5,521	5,521
Balance at 31 December 2025	27,500	323,786	351,286

Note 53. Supplier finance arrangements

IAS7(44F)

	At 1 January 2025	At 31 December 2025	
Carrying amount of the financial liabilities that are part of supplier finance arrangements presented in trade and other payables (note 24)	CU1,850,000	CU2,145,000	IAS7(44H)(b)(i)
Carrying amount of payments suppliers have already received from the finance providers offset in trade and other payables (note 24)	CU1,454,000	CU1,722,000	IAS7(44H)(b)(ii)
Range of payment due dates that are part of supplier finance arrangements	30 - 45 days after invoice date	30 - 45 days after invoice date	IAS7(44H)(b)(iii)
Range of payment due dates for comparable trade payables that are not part of supplier finance arrangements	14 - 45 days after invoice date	14 - 45 days after invoice date	IAS7(44H)(b)(iii)

Terms and conditions

The company has established a supplier finance arrangement that is offered to some of the company's key suppliers and participation in the arrangement is at the discretion of the supplier. Suppliers that participate in the supplier finance arrangement will receive early payment from an external finance provider for approved invoices where goods have been received. If suppliers choose to receive early payment, they pay a fee to the finance provider and the company is not party to this arrangement. Payments to suppliers ahead of the invoice due date are processed by the finance provider and, in all cases, the company settles the original invoice by paying the finance provider in line with the original invoice due date. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The company provides no security to the finance provider.

RSM IFRS Private Company Limited**Independent auditor's report to the members of RSM IFRS Private Company Limited**

[This page has intentionally been left blank for the insertion of page one of the independent auditor's report]

[This page has intentionally been left blank for the insertion of page two of the independent auditor's report]

Contents

1 Power to amend and reissue the financial statements

Under IAS10(17), disclosure is required if the directors have the power to amend and reissue the financial statements. Refer to your company constitution to confirm if this is correct. If the directors do not have the power, remove the sentence or state:
 The directors do not have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income

2 Alternative names

In accordance with IAS1(10), an entity may use titles for the statements other than those used in the Accounting Standards. The titles in the Accounting Standards change from time to time, but a consistent approach should be applied. An alternative is 'Statement of comprehensive income'.

3 Two separate statements

In accordance with IAS1(10A) and IAS1(81A), an entity may present the components of profit or loss either as part of a single statement of profit or loss and other comprehensive income or in a separate income statement. When a separate income statement is presented, it is part of a complete set of financial statements and shall be displayed immediately before the statement of comprehensive income.

4 Expenses by function

Instead of disclosing expenses by nature as illustrated, you can present expenses by function, for instance (with finance costs being mandatory, thus still by nature):

Cost of sales
 Distribution
 Marketing
 Administration
 Other expenses
 Finance costs

If expenses are disclosed by function in the statement of profit or loss and other comprehensive income, then depreciation, amortisation, impairment and employee benefits expenses must be disclosed in the expenses note.

Avoid mixing expenses by both 'nature' and 'function'. There is no hybrid approach available as IAS1(99) states 'either their nature or their function'.

5 Other expenses

Other expenses should be less than 10% of total expenses.

6 Other comprehensive income - gross with tax separately identified

Instead of disclosing other comprehensive income net of tax as illustrated, you can present the individual components as gross with tax separately identified. If tax is only disclosed as an aggregate in other comprehensive income, the tax relating to each component must be disclosed separately in the notes.

7 Other comprehensive income - grouped

Other comprehensive income is grouped into two sections:

Items that will not be reclassified subsequently to profit or loss (such as 'gain or loss on the revaluation of land and buildings' or 'actuarial gain or loss on defined benefit plans')

Items that may be reclassified subsequently to profit or loss

8 Other comprehensive income - no alternative descriptions adopted

Although IAS1(8) states that other terms may be used as long as the meaning is clear, it is common practice to only state 'Other comprehensive income' even when there is a loss, for reasons including consistency with the statement name. Other alternatives include 'Other comprehensive loss', 'Other comprehensive expense' and 'Other comprehensive income/(expense)'.

9 Total comprehensive income - no alternative descriptions adopted

Although IAS1(8) states that other terms may be used as long as the meaning is clear, it is common practice to only state 'Total comprehensive income' even when there is a loss. Other alternatives include 'Total comprehensive loss', 'Total comprehensive expense' and 'Total comprehensive income/(expense)'.

Alternative descriptions

- 10 Profit before income tax expense
- Loss before income tax expense
- Profit/(loss) before income tax expense
- Profit before income tax benefit
- Loss before income tax benefit
- Profit/(loss) before income tax benefit
- Profit before income tax (expense)/benefit
- Loss before income tax (expense)/benefit
- Profit/(loss) before income tax (expense)/benefit

RSM IFRS Private Company Limited
Appendix
31 December 2025

- 11 Income tax expense
 Income tax benefit
 Income tax (expense)/benefit
- 12 Profit after income tax expense
 Loss after income tax expense
 Profit/(loss) after income tax expense
 Profit after income tax benefit
 Loss after income tax benefit
 Profit/(loss) after income tax benefit
 Profit after income tax (expense)/benefit
 Loss after income tax (expense)/benefit
 Profit/(loss) after income tax (expense)/benefit

Statement of financial position

- 13 *Alternative names*
 In accordance with IAS1(10), an entity may use titles for the statements other than those used in the Accounting Standards. The titles in the Accounting Standards change from time to time, but a consistent approach should be applied. An alternative is 'Balance sheet'.
- 14 *Current/non-current distinction and presentation based on liquidity as an alternative*
 An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, all assets and liabilities shall be presented broadly in order of liquidity.

If the alternative presentation based on liquidity is adopted, each asset and liability note will need to disclose the amount expected to be recovered (for assets) or settled (for liabilities):

- (a) no more than 12 months after the reporting period; and
- (b) more than 12 months after the reporting period.

For assets shown on the statement of financial position, a note would be required that discloses:

- Amount expected to be recovered within 12 months
- Amount expected to be recovered after more than 12 months

For liabilities shown on the statement of financial position, a note would be required that discloses:

- Amount expected to be settled within 12 months
- Amount expected to be settled after more than 12 months

- 15 *Alternative descriptions*
 Net assets
 Net liabilities
 Net assets/(liabilities)
- 16 Retained profits
 Accumulated losses
 Retained profits/(accumulated losses)
- 17 Total equity
 Total deficiency in equity
 Total equity/(deficiency)

Statement of changes in equity

- 18 *Alternative names*
 In accordance with IAS1(10), an entity may use titles for the statements other than those used in the Accounting Standards. The titles in the Accounting Standards change from time to time, but a consistent approach should be applied.

Statement of cash flows

- 19 *Alternative names*
 In accordance with IAS1(10), an entity may use titles for the statements other than those used in the Accounting Standards. The titles in the Accounting Standards change from time to time, but a consistent approach should be applied.

RSM IFRS Private Company Limited
Appendix
31 December 2025

20 *Cash flows from operating activities - indirect method*
 An alternative is to apply the indirect method.

Alternative descriptions

21 Net cash from operating activities
 Net cash used in operating activities
 Net cash from/(used in) operating activities

22 Net cash from investing activities
 Net cash used in investing activities
 Net cash from/(used in) investing activities

23 Net cash from financing activities
 Net cash used in financing activities
 Net cash from/(used in) financing activities

24 Net increase in cash and cash equivalents
 Net decrease in cash and cash equivalents
 Net increase/(decrease) in cash and cash equivalents

Notes to the financial statements

Material accounting policy information

25 Review if accounting policies are material:
 This example includes all accounting policies applicable, so all wording is illustrated. However, entities are to disclose material accounting policy information. As what is 'material' is subjective and unique to the entity and all accounting policies should be reviewed and removed if they are not considered material to the entity.

26 New or amended Accounting Standards and Interpretations adopted:
 If a new or amended Accounting Standard or Interpretation has been early adopted, replace the paragraph with:
 The company has early adopted IFRS XXX 'XXXX'. No other new or amended Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

27 Going concern:
 In practical terms, a current asset deficiency or net asset deficiency will raise a going concern issue. However, in accordance with IAS1(25), when preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or 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 may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

A simple example of a going concern note is as follows:
 As at 31 December 2025 the company had a net asset deficiency of CUX,XXX,XXX, which included related party loans of CUX,XXX,XXX. However, the financial statements have been prepared on a going concern basis as Financial Assistance Pty Limited, a commonly controlled entity, has pledged its continuing support for a minimum of 12 months from the date of issuing these financial statements.

28 Accounting period:
 Where the current or prior financial periods are not full year's, include a disclosure, for example:
 The company's current accounting period is the year ended 31 December 2025 and its comparative accounting period is from 1 September 2024 (date of incorporation) to 31 December 2024. Therefore, the results are not directly comparable.

Basis of preparation:
 29 Historical cost convention:
 Modify where applicable and if no assets or liabilities were revalued or held at fair value, state:
 The financial statements have been prepared under the historical cost convention.

30 Cash and cash equivalents:
 Where there is no bank overdraft, state:
 Cash and cash equivalents includes cash on hand, 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.

31 Trade and other receivables:
 Change the number of days if applicable.

32 Inventories:
 Change 'first in first out' to 'weighted average' or 'specific identification' if applicable. Note that 'last in first out' is not permitted.

RSM IFRS Private Company Limited

Appendix

31 December 2025

33 Property, plant and equipment:
 Delete references to 'land and buildings' if not applicable.
 Valuations, by external independent valuers, of land and buildings must occur at least every 5 years.
 In addition to the straight-line basis, other depreciation methods are diminishing balance and the units of production.
 Match the listed items to the categories in the property, plant and equipment note.

34 Trade and other payables:
 Change the number of days if applicable.

35 New Accounting Standards and Interpretations not yet mandatory or early adopted:
 Instead of detailing the new Accounting Standards and Interpretations not yet mandatory or early adopted, after considering the needs of the users, you can simply state:
 Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 31 December 2025. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Critical accounting judgements, estimates and assumptions

36 This note will be required to be significantly modified to reflect the relevant critical accounting judgements, estimates and assumptions of each entity.

37 Where you have no significant critical accounting judgements, estimates and assumptions, state:
 The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

38 *Restatement of comparatives*
 There can be a restatement of comparatives through either a correction of error, a change in accounting policy or a reclassification.

Revenue

39 Disaggregation of revenue:
 An entity shall disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Categories that could be used as basis for disaggregation include:
 Type of good or service (for example, major product lines)
 Geographical region (for example, country or region)
 Market or type of customer (for example, government and non-government customers)
 Type of contract (for example, fixed-price and time-and-materials contracts)
 Contract duration (for example, short-term and long-term contracts)
 Timing of transfer of goods or services (for example, revenue from goods or services transferred to customers at a point in time and revenue from goods or services transferred over time)
 Sales channels (for example, goods sold directly to consumers and goods sold through intermediaries)

Share of profits of associates accounted for using the equity method

Alternative descriptions:

40 Share of profits of associates and joint ventures accounted for using the equity method
 Share of losses of associates and joint ventures accounted for using the equity method
 Share of profits/(losses) of associates and joint ventures accounted for using the equity method
 Share of profits of associates accounted for using the equity method
 Share of losses of associates accounted for using the equity method
 Share of profits/(losses) of associates accounted for using the equity method
 Share of profits of joint ventures accounted for using the equity method
 Share of losses of joint ventures accounted for using the equity method
 Share of profits/(losses) of joint ventures accounted for using the equity method

Income tax expense

Alternative descriptions:

41 Income tax expense
 Income tax benefit
 Income tax expense/(benefit)

42 Decrease in deferred tax assets
 Increase in deferred tax assets
 Decrease/(increase) in deferred tax assets

43 Decrease in deferred tax liabilities
 Increase in deferred tax liabilities
 Decrease/(increase) in deferred tax liabilities

RSM IFRS Private Company Limited
Appendix
31 December 2025

44 Amounts charged directly to equity
 Amounts credited directly to equity
 Amounts charged/(credited) directly to equity

45 Where applicable, the following should be disclosed:
 Unused tax losses for which no deferred tax asset has been recognised
 Potential tax benefit @ 30%

Deferred tax assets not recognised

Current assets - trade and other receivables

46 Allowance for expected credit losses:
 These are shown as months overdue, but can be days or weeks overdue as most appropriate to the receivables.

Non-current assets - right-of-use assets

47 IFRS16(47)(a)(i) implies that the right-of-use assets should be classified as non-current, like property, plant and equipment. However, it does not specifically prohibit a portion of the right-of-use assets to be classified as current, usually to offset the current portion of lease liabilities to balance net current assets.

48 An alternative is to classify 'non-current assets - right-of-use assets' in 'non-current assets - property, plant and equipment'. The right-of-use assets need to be separately identified by class and be included in the reconciliation (which is an additional disclosure as opposed to when a separate note).

49 Only the net carrying amounts by class are required, but the gross amounts and accumulated depreciation amounts have been disclosed to be consistent with property, plant and equipment.

Non-current assets - deferred tax

50 Deferred tax assets are always classified as non-current in the statement of financial position. IAS1(56) specifically states an entity 'shall not classify deferred tax assets (liabilities) as current assets (liabilities)'.

51 An alternative is to offset deferred tax assets and liabilities, as explained in the income tax accounting policy:
 Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Alternative descriptions:
 52 Credited to profit or loss
 Charged to profit or loss
 Credited/(charged) to profit or loss

53 Credited to equity
 Charged to equity
 Credited/(charged) to equity

Current liabilities - lease liabilities

54 An alternative is to classify 'current liabilities - lease liabilities' in 'current liabilities - borrowings'.

Current liabilities - employee benefits

55 An alternative is to classify 'current liabilities - employee benefits' in 'current liabilities - provisions'.

Non-current liabilities - lease liabilities

56 An alternative is to classify 'non-current liabilities - lease liabilities' in 'non-current liabilities - borrowings'.

Non-current liabilities - deferred tax

57 Deferred tax liabilities are always classified as non-current in the statement of financial position. IAS1(56) specifically states an entity 'shall not classify deferred tax assets (liabilities) as current assets (liabilities)'.

Alternative descriptions:
 58 Charged to profit or loss
 Credited to profit or loss
 Charged/(credited) to profit or loss

59 Charged to equity
 Credited to equity
 Charged//(credited) to equity

Non-current liabilities - employee benefits

60 An alternative is to classify 'non-current liabilities - employee benefits' in 'non-current liabilities - provisions'.

RSM IFRS Private Company Limited
Appendix
31 December 2025

Equity - issued capital

61 Capital risk management:

An alternative is to apply the gearing ratio as follows:

The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'trade and other payables' and 'borrowings' as shown in the statement of financial position) less 'cash and cash equivalents' as shown in the statement of financial position. Total capital is calculated as 'total equity' as shown in the statement of financial position (including non-controlling interest) plus net debt.

The gearing ratio at the reporting date was as follows:

	2025 CU'000	2024 CU'000
Current liabilities - trade and other payables (note 24)	20,004	17,306
Current liabilities - borrowings (note 26)	4,500	3,273
Current liabilities - borrowings (held for sale) (note 33)	4,000	-
Non-current liabilities - borrowings (note 34)	19,000	19,000
<u>Total borrowings</u>	<u>47,504</u>	<u>39,579</u>
Current assets - cash and cash equivalents (note 8)	(28,563)	(6,036)
Net debt	18,941	33,543
Total equity	206,356	206,805
<u>Total capital</u>	<u>225,297</u>	<u>240,348</u>
 Gearing ratio	 8%	 14%
Gearing ratio - target	10%	10%

Equity - retained profits

62 The retained profits note is not mandatory but its inclusion should be considered.

Alternative descriptions:

63 Equity - retained profits
 Equity - accumulated losses
 Equity - retained profits/(accumulated losses)

64 Retained profits at the beginning of the financial year

Accumulated losses at the beginning of the financial year

Retained profits/(accumulated losses) at the beginning of the financial year

65 Retained profits at the end of the financial year

Accumulated losses at the end of the financial year

Retained profits/(accumulated losses) at the end of the financial year

66 *Equity - dividends*

Where there were no dividends paid, recommended or declared during the current or previous financial year, remove the table and state:
 There were no dividends paid, recommended or declared during the current financial year.

67 *Financial instruments*

This note will be required to be significantly modified to reflect the disclosures of each entity, as IFRS7 is both qualitative and quantitative.

In order to keep relevant information together, further disclosures on receivables and other financial assets are contained within their respective notes.

68 Credit risk:

If collateral is held, an explanation is required that describes how this mitigates the credit risk.

Where there are no significant credit risks, consider the following:

There are no significant concentration of credit risks, whether through exposure to individual customers, specific industry sectors or regions.

69 Remaining contractual maturities bandings:

These are shown as '1 year or less', 'Between 1 and 2 years', 'Between 2 and 5 years' and 'Over 5 years'; but the bandings can be changed to 'Within 6 months', '6-12 months', etc as most appropriate to the financial instrument liabilities.

70 Fair value of financial instruments:

If carrying amounts of financial instruments significantly differs from their respective fair values, then disclosure of 'carrying amount' versus 'fair value' is required.

71 *Fair value measurement*

This note will be required to be significantly modified to reflect the disclosures of each entity, as IFRS13 is both qualitative and quantitative.

RSM IFRS Private Company Limited
Appendix
31 December 2025

Key management personnel disclosures

72 Compensation:
 There are five subclasses of compensation:
 Short-term employee benefits
 Post-employment benefits
 Long-term benefits
 Termination benefits
 Share-based payments

Contingent liabilities

73 When you have no contingent liabilities, either remove the note, or state:
 The company had no contingent liabilities as at 31 December 2025 and 31 December 2024.

Commitments

74 When you have no commitments, either remove the note, or state:
 The company had no commitments as at 31 December 2025 and 31 December 2024.

Related party transactions

75 Significant influence:
 An additional class of related party is significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement. A party with significant influence typically holds more than 20% of the voting rights in the entity.

76 Transactions with related parties:
 Where there were no transactions with related parties, state:
 There were no transactions with related parties during the current and previous financial year.

77 Receivable from and payable to related parties:
 Where there were no receivable from and payable to related parties, state:
 There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

78 Terms and conditions:
 Modify terms and conditions wording as required. An example is as follows:
 Transactions involving the sale of goods and purchase of goods between related parties are made in accordance with a transfer pricing agreement. Interest received and interest paid on loans is calculated monthly on LIBOR + 1.25%. There is no security held or guarantees given on related party loans.

Interests in associates

79 Summarised financial information on associates is required when material to the company.

80 The 'Reconciliation of the company's carrying amount' is considered a grey area. The intention is to provide information that is meaningful to the company's carrying amount. An alternative would be to reconcile the net assets to the carrying amount, deducting for instance the portion of net assets that is not the company's share and adding adjustments like goodwill.

81 *Events after the reporting period*
 Where there were no matters subsequent to the end of the financial year, state:
 No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Where there were matters subsequent to the end of the financial year disclosed, state the following below these matters:
 No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

82 *Non-cash investing and financing activities*
 Additional examples of non-cash investing and financing activities are as follows:
 Acquisition of plant and equipment by means of leases
 Shares issued under employee share plan
 Shares issued under dividend reinvestment plan
 Shares issued in relation to business combinations
 Shares issued on conversion of loan
 Loans from banks
 Loans from related parties
 Loans to related parties

RSM International Limited

50 Cannon Street
London
EC4N 6JJ
United Kingdom
T +44 207 601 1080
rsm.global

RSM International Limited is a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ, United Kingdom. RSM is the brand used by a network of independent accounting and consulting firms, each of which practices in its own right. The network is not itself a separate legal entity of any description in any jurisdiction.

The network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.