IFRS ILLUSTRATIVE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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RSM

IAS1(51)(a)

RSM IFRS Listed Comprehensive Limited

Company Number 01234567

Annual Report - 31 December 2023

IAS1(49)
IAS1(51)(c)

General information

The financial statements cover RSM IFRS Listed Comprehensive Limited as a consolidated entity consisting of RSM IFRS Listed Comprehensive Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Internationaland currency units, which is RSM IFRS Listed Comprehensive Limited's functional and presentation currency. IAS1(51)(b),(d)

RSM IFRS Listed Comprehensive Limited is a listed public company limited by shares, incorporated and domiciled in Internationaland. Its registered office and principal place of business are: IAS1(138)(a)

Registered office	**Principal place of business**
10th Floor	5th Floor
Universal Administration Building	RSM Business Centre
12 Highland Street	247 Edward Street
Cityville	Cityville

During the financial year the principal continuing activities of the consolidated entity 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 2024. The directors have the power to amend and reissue the financial statements. IAS10(17) 1

RSM IFRS Listed Comprehensive Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

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

	Note	Consolidated 2023 CU'000	Consolidated 2022 CU'000		
Revenue from continuing operations	5	442,127	411,854	IAS1(82)(a)	
Share of profits of associates accounted for using the equity method	6	3,211	2,661	IAS1(82)(c)	
Other income	7	692	1,692		
Interest revenue calculated using the effective interest method		1,057	531	IAS1(82)(a)	
Net gain on derecognition of financial assets at amortised cost		50	-	IAS1(82)(aa)	
Expenses				IAS1(97)	4
Changes in inventories		(3,379)	(706)		
Raw materials and consumables used		(115,660)	(109,917)		
Employee benefits expense		(217,234)	(210,693)		
Depreciation and amortisation expense	8	(51,963)	(52,060)		
Impairment of goodwill	8	(500)	-	IAS1(97)	
Impairment of receivables		(491)	(432)		
Net fair value loss on investment properties	8	(600)	-		
Other expenses		(2,136)	(2,225)		5
Finance costs	8	(18,930)	(21,092)	IAS1(82)(b)	
Profit before income tax expense from continuing operations		36,244	19,613		12
Income tax expense	9	(10,114)	(5,178)	IAS1(82)(d), IAS12(77)	13
Profit after income tax expense from continuing operations		26,130	14,435	IAS1(81A)(a)	
Profit after income tax expense from discontinued operations	10	1,138	1,314	IFRS5(33)(a), IAS1(82)(ea)	
Profit after income tax expense for the year		27,268	15,749	IAS1(81A)(a)	6,14
Other comprehensive income				IAS1(82A)	8
Items that will not be reclassified subsequently to profit or loss				IAS1(82A)(a)(i)	9
Gain on the revaluation of land and buildings, net of tax		-	1,400	IAS1(7)(a)	
Actuarial gain on defined benefit plans, net of tax		105	50	IAS1(7)(b)	
Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		35	-	IAS1(7)(d)	
Items that may be reclassified subsequently to profit or loss				IAS1(82A)(a)(ii)	9
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)	
Foreign currency translation		(257)	(218)	IAS1(7)(c)	
Derecognition of foreign currency reserve		769	-		
Other comprehensive income for the year, net of tax		642	1,205	IAS1(81A)(b)	10
Total comprehensive income for the year		27,910	16,954	IAS1(81A)(c)	7,11
Profit for the year is attributable to:					
Non-controlling interest		142	229	IAS1(81B)(a)(i)	
Owners of RSM IFRS Listed Comprehensive Limited	46	27,126	15,520	IAS1(81B)(a)(ii)	
		27,268	15,749		
Total comprehensive income for the year is attributable to:					
Continuing operations		142	369		
Discontinued operations		-	-		
Non-controlling interest		142	369	IAS1(81B)(b)(i)	
Continuing operations		26,630	15,271	IFRS5(33)(d)	
Discontinued operations		1,138	1,314	IFRS5(33)(d)	
Owners of RSM IFRS Listed Comprehensive Limited		27,768	16,585	IAS1(81B)(b)(ii)	
		27,910	16,954		

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

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

	Note	Cents	Cents	
Earnings per share for profit from continuing operations attributable to the owners of RSM IFRS Listed Comprehensive Limited				
Basic earnings per share	62	17.69	10.08	IAS33(66)
Diluted earnings per share	62	17.64	10.09	IAS33(66)
Earnings per share for profit from discontinued operations attributable to the owners of RSM IFRS Listed Comprehensive Limited				
Basic earnings per share	62	0.77	0.93	IAS33(68)
Diluted earnings per share	62	0.77	0.92	IAS33(68)
Earnings per share for profit attributable to the owners of RSM IFRS Listed Comprehensive Limited				
Basic earnings per share	62	18.47	11.01	IAS33(66)
Diluted earnings per share	62	18.41	11.02	IAS33(66)

Refer to note 3 for detailed information on Restatement of comparatives.

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

RSM IFRS Listed Comprehensive Limited
Statement of financial position
As at 31 December 2023

IAS1(10)(a),(54) 15,16
IAS1(51)(c)

	Note	Consolidated 2023 CU'000	2022 CU'000	1 Jan 2022 CU'000	
Assets					
Current assets					IAS1(60),(66)
Cash and cash equivalents	11	26,136	5,346	4,734	IAS1(54)(i)
Trade and other receivables	12	13,003	11,991	12,465	IAS1(54)(h)
Contract assets	13	2,617	2,144	2,511	IFRS15(105)
Inventories	14	38,692	42,071	43,830	IAS1(54)(g)
Financial assets at fair value through profit or loss	15	360	-	-	IAS1(54)(d)
Other	16	3,907	3,419	3,172	
		84,715	64,971	66,712	
Non-current assets classified as held for sale	17	6,000	-	-	IAS1(54)(j)
Assets of disposal groups classified as held for sale	18	-	2,343	-	IAS1(54)(j)
Total current assets		90,715	67,314	66,712	
Non-current assets					IAS1(60),(66)
Receivables	19	145	145	145	IAS1(54)(h)
Investments accounted for using the equity method	20	34,192	30,981	28,320	IAS1(54)(e)
Financial assets at fair value through other comprehensive income	21	170	-	-	IAS1(54)(d)
Investment properties	22	46,900	47,500	46,000	IAS1(54)(b)
Property, plant and equipment	23	116,698	128,129	143,028	IAS1(54)(a)
Right-of-use assets	24	305,485	332,116	356,938	IFRS16(47)(a)
Intangibles	25	12,170	11,616	11,991	IAS1(54)(c)
Deferred tax	26	15,900	12,931	9,612	IAS1(54)(o),(56)
Other	27	2,262	2,359	2,024	
Total non-current assets		533,922	565,777	598,058	
Total assets		624,637	633,091	664,770	
Liabilities					
Current liabilities					IAS1(60),(69)
Trade and other payables	28	18,876	15,836	17,763	IAS1(54)(k)
Contract liabilities	29	2,269	2,135	1,974	IFRS15(105)
Borrowings	30	4,500	3,273	3,644	IAS1(54)(m)
Lease liabilities	31	22,072	20,905	20,410	IFRS16(47)(b)
Derivative financial instruments	32	122	107	69	IAS1(54)(m)
Income tax	33	6,701	2,351	2,707	IAS1(54)(n)
Employee benefits	34	8,084	7,877	8,001	IAS1(54)(l)
Provisions	35	3,494	2,837	2,695	IAS1(54)(l)
Other	36	2,083	1,831	3,564	
		68,201	57,152	60,827	
Liabilities directly associated with assets classified as held for sale	37	4,000	2,163	-	IAS1(54)(p)
Total current liabilities		72,201	59,315	60,827	
Non-current liabilities					IAS1(60),(69)
Borrowings	38	18,978	18,967	111,428	IAS1(54)(m)
Lease liabilities	39	301,714	322,745	338,567	IFRS16(47)(b)
Deferred tax	40	4,665	4,333	3,263	IAS1(54)(o),(56)
Employee benefits	41	10,818	10,528	10,713	IAS1(54)(l)
Provisions	42	1,445	1,040	831	IAS1(54)(l)
Retirement benefit obligations	43	1,085	1,234	1,306	
Total non-current liabilities		338,705	358,847	466,108	
Total liabilities		410,906	418,162	526,935	
Net assets		213,731	214,929	137,835	17

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

IAS1(10)(a),(54) 15,16
IAS1(51)(c)

	Note	2023 CU'000	Consolidated 2022 CU'000	1 Jan 2022 CU'000		
Equity						
Issued capital	44	182,953	182,678	104,922	IAS1(54)(r)	
Reserves	45	4,045	3,508	2,493	IAS1(54)(r)	
Retained profits	46	9,370	11,522	13,568		18
Equity attributable to the owners of RSM IFRS Listed Comprehensive Limited		196,368	197,708	120,983	IAS1(54)(r)	
Non-controlling interest	47	17,363	17,221	16,852	IAS1(54)(q)	
Total equity		213,731	214,929	137,835		19

Refer to note 3 for detailed information on Restatement of comparatives.

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

Consolidated	Issued capital CU'000	Reserves CU'000	Retained profits CU'000	Non-controlling interest CU'000	Total equity CU'000	
Balance at 1 January 2022	104,922	2,493	12,841	16,852	137,108	IAS1(106)(d)
Adjustment for correction of error (note 3)	-	-	727	-	727	IAS1(106)(b),(110)
Balance at 1 January 2022 - restated	104,922	2,493	13,568	16,852	137,835	IAS1(106)(b),(110)
Profit after income tax expense for the year	-	-	15,520	229	15,749	IAS1(106)(d)(i)
Other comprehensive income for the year, net of tax	-	1,015	50	140	1,205	IAS1(106)(d)(ii)
Total comprehensive income for the year	-	1,015	15,570	369	16,954	IAS1(106)(a)
Transactions with owners in their capacity as owners:						IAS1(106)(d)(iii)
Contributions of equity, net of transaction costs (note 44)	77,756	-	-	-	77,756	
Dividends paid (note 48)	-	-	(17,616)	-	(17,616)	IAS1(107)
Balance at 31 December 2022	182,678	3,508	11,522	17,221	214,929	IAS1(106)(d)

Refer to note 3 for detailed information on Restatement of comparatives.

Consolidated	Issued capital CU'000	Reserves CU'000	Retained profits CU'000	Non-controlling interest CU'000	Total equity CU'000	
Balance at 1 January 2023	182,678	3,508	11,522	17,221	214,929	IAS1(106)(d)
Profit after income tax expense for the year	-	-	27,126	142	27,268	IAS1(106)(d)(i)
Other comprehensive income for the year, net of tax	-	537	105	-	642	IAS1(106)(d)(ii)
Total comprehensive income for the year	-	537	27,231	142	27,910	IAS1(106)(a)
Transactions with owners in their capacity as owners:						IAS1(106)(d)(iii)
Contributions of equity, net of transaction costs (note 44)	25	-	-	-	25	
Share-based payments (note 63)	250	-	-	-	250	
Dividends paid (note 48)	-	-	(29,383)	-	(29,383)	IAS1(107)
Balance at 31 December 2023	182,953	4,045	9,370	17,363	213,731	IAS1(106)(d)

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

RSM IFRS Listed Comprehensive Limited
Statement of cash flows
For the year ended 31 December 2023

IAS1(10)(d),(111) 21
IAS1(51)(c)

	Note	Consolidated 2023 CU'000	Consolidated 2022 CU'000		
Cash flows from operating activities				IAS7(10),(18)(a)	22
Receipts from customers		507,999	474,832	IAS7(14)(a)	
Payments to suppliers and employees		(401,934)	(390,936)	IAS7(14)(c),(d)	
		106,065	83,896		
Interest received		1,084	540	IAS7(31),(33)	
Other revenue		3,964	3,358	IAS7(14)(b)	
Interest and other finance costs paid		(18,845)	(21,030)	IAS7(31),(33)	
Income taxes paid		(9,142)	(8,461)	IAS7(14)(f),(35),(36)	
Net cash from operating activities		83,126	58,303		23
Cash flows from investing activities				IAS7(10),(21)	
Payment for purchase of business, net of cash acquired	56	(8,072)	(155)	IAS7(39)	
Payments for investments		(510)	-	IAS7(16)(a)	
Payments for property, plant and equipment		(6,215)	(3,048)	IAS7(16)(a)	
Proceeds from sale of subsidiary		41	-	IAS7(39)	
Proceeds from sale of investments		80	-	IAS7(16)(b)	
Proceeds from sale of property, plant and equipment		1,511	250	IAS7(16)(b)	
Proceeds from release of security deposits		155	-		
Net cash used in investing activities		(13,010)	(2,953)		24
Cash flows from financing activities				IAS7(10),(21)	
Proceeds from issue of shares		25	78,750	IAS7(17)(a)	
Proceeds from borrowings		12,000	-	IAS7(17)(c)	
Share issue transaction costs		-	(1,420)		
Dividends paid	48	(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		(48,243)	(55,841)		25
Net increase/(decrease) in cash and cash equivalents		21,873	(491)		26
Cash and cash equivalents at the beginning of the financial year		4,251	4,734		
Effects of exchange rate changes on cash and cash equivalents		12	8	IAS7(28)	
Cash and cash equivalents at the end of the financial year	11	26,136	4,251		

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

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

Note 1. Material accounting policy information

IAS1(112)(a),(117) 27

IAS8(13)

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

IAS1(45)(a)

The consolidated entity 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. 28

Basis of preparation

IAS1(16)

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as appropriate for for-profit oriented entities.

Historical cost convention

IAS1(117)(a) 31

The financial statements have been prepared under the historical cost convention, except for, where applicable, 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.

Critical accounting estimates

IAS1(122),(125)

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity'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.

Principles of consolidation

IFRS10(4),(B86)(a)

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of RSM IFRS Listed Comprehensive Limited ('company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the year then ended. RSM IFRS Listed Comprehensive Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

IFRS10(5)-(7)

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

IFRS10(B86)(c)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

IFRS10(23),(B86)(b)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

IFRS10(22),(B94)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

IFRS10(25),(B97)-(B99)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

IFRS8(5)

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

IAS1(51)(d)

The financial statements are presented in Internationaland currency units, which is RSM IFRS Listed Comprehensive Limited's functional and presentation currency.

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

Note 1. Material accounting policy information (continued)

Foreign currency transactions
Foreign currency transactions are translated into Internationaland currency units using the exchange rates prevailing at the 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. IAS21(21),(28)

Foreign operations
The assets and liabilities of foreign operations are translated into Internationaland currency units using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Internationaland currency units using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. IAS21(32)

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of. IAS21(32)

Revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: 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. IFRS15(119),(126)

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. IFRS15(119),(126)

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 generally at the time of delivery. IFRS15(119)(a)

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

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the 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. IFRS9(5.4.1)

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 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. IAS12(46)

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.

Note 1. Material accounting policy information (continued)

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

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 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. IAS12(74)

Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income. IFRS5(32),(33)

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 consolidated entity's 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. IAS1(66)

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

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 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. IAS7(6),(8),(46) 32

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. IFRS9(5.1.3) 33

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

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

Customer acquisition costs

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

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. IFRS15(93),(94)

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

Note 1. Material accounting policy information (continued)

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 or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the consolidated entity 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. IFRS15(95),(127)

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 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. IFRS15(126)(d)

Inventories

IAS2(36)(a) 34

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. IAS2(9),(10),(25)

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

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

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently 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. IFRS9(5.5.1)

Cash flow hedges

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risks 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. IAS39(95),(97),(98)

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each 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. IAS39(AG105), (AG106)

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

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 a 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)

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

Note 1. Material accounting policy information (continued)

Associates

Associates are entities over which the consolidated entity 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 consolidated entity'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 consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. IAS28(38),(39)

The consolidated entity 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 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 consolidated entity 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 consolidated entity 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 consolidated entity 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 consolidated entity'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)

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 consolidated entity. 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 to and from investment properties to 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)

Note 1. Material accounting policy information (continued)

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

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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 consolidated entity. 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 consolidated entity 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)

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with 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. IFRS16(5),(6)

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)

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed. IFRS3(18),(32), IAS36(10), IAS38(107)

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity 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. IAS38(54),(57),(118)(a),(b)

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

Note 1. Material accounting policy information (continued)

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

Customer contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years. IAS38(118)(a),(b)

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

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. IAS36(9),(10)

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 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. IAS36(18),(66)

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and 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. IFRS9(5.1.1) 36

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

Refund liabilities
Refund liabilities are recognised where the consolidated entity receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the consolidated entity 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. IFRS15(126)(d)

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

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss. IAS32(28)

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 consolidated entity'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)

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

Note 1. Material accounting policy information (continued)

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 consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity 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)

Retirement benefit obligations

All employees of the consolidated entity are entitled to benefits from the consolidated entity's superannuation plan on retirement, disability or death. The consolidated entity has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from entities in the consolidated entity and the consolidated entity's legal or constructive obligation is limited to these contributions. IAS19(135)(a)

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured at the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. IAS19(57),(67)

Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. IAS19(83)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised, in the period in which they occur, in other comprehensive income. IAS19(128)

Past service costs are recognised immediately in profit or loss, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time ('the vesting period'). In this case, the past service costs are amortised on a straight-line basis over the vesting period. IAS19(99)

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. IFRS2(16)

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

Note 1. Material accounting policy information (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods. IFRS2(10)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows: IFRS2(30)
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability. IFRS2(30)

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied. IFRS2(21)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification. IFRS2(27)

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited. IFRS2(28)(a)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification. IFRS2(28)

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)

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, from the proceeds. IAS32(35),(37)

Dividends

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

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. IFRS3(4)

Note 1. Material accounting policy information (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss. IFRS3(37),(B44)

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. IFRS3(10)

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss. IFRS3(42)

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. IFRS3(39),(40)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer. IFRS3(32)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value. IFRS3(45)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of RSM IFRS Listed Comprehensive Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year. IAS33(10)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. IAS33(31)

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 unit. IAS1(51)(e)

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 by the consolidated entity for the annual reporting period ended 31 December 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations. IAS8(30) 37

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

Note 2. Critical accounting judgements, estimates and assumptions

IAS1(122),(125) 38

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. 39,40

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

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 consolidated entity is 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. IFRS15(123),(125)

Determination of variable consideration
Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the consolidated entity 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)

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 12, 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 consolidated entity 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 consolidated entity 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.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

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

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity 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 consolidated entity 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 consolidated entity 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 consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity'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 consolidated entity 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 consolidated entity'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 consolidated entity 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 consolidated entity 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.

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 consolidated entity has made judgements 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.

Business combinations
As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

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

Note 3. Restatement of comparatives

IAS1(41) 41

Correction of error IAS8(42)

An error was discovered in the consolidated entity's management information system ('MIS') whereby prices for raw materials in inventory were incorrect. This was caused by an internal error in the MIS software where VAT was not correctly deducted in all cases from the cost, which first occurred in the year ended 31 December 2021. Therefore, some inventory items were overstated by as much as 10% of their actual cost on a 'first in first out' basis. This error resulted in the inventory asset being overstated, raw materials and consumables used expense being overstated, other payables liability (being VAT) being overstated and provision for income tax liability being understated. Extracts (being only those line items affected) are disclosed below. IAS8(49)(a)

Statement of profit or loss and other comprehensive income IAS8(49)(b)(i)

		Consolidated	
Extract	**2022 CU'000 Reported**	**CU'000 Adjustment**	**2022 CU'000 Restated**
Expenses			
Changes in inventories	(751)	45	(706)
Raw materials and consumables used	(111,554)	1,637	(109,917)
Profit before income tax expense from continuing operations	17,931	1,682	19,613
Income tax expense	(5,814)	636	(5,178)
Profit after income tax expense from continuing operations	12,117	2,318	14,435
Profit after income tax expense from discontinued operations	1,314	-	1,314
Profit after income tax expense for the year	13,431	2,318	15,749
Other comprehensive income for the year, net of tax	1,205	-	1,205
Total comprehensive income for the year	14,636	2,318	16,954
Profit for the year is attributable to:			
Non-controlling interest	229	-	229
Owners of RSM IFRS Listed Comprehensive Limited	13,202	2,318	15,520
	13,431	2,318	15,749
Total comprehensive income for the year is attributable to:			
Continuing operations	369	-	369
Discontinued operations	-	-	-
Non-controlling interest	369	-	369
Continuing operations	12,953	2,318	15,271
Discontinued operations	1,314	-	1,314
Owners of RSM IFRS Listed Comprehensive Limited	14,267	2,318	16,585
	14,636	2,318	16,954

	Cents Reported	**Cents Adjustment**	**Cents Restated**
Earnings per share for profit from continuing operations attributable to the owners of RSM IFRS Listed Comprehensive Limited			
Basic earnings per share	9.24	0.84	10.08
Diluted earnings per share	9.14	0.95	10.09
Earnings per share for profit from discontinued operations attributable to the owners of RSM IFRS Listed Comprehensive Limited			
Basic earnings per share	0.93	-	0.93
Diluted earnings per share	0.92	-	0.92
Earnings per share for profit attributable to the owners of RSM IFRS Listed Comprehensive Limited			
Basic earnings per share	10.17	0.84	11.01
Diluted earnings per share	10.07	0.95	11.02

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

Note 3. Restatement of comparatives (continued)

Statement of financial position at the beginning of the earliest comparative period

IAS8(49)(b)(i),(c)

	Consolidated		
Extract	1 Jan 2022 CU'000 Reported	CU'000 Adjustment	1 Jan 2022 CU'000 Restated
Assets			
Current assets			
Inventories	44,272	(442)	43,830
Total current assets	67,154	(442)	66,712
Total assets	665,212	(442)	664,770
Liabilities			
Current liabilities			
Trade and other payables	19,244	(1,481)	17,763
Income tax	2,395	312	2,707
Total current liabilities	61,996	(1,169)	60,827
Total liabilities	528,104	(1,169)	526,935
Net assets	137,108	727	137,835
Equity			
Retained profits	12,841	727	13,568
Total equity	137,108	727	137,835

Statement of financial position at the end of the earliest comparative period

IAS8(49)(b)(i)

	Consolidated		
Extract	2022 CU'000 Reported	CU'000 Adjustment	2022 CU'000 Restated
Assets			
Current assets			
Inventories	42,558	(487)	42,071
Total current assets	67,801	(487)	67,314
Total assets	633,578	(487)	633,091
Liabilities			
Current liabilities			
Trade and other payables	19,044	(3,208)	15,836
Income tax	1,534	817	2,351
Total current liabilities	61,706	(2,391)	59,315
Total liabilities	420,553	(2,391)	418,162
Net assets	213,025	1,904	214,929
Equity			
Retained profits	9,618	1,904	11,522
Total equity	213,025	1,904	214,929

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

Note 4. Operating segments

Identification of reportable operating segments 42,43

The consolidated entity is organised into three operating segments based on differences in products and services provided: computer manufacturing, computer retailing and computer distribution. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. IFRS8(22)(a) 44,45

Other segments represent the investment property holdings and rental income of the consolidated entity. IFRS8(16)

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. IFRS8(23)

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows: IFRS8(22)(b)

Computer manufacturing	the manufacture and wholesaling of computers in Internationaland
Computer retailing	the retailing of computers predominately in Internationaland
Computer distribution	the freight and cartage of computers to customers in Internationaland

Intersegment transactions IFRS8(27)(a)

Intersegment transactions were made at market rates. The computer retailing operating segment purchases finished goods from the computer manufacturing operating segment and pays for freight costs to the computer distribution operating segment. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans IFRS8(27)(a)

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers IFRS8(34)

During the year ended 31 December 2023, approximately CU69,400,000 (2022: CU77,800,000) of the consolidated entity's external revenue was derived from sales to a major Internationaland retailer through the computer retailing and computer distribution operating segments.

Note 4. Operating segments (continued)

Operating segment information 46

Consolidated - 2023	Computer manufacturing CU'000	Computer retailing CU'000	Computer distribution CU'000	Other segments CU'000	Total CU'000	
Revenue						
Sales to external customers	26,465	432,893	3,696	-	463,054	IFRS8(23)(a)
Intersegment sales	200,017	-	8,905	-	208,922	IFRS8(23)(b)
Total sales revenue	226,482	432,893	12,601	-	671,976	
Other revenue	-	-	-	3,694	3,694	
Total segment revenue	226,482	432,893	12,601	3,694	675,670	
Intersegment eliminations					(208,922)	
Unallocated revenue:						
Interest revenue					1,087	
Total revenue					467,835	IFRS8(28)(a)
EBITDA	13,181	91,348	3,609	124	108,262	IFRS8(21)(b)
Depreciation and amortisation					(52,276)	IFRS8(23)(e)
Interest revenue					1,087	IFRS8(23)(c)
Finance costs					(18,930)	IFRS8(23)(d)
Profit before income tax expense					38,143	IFRS8(28)(b)
Income tax expense					(10,875)	IFRS8(23)(h)
Profit after income tax expense					27,268	IFRS8(28)(b)
Material items include:						
Share of profits of associates	3,211	-	-	-	3,211	IFRS8(23)(g)
Write off of inventories	(212)	(326)	-	-	(538)	IFRS8(23)(f)
Net fair value loss on investment properties	-	-	-	(600)	(600)	IFRS8(23)(f)
Assets						
Segment assets	156,885	419,496	21,405	-	597,786	IFRS8(21)(b)
Intersegment eliminations					(16,630)	
Unallocated assets:						
Cash and cash equivalents					18,551	
Ordinary shares					530	
Land and buildings					8,500	
Deferred tax asset					15,900	
Total assets					624,637	IFRS8(28)(c)
Total assets includes:						
Investments in associates	34,192	-	-	-	34,192	IFRS8(24)(a)
Acquisition of non-current assets	365	5,027	9,091	-	14,483	IFRS8(24)(b) 47
Liabilities						
Segment liabilities	41,390	358,941	6,861	-	407,192	IFRS8(21)(b)
Intersegment eliminations					(16,630)	
Unallocated liabilities:						
Provision for income tax					6,701	
Bank loans					6,000	
Convertible notes payable					2,978	
Deferred tax liability					4,665	
Total liabilities					410,906	IFRS8(28)(d)

Note 4. Operating segments (continued)

Consolidated - 2022	Computer manufacturing CU'000	Computer retailing CU'000	Computer distribution CU'000	Other segments CU'000	Total CU'000	
Revenue						
Sales to external customers	24,339	403,776	3,868	-	431,983	IFRS8(23)(a)
Intersegment sales	191,423	-	2,808	-	194,231	IFRS8(23)(b)
Total sales revenue	215,762	403,776	6,676	-	626,214	
Other revenue	-	-	-	3,358	3,358	
Total segment revenue	215,762	403,776	6,676	3,358	629,572	
Intersegment eliminations					(194,231)	
Unallocated revenue:						
Interest revenue					543	
Total revenue					435,884	IFRS8(28)(a)
EBITDA	11,835	79,356	1,232	2,027	94,450	IFRS8(21)(b)
Depreciation and amortisation					(52,411)	IFRS8(23)(e)
Interest revenue					543	IFRS8(23)(c)
Finance costs					(21,092)	IFRS8(23)(d)
Profit before income tax expense					21,490	IFRS8(28)(b)
Income tax expense					(5,741)	IFRS8(23)(h)
Profit after income tax expense					15,749	IFRS8(28)(b)
Material items include:						
Share of profits of associates	2,661	-	-	-	2,661	IFRS8(23)(g)
Write off of inventories	(45)	(67)	-	-	(112)	IFRS8(23)(f)
Assets						
Segment assets	169,239	450,538	8,245	-	628,022	IFRS8(21)(b)
Intersegment eliminations					(17,222)	
Unallocated assets:						
Cash and cash equivalents					860	
Land and buildings					8,500	
Deferred tax asset					12,931	
Total assets					633,091	IFRS8(28)(c)
Total assets includes:						
Investments in associates	30,981	-	-	-	30,981	IFRS8(24)(a)
Acquisition of non-current assets	230	4,436	716	-	5,382	IFRS8(24)(b) 47
Liabilities						
Segment liabilities	38,899	379,147	1,687	-	419,733	IFRS8(21)(b)
Intersegment eliminations					(17,222)	
Unallocated liabilities:						
Provision for income tax					2,351	
Bank loans					6,000	
Convertible notes payable					2,967	
Deferred tax liability					4,333	
Total liabilities					418,162	IFRS8(28)(d)

Geographical information IFRS8(33) 48

	Sales to external customers		**Geographical non-current assets**	
	2023 CU'000	**2022 CU'000**	**2023 CU'000**	**2022 CU'000**
Internationaland	424,034	399,416	179,882	192,376
Neighbourland	39,020	32,567	-	-
	463,054	431,983	179,882	192,376

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts. 49

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

Note 5. Revenue

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
From continuing operations			
Revenue from contracts with customers			IFRS15(113)(a)
Sale of goods	434,737	404,628	
Rendering of services	3,696	3,868	
	438,433	408,496	
Other revenue			
Rent from investment properties	3,623	3,310	IAS40(75)(f)(i)
Other revenue	71	48	
	3,694	3,358	
Revenue from continuing operations	442,127	411,854	

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows: 50

Consolidated - 2023	Computer manufacturing CU'000	Computer retailing CU'000	Computer distribution CU'000	Total CU'000	
Major product lines					IFRS15(115)
Laptops	13,395	339,533	3,292	356,220	
Desktops	4,214	44,540	404	49,158	
Components	8,856	24,199	-	33,055	
	26,465	408,272	3,696	438,433	
Geographical regions					IFRS15(115)
Internationaland	22,938	383,312	3,696	409,946	
Neighbourland	2,293	12,106	-	14,399	
Rest of the World	1,234	12,854	-	14,088	
	26,465	408,272	3,696	438,433	
Timing of revenue recognition					IFRS15(115)
Goods transferred at a point in time	26,465	408,272	-	434,737	
Services transferred over time	-	-	3,696	3,696	
	26,465	408,272	3,696	438,433	

Consolidated - 2022	Computer manufacturing CU'000	Computer retailing CU'000	Computer distribution CU'000	Total CU'000	
Major product lines					IFRS15(115)
Laptops	12,114	309,691	3,355	325,160	
Desktops	4,842	50,448	513	55,803	
Components	7,383	20,150	-	27,533	
	24,339	380,289	3,868	408,496	
Geographical regions					IFRS15(115)
Internationaland	21,614	363,978	3,868	389,460	
Neighbourland	1,911	7,169	-	9,080	
Rest of the World	814	9,142	-	9,956	
	24,339	380,289	3,868	408,496	
Timing of revenue recognition					IFRS15(115)
Goods transferred at a point in time	24,339	380,289	-	404,628	
Services transferred over time	-	-	3,868	3,868	
	24,339	380,289	3,868	408,496	

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

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Note 6. Share of profits of associates accounted for using the equity method

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Share of profit - associates	3,211	2,661

Note 7. Other income

	Consolidated 2023 CU'000	Consolidated 2022 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	

Note 8. Expenses

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Profit before income tax from continuing operations includes the following specific expenses:			
Cost of sales			IAS2(36)(d)
Cost of sales	284,451	277,984	
Depreciation			IAS16(75)(a)
Leasehold improvements	5,000	5,405	
Plant and equipment	12,167	13,379	
Buildings right-of-use assets	13,582	13,582	IFRS16(53)(a)
Plant and equipment right-of-use assets	18,570	17,468	IFRS16(53)(a)
Total depreciation	49,319	49,834	
Amortisation			
Development	321	321	
Patents and trademarks	32	32	
Customer contracts	229	-	
Software	22	22	
Customer acquisition costs	1,288	1,164	IFRS15(128)(b)
Customer fulfilment costs	752	687	IFRS15(128)(b)
Total amortisation	2,644	2,226	
Total depreciation and amortisation	51,963	52,060	
Impairment			IAS36(130)(b)
Goodwill	500	-	
Finance costs			
Interest and finance charges paid/payable on borrowings	1,799	3,021	IFRS7(20)(b)
Interest and finance charges paid/payable on lease liabilities	17,046	18,009	IFRS16(53)(b)
Unwinding of the discount on provisions	85	62	IAS37(60)
Finance costs expensed	18,930	21,092	

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

Note 8. Expenses (continued)

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Net foreign exchange loss			
Net foreign exchange loss	13	6	IAS21(52)(a)
Net fair value loss			
Net fair value loss on investment properties	600	-	IAS1(97)
Cash flow hedge ineffectiveness			
Cash flow hedge ineffectiveness	4	2	IFRS7(24C)(b)(ii)
Leases			
Variable lease payments	1,167	1,098	IFRS16(53)(e)
Short-term lease payments	102	127	IFRS16(53)(c)
Low-value assets lease payments	135	119	IFRS16(53)(d)
	1,404	1,344	
Superannuation expense			
Defined contribution superannuation expense	13,683	13,032	IAS19(53)
Defined benefit superannuation expense	4,406	4,597	IAS19(54)
Total superannuation expense	18,089	17,629	
Share-based payments expense			
Share-based payments expense	253	1	IFRS2(51)(a)
Research costs			
Research costs	124	107	IAS38(126)
Write off of assets			
Inventories	538	112	IAS1(98)
Expenses on investment properties			
Direct operating expenses from property that generated rental income	61	59	IAS40(75)(f)(ii)
Direct operating expenses from property that did not generate rental income	8	3	IAS40(75)(f)(iii)
Total expenses on investment properties	69	62	

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

Note 9. Income tax expense 52

	Consolidated 2023 CU'000	Consolidated 2022 CU'000		
Income tax expense			IAS12(79)	52
Current tax	13,595	8,175	IAS12(80)(a)	
Deferred tax - origination and reversal of temporary differences	(2,617)	(2,434)	IAS12(80)(c)	
Adjustment recognised for prior periods	(103)	-	IAS12(80)(b)	
Aggregate income tax expense	10,875	5,741		
Income tax expense is attributable to:				
Profit from continuing operations	10,114	5,178		
Profit from discontinued operations	761	563		
Aggregate income tax expense	10,875	5,741		
Deferred tax included in income tax expense comprises:				
Increase in deferred tax assets (note 26)	(2,559)	(2,904)		53
Increase/(decrease) in deferred tax liabilities (note 40)	(58)	470		54
Deferred tax - origination and reversal of temporary differences	(2,617)	(2,434)		
Numerical reconciliation of income tax expense and tax at the statutory rate			IAS12(81)(c)(i)	
Profit before income tax expense from continuing operations	36,244	19,613		
Profit before income tax expense from discontinued operations	1,899	1,877		
	38,143	21,490		
Tax at the statutory tax rate of 30%	11,443	6,447		
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Entertainment expenses	32	41		
Impairment of goodwill	150	-		
Share-based payments	75	-		
Share of profits - associates	(963)	(798)		
Loss on disposal of subsidiary	191	-		
Sundry items	50	51		
	10,978	5,741		
Adjustment recognised for prior periods	(103)	-	IAS12(80)(b)	
Income tax expense	10,875	5,741		52

	Consolidated 2023 CU'000	Consolidated 2022 CU'000		
Amounts charged/(credited) directly to equity			IAS12(81)(a)	55
Deferred tax assets (note 26)	39	(415)		
Deferred tax liabilities (note 40)	15	600		
	54	185		

Note 10. Discontinued operations

IFRS5(30)

Description

IFRS5(41)(b)

On [date] the consolidated entity sold RSM Retailing International Limited (incorporated in Neighbourland), a subsidiary of RSM IFRS Listed Comprehensive Limited, for consideration of CU270,000 resulting in a loss on disposal before income tax of CU637,000. Whilst RSM Retailing International Limited was sufficiently profitable up to the date of sale, future losses were projected due to new retail regulations being introduced into Neighbourland. Also, its geographical isolation meant that it was difficult to incorporate into the consolidated entity's long term strategy and the directors decided to dispose of it.

Note 10. Discontinued operations (continued)

Financial performance information

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	Reference	
Sale of goods	24,621	23,487		
Interest received	30	12		
Total revenue	24,651	23,499	IFRS5(33)(b)(i)	
Changes in inventories	(144)	(76)		
Raw materials and consumables used	(11,365)	(11,133)		
Employee benefits expense	(7,916)	(8,035)		
Depreciation and amortisation expense	(313)	(351)		
Other expenses	(2,377)	(2,027)		
Total expenses	(22,115)	(21,622)	IFRS5(33)(b)(i)	
Profit before income tax expense	2,536	1,877	IFRS5(33)(b)(i)	
Income tax expense	(761)	(563)	IFRS5(33)(b)(ii), IAS12(81)(h)(ii)	
Profit after income tax expense	1,775	1,314		
Loss on disposal before income tax	(637)	-	IFRS5(33)(b)(iii)	57
Income tax expense	-	-	IFRS5(33)(b)(ii), IAS12(81)(h)(i)	
Loss on disposal after income tax expense	(637)	-	IFRS5(33)(a)	57
Profit after income tax expense from discontinued operations	1,138	1,314		

Cash flow information

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	Reference	
Net cash from operating activities	1,847	1,642	IFRS5(33)(c)	58
Net cash used in investing activities	(1,836)	(1,604)	IFRS5(33)(c)	59
Net increase in cash and cash equivalents from discontinued operations	11	38		

Carrying amounts of assets and liabilities disposed

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	Reference
Cash and cash equivalents	189	-	IAS7(40)(c)
Trade and other receivables	387	-	IAS7(40)(d)
Inventories	833	-	IAS7(40)(d)
Other current assets	28	-	IAS7(40)(d)
Property, plant and equipment	441	-	IAS7(40)(d)
Other non-current assets	46	-	IAS7(40)(d)
Total assets	1,924	-	
Trade and other payables	1,150	-	IAS7(40)(d)
Provisions	676	-	IAS7(40)(d)
Total liabilities	1,826	-	
Net assets	98	-	

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

Note 10. Discontinued operations (continued)

Details of the disposal

	Consolidated 2023 CU'000	Consolidated 2022 CU'000		
Total sale consideration	270	-	IAS7(40)(a)	
Carrying amount of net assets disposed	(98)	-		
Derecognition of foreign currency reserve	(769)	-		
Disposal costs	(40)	-		
Loss on disposal before income tax	(637)	-		57
Loss on disposal after income tax	(637)	-	IFRS5(33)(a)	57

Note 11. Current assets - cash and cash equivalents

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Cash on hand	104	93	IAS7(45)
Cash at bank	14,132	4,853	IAS7(45)
Cash on deposit	11,900	400	IAS7(45)
	26,136	5,346	

Reconciliation to cash and cash equivalents at the end of the financial year

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)

	2023	2022
Balances as above	26,136	5,346
Cash and cash equivalents - classified as held for sale (note 18)	-	178
Bank overdraft (note 30)	-	(1,273)
Balance as per statement of cash flows	26,136	4,251

Note 12. Current assets - trade and other receivables

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Trade receivables	13,998	12,818	IFRS7(6)
Less: Allowance for expected credit losses	(1,062)	(874)	
	12,936	11,944	
Other receivables	60	43	IFRS7(6)
Interest receivable	7	4	
	13,003	11,991	

Allowance for expected credit losses

The consolidated entity has recognised a loss of CU491,000 in profit or loss in respect of the expected credit losses for the year ended 31 December 2023. IFRS15(113)(b)

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

Note 12. Current assets - trade and other receivables (continued)

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

Consolidated	Expected credit loss rate 2023 %	Expected credit loss rate 2022 %	Carrying amount 2023 CU'000	Carrying amount 2022 CU'000	Allowance for expected credit losses 2023 CU'000	Allowance for expected credit losses 2022 CU'000
Not overdue	2%	1%	6,988	6,330	140	63
0 to 3 months overdue	7%	5%	5,028	4,051	352	203
3 to 6 months overdue	14%	10%	1,453	1,762	203	176
Over 6 months overdue	50%	50%	734	863	367	432
			14,203	13,006	1,062	874

60

The consolidated entity 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 2023 and rates have increased in each category up to 6 months overdue.

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

	Consolidated 2023 CU'000	Consolidated 2022 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 13. Current assets - contract assets

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Contract assets	2,617	2,144	IFRS15(116)(a)

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)

	2023 CU'000	2022 CU'000
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 14. Current assets - inventories

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Raw materials	6,817	6,081	IAS2(36)(b)
Work in progress	16,040	17,434	IAS2(36)(b)
Finished goods	15,631	18,369	IAS2(36)(c)
Stock in transit	204	187	IAS2(36)(b)
	38,692	42,071	

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

Note 15. Current assets - financial assets at fair value through profit or loss

IFRS7(8)(a)

	Consolidated 2023 CU'000	Consolidated 2022 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:

	2023 CU'000	2022 CU'000
Opening fair value	-	-
Additions	310	-
Revaluation increments	50	-
Closing fair value	360	-

Refer to note 50 for further information on fair value measurement.

Note 16. Current assets - other

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Prepayments	1,087	883	
Security deposits	60	30	
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)
	3,907	3,419	

Note 17. Current assets - non-current assets classified as held for sale

IFRS5(38)

	Consolidated 2023 CU'000	Consolidated 2022 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. The land is not allocated to an operating segment. IFRS5(41)(a)

Note 18. Current assets - assets of disposal groups classified as held for sale

IFRS5(38)

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Cash and cash equivalents	-	178
Trade and other receivables	-	363
Inventories	-	977
Other current assets	-	25
Property, plant and equipment	-	754
Other non-current assets	-	46
	-	2,343

The assets identified above represents the assets of RSM Retailing International Limited (incorporated in Neighbourland), a subsidiary of RSM IFRS Listed Comprehensive Limited, which was sold on [date]. Refer to note 10 for further information. IFRS5(41)(a)

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

Note 19. Non-current assets - receivables

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Other receivables	145	145	IFRS7(6)

The other receivables are due to be repaid by 31 December 2026 and the effect of discounting is considered not to be material. This receivable is not past due nor impaired.

Note 20. Non-current assets - investments accounted for using the equity method

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Investment in associate	34,192	30,981	IAS28(27)

Refer to note 58 for further information on interests in associates.

Note 21. Non-current assets - financial assets at fair value through other comprehensive income

IFRS7(8)(h)

	Consolidated 2023 CU'000	Consolidated 2022 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:

	2023 CU'000	2022 CU'000
Opening fair value	-	-
Additions	200	-
Disposals	(80)	-
Revaluation increments	50	-
Closing fair value	170	-

Refer to note 50 for further information on fair value measurement.

Note 22. Non-current assets - investment properties

	Consolidated 2023 CU'000	Consolidated 2022 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: IAS40(76)

	2023 CU'000	2022 CU'000
Opening fair value	47,500	46,000
Revaluation increments	-	1,500
Revaluation decrements	(600)	-
Closing fair value	46,900	47,500

Refer to note 50 for further information on fair value measurement.

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

Note 22. Non-current assets - investment properties (continued)

Lessor commitments IFRS16(97)

	Consolidated 2023 CU'000	Consolidated 2022 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 23. Non-current assets - property, plant and equipment

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Land and buildings - at independent valuation	52,500	58,500	IAS16(73)(d)
Leasehold improvements - at cost	32,260	25,860	IAS16(73)(d)
Less: Accumulated depreciation	(17,473)	(12,473)	IAS16(73)(d)
	14,787	13,387	
Plant and equipment - at cost	105,512	100,267	IAS16(73)(d)
Less: Accumulated depreciation	(56,101)	(44,025)	IAS16(73)(d)
	49,411	56,242	
	116,698	128,129	

Reconciliations IAS16(73)(e)

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

Consolidated	Land and buildings CU'000	Leasehold improvements CU'000	Plant and equipment CU'000	Total CU'000
Balance at 1 January 2022	56,500	17,478	69,050	143,028
Additions	-	2,308	740	3,048
Classified as held for sale (note 17)	-	(994)	(111)	(1,105)
Disposals	-	-	(58)	(58)
Revaluation increments	2,000	-	-	2,000
Depreciation expense	-	(5,405)	(13,379)	(18,784)
Balance at 31 December 2022	58,500	13,387	56,242	128,129
Additions	-	6,400	365	6,765
Additions through business combinations (note 56)	-	-	6,060	6,060
Classified as held for sale (note 17)	(6,000)	-	-	(6,000)
Disposals	-	-	(1,089)	(1,089)
Depreciation expense	-	(5,000)	(12,167)	(17,167)
Balance at 31 December 2023	52,500	14,787	49,411	116,698

Refer to note 50 for further information on fair value measurement.

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

Note 23. Non-current assets - property, plant and equipment (continued)

Land and buildings stated under the historical cost convention IAS16(77)(e)
If land and buildings were stated under the historical cost convention, the amounts would be as follows:

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Land and buildings - at cost	46,000	52,000	
Less: Accumulated depreciation	(1,059)	(1,007)	
	44,941	50,993	

Note 24. Non-current assets - right-of-use assets

61,62

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Land and buildings - right-of-use	271,636	271,636	63
Less: Accumulated depreciation	(37,350)	(23,768)	
	234,286	247,868	IFRS16(53)(j)
Plant and equipment - right-of-use	126,363	120,842	63
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)

The consolidated entity 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 consolidated entity also leases plant and equipment under agreements of between three to seven years. IFRS16(59)

The consolidated entity 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. IFRS16(60)

Note 25. Non-current assets - intangibles

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Goodwill	9,908	9,500	IAS38(118)(c)
Less: Impairment	(500)	-	IAS38(118)(c)
	9,408	9,500	
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	
Customer contracts - at cost	1,250	-	IAS38(118)(c)
Less: Accumulated amortisation	(229)	-	IAS38(118)(c)
	1,021	-	
Software - at cost	108	108	IAS38(118)(c)
Less: Accumulated amortisation	(66)	(44)	IAS38(118)(c)
	42	64	
	12,170	11,616	

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

Note 25. Non-current assets - intangibles (continued)

Reconciliations IAS38(118)(e)

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

Consolidated	Goodwill CU'000	Development CU'000	Patents and trademarks CU'000	Customer contracts CU'000	Software CU'000	Total CU'000
Balance at 1 January 2022	9,500	2,245	160	-	86	11,991
Amortisation expense	-	(321)	(32)	-	(22)	(375)
Balance at 31 December 2022	9,500	1,924	128	-	64	11,616
Additions through business combinations (note 56)	408	-	-	1,250	-	1,658
Impairment of assets	(500)	-	-	-	-	(500)
Amortisation expense	-	(321)	(32)	(229)	(22)	(604)
Balance at 31 December 2023	9,408	1,603	96	1,021	42	12,170

Impairment testing

Goodwill acquired through business combinations have been allocated to the following cash-generating units: IAS36(134)(a)

	Consolidated 2023 CU'000	**Consolidated 2022 CU'000**
Computer retailing	8,700	9,200
Computer distribution	708	300
	9,408	9,500

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 2 year projection period approved by management and extrapolated for a further 3 years using a steady rate, together with a terminal value. IAS36(130)(e),(134)(c)

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the computer retailing division:
- 18% (2022: 18%) pre-tax discount rate;
- 2% (2022: 5%) per annum projected revenue growth rate;
- 5% (2022: 8%) per annum increase in operating costs and overheads.

The discount rate of 18% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the computer retailing division, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected 2% revenue growth rate is prudent and justified, based on the general slowing in the market.

Compared to prior years, management have reduced their estimation of the increase in operating costs and overheads, due to the lower inflation rate and also an effort by the consolidated entity to contain costs.

There were no other key assumptions for the computer retailing division.

Based on the above, an impairment charge of CU500,000 has been applied as the carrying amount of goodwill exceeded its recoverable amount for the computer retailing division.

The following key assumptions were used in the discounted cash flow model for the computer distribution division:
- 17% (2022: 18%) pre-tax discount rate;
- 5% (2022: 5%) per annum projected revenue growth rate.

The discount rate of 17% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the computer distribution division, the risk free rate and the volatility of the share price relative to market movements.

Management have estimated a 5% growth in accordance with the acquisition strategy and have no reason to revise this estimation based on current performance.

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

Note 25. Non-current assets - intangibles (continued)

There were no other key assumptions for the computer distribution division.

Based on the above, the recoverable amount of the computer distribution division exceeded the carrying amount by CU1,250,000.

Sensitivity IAS36(134)(f)
As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by more than 1% for the computer distribution division before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 1% for the computer distribution division before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of computer distribution division's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for the computer retailing division's goodwill.

Note 26. Non-current assets - deferred tax 64,65

	Consolidated			
	2023 CU'000	2022 CU'000		
Deferred tax asset comprises temporary differences attributable to:				
Amounts recognised in profit or loss:				
Allowance for expected credit losses	296	247		
Property, plant and equipment	411	-		
Contract liabilities	681	641		
Employee benefits	5,671	5,699		
Retirement benefit obligations	326	370		
Leases	5,899	3,853		
Provision for legal claims	18	-		
Provision for lease make good	503	321		
Provision for warranties	961	851		
Accrued expenses	531	278		
Refund liabilities	296	283		
	15,593	12,543		
Amounts recognised in equity:				
Transaction costs on share issue	270	356		
Derivative financial instruments	37	32		
	307	388		
Deferred tax asset	15,900	12,931	IAS12(81)(g)(i)	
Movements:				
Opening balance	12,931	9,612		
Credited to profit or loss (note 9)	2,559	2,904	IAS12(81)(g)(ii)	66
Credited/(charged) to equity (note 9)	(39)	415	IAS12(81)(a)	67
Additions through business combinations (note 56)	449	-		
Closing balance	15,900	12,931		

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

Note 27. Non-current assets - other

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Security deposits	1,214	1,399	
Customer acquisition costs	564	517	IFRS15(128)(a)
Customer fulfilment costs	484	443	IFRS15(128)(a)
	2,262	2,359	

Note 28. Current liabilities - trade and other payables

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Trade payables	16,993	14,270	IFRS7(6)
Other payables	1,883	1,566	IFRS7(6)
	18,876	15,836	

Refer to note 49 for further information on financial instruments.

Note 29. Current liabilities - contract liabilities

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Contract liabilities	2,269	2,135	IFRS15(116)(a)

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)

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
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 2023 (CU3,507,000 as at 31 December 2022) and is expected to be recognised as revenue in future periods as follows:

	Consolidated 2023 CU'000	Consolidated 2022 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

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

Note 30. Current liabilities - borrowings

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Bank overdraft	-	1,273	IFRS7(8)(g)
Bank loans	4,500	2,000	IFRS7(8)(g)
	4,500	3,273	

Refer to note 38 for further information on assets pledged as security and financing arrangements.

Refer to note 49 for further information on financial instruments.

Note 31. Current liabilities - lease liabilities 68

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Lease liability	22,072	20,905

Refer to note 49 for further information on financial instruments.

Note 32. Current liabilities - derivative financial instruments

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Forward foreign exchange contracts - cash flow hedges	122	107	IFRS7(24A)(a)

Refer to note 49 for further information on financial instruments.

Refer to note 50 for further information on fair value measurement.

Note 33. Current liabilities - income tax

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Provision for income tax	6,701	2,351

Note 34. Current liabilities - employee benefits 69

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Employee benefits	8,084	7,877

Amounts not expected to be settled within the next 12 months IAS1(61)

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 consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity 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:

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Employee benefits obligation expected to be settled after 12 months	1,603	1,292

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

Note 35. Current liabilities - provisions

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Lease make good	230	-
Legal claims	60	-
Warranties	3,204	2,837
	3,494	2,837

Lease make good IAS37(85)

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

Legal claims IAS37(85)

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 IAS37(85)

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. The timing of any payments is uncertain, given the nature of the provision, but is not expected to differ significantly from historical norms.

Movements in provisions IAS37(84)

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

Consolidated - 2023	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

Note 36. Current liabilities - other

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Accrued expenses	1,096	889	
Refund liabilities	987	942	IFRS15(B21)(b)
	2,083	1,831	

Note 37. Current liabilities - liabilities directly associated with assets classified as held for sale

IFRS5(38)

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Trade payables	-	1,441
Other payables	-	62
Accrued expenses	-	38
Bank loans	4,000	-
Provisions - employee benefits	-	592
Provisions - lease make good	-	30
	4,000	2,163

The liabilities as at 31 December 2023 represents the bank loan secured over the vacant land currently for sale. Refer to note 18 for further information.

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

Note 37. Current liabilities - liabilities directly associated with assets classified as held for sale (continued)

The liabilities as at 31 December 2022 represents the liabilities of RSM Retailing International Limited (incorporated in Neighbourland), a subsidiary of RSM IFRS Listed Comprehensive Limited, which was sold on [date]. Refer to note 10 for further information.

Note 38. Non-current liabilities - borrowings

	Consolidated		
	2023 CU'000	2022 CU'000	
Bank loans	16,000	16,000	IFRS7(8)(g)
Convertible notes payable	2,978	2,967	
	18,978	18,967	

Refer to note 49 for further information on financial instruments.

On [date] the consolidated entity issued 30,000 7.5% convertible notes, with a face value of CU100 each, for total proceeds of CU3,000,000. Interest is paid quarterly in arrears at a rate of 7.5% per annum based on the face value. The notes are convertible into ordinary shares of the parent entity, at any time at the option of the holder, or repayable on [date]. The conversion rate is 45 ordinary shares for each note held, which is based on the market price per share at the date of the issue of the notes (CU2.21), but subject to adjustments for reconstructions of equity.

Total transactions costs were CU55,000 at the date of issue and unamortised transaction costs of CU22,000 (2022: CU33,000) have been offset against the convertible notes payable liability.

The convertible notes are unsecured.

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

	Consolidated	
	2023 CU'000	2022 CU'000
Bank overdraft	-	1,273
Bank loans	24,500	18,000
	24,500	19,273

Assets pledged as security
The bank overdraft and loans are secured by first mortgages over the consolidated entity'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)

	Consolidated		
	2023 CU'000	2022 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	24,500	18,000	
	24,500	19,273	
Unused at the reporting date			IAS7(50)(a)
Bank overdraft	5,000	3,727	
Bank loans	15,500	7,000	
	20,500	10,727	

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

Note 39. Non-current liabilities - lease liabilities 70

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Lease liability	301,714	322,745

Refer to note 49 for further information on financial instruments.

Note 40. Non-current liabilities - deferred tax 71

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Deferred tax liability comprises temporary differences attributable to:			
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)
Movements:			
Opening balance	4,333	3,263	
Charged/(credited) to profit or loss (note 9)	(58)	470	IAS12(81)(g)(ii) 72
Charged to equity (note 9)	15	600	IAS12(81)(a) 73
Additions through business combinations (note 56)	375	-	
Closing balance	4,665	4,333	

Note 41. Non-current liabilities - employee benefits 74

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Employee benefits	10,818	10,528

Note 42. Non-current liabilities - provisions

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Lease make good	1,445	1,040

Lease make good IAS37(85)
The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

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

Note 42. Non-current liabilities - provisions (continued)

Movements in provisions IAS37(84)
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2023	Lease make good CU'000
Carrying amount at the start of the year	1,040
Additional provisions recognised	550
Amounts transferred to current	(230)
Unwinding of discount	85
Carrying amount at the end of the year	1,445

Note 43. Non-current liabilities - retirement benefit obligations

Superannuation plan
All employees of the consolidated entity are entitled to benefits from the consolidated entity's superannuation plan on retirement, disability or death. The consolidated entity has one plan with a defined benefit section and a defined contribution section. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from entities in the consolidated entity and the consolidated entity's legal or constructive obligation is limited to these contributions. IAS19(139)(a)

The following sets out details in respect of the defined benefit section only. The expense recognised in relation to the defined contribution plan is disclosed in note 8.

Statement of financial position amounts
The amounts recognised in the statement of financial position are determined as follows:

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Present value of the defined benefit obligation	60,622	53,358	
Fair value of defined benefit plan assets	(59,537)	(52,124)	
Net liability in the statement of financial position	1,085	1,234	IAS19(63)

Categories of plan assets
The major categories of plan assets are as follows:

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Cash and cash equivalents	9,022	6,784	IAS19(142)(a)
Equity instruments	16,085	13,897	IAS19(142)(b)
Debt instruments	9,470	10,138	IAS19(142)(c)
Property	24,742	21,079	IAS19(142)(d)
Other assets	218	226	
	59,537	52,124	

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

Note 43. Non-current liabilities - retirement benefit obligations (continued)

Reconciliations

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Reconciliation of the present value of the defined benefit obligation, which is partly funded:			IAS19(140)(a)(ii)
Balance at the beginning of the year	53,358	46,476	
Current service cost	5,132	5,057	IAS19(141)(a)
Interest cost	3,027	2,702	IAS19(141)(b)
Actuarial gains	(404)	(420)	IAS19(141)(c)(ii)
Benefits paid	(491)	(457)	IAS19(141)(g)
Balance at the end of the year	60,622	53,358	
Reconciliation of the fair value of plan assets:			IAS19(140)(a)(i)
Balance at the beginning of the year	52,124	45,170	
Return on plan assets	3,753	3,162	IAS19(141)(c)(i)
Actuarial losses	(255)	(348)	IAS19(141)(c)(ii)
Contributions by entities in the consolidated entity	4,406	4,597	IAS19(141)(f)
Benefits paid	(491)	(457)	IAS19(141)(g)
Balance at the end of the year	59,537	52,124	

Amounts recognised in the statement of profit or loss and other comprehensive income
The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Current service cost	5,132	5,057	IAS19(57)(c)(i)
Interest cost	3,027	2,702	IAS19(57)(c)(iii)
Past service cost	(3,753)	(3,182)	IAS19(57)(c)(ii)
Total amount recognised in profit or loss	4,406	4,577	IAS19(57)(c)
Actuarial gains	149	72	IAS19(57)(d)(i)
Total amount recognised in other comprehensive income	149	72	IAS19(57)(d)

Significant actuarial assumptions
The significant actuarial assumptions used (expressed as weighted averages) were as follows: IAS19(144)

	Consolidated 2023 %	Consolidated 2022 %
Discount rate	5.7%	5.9%
Return on plan assets	7.2%	7.0%
Future salary increases	4.0%	4.0%

The retirement benefit obligation would increase/decrease by CU100,000 if one of the following variables changed with all other assumptions remaining constant: the discount rate changed by 3.7%; return on plan assets changed by 0.2%; or future salary increases changed by 2.3%. IAS19(145)(a)

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the statement of financial position. IAS19(145)(b)

Risk exposure
The plan is exposed to a variety of risks including foreign currency risk on its overseas investments, interest rate risk on its cash and debt instruments and price risk on its equity instruments. Its diversified portfolio does mitigate any one particular risk, including concentration risks. IAS19(139)(b)

The plan has an asset-liability matching strategy to manage risk. Its target is to maintain equity instruments of 25% and property of 40% of plan assets. Sufficient cash reserves are maintained to ensure liquidity, including having the ability to pay benefits and have the flexibility to invest in opportunities as they arise. IAS19(146)

Note 43. Non-current liabilities - retirement benefit obligations (continued)

Employer contributions

Employer contributions to the defined benefit section of the plan are based on recommendations by the plan's actuary and the current agreed contribution rate is 12% of salaries. Actuarial assessments are made at no more than three yearly intervals, and the last such assessment was made as at 31 December 2022. IAS19(147)(a)

The weighted average duration of the defined benefit obligation is 5 years (2022: 6 years). The expected maturity analysis of undiscounted defined benefit obligations is as follows: IAS19(147)(c)

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Within one year	219	219	IAS19(147)(b)
One to five years	866	876	
More than five years	-	139	
	1,085	1,234	

The consolidated entity has no legal obligation to settle the defined benefit liability with an immediate contribution or additional one-off contributions. IAS1(112)(c)

Note 44. Equity - issued capital

	Consolidated 2023 Shares	Consolidated 2022 Shares	Consolidated 2023 CU'000	Consolidated 2022 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 IAS1(79)(a)(iv)

Details	Date	Shares	Issue price	CU'000
Balance	1 January 2022	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 2022	146,800,000		182,678
Issue of shares on the exercise of options	[date]	10,000	CU2.50	25
Issue of shares to key management personnel	[date]	100,000	CU2.50	250
Balance	31 December 2023	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 75

The consolidated entity'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 consolidated entity 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 consolidated entity 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 2022 Annual Report. IAS1(135)(c)

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

Note 45. Equity - reserves

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Revaluation surplus reserve	4,095	4,095	
Financial assets at fair value through other comprehensive income reserve	35	-	
Foreign currency reserve	-	(512)	IAS21(52)(b)
Hedging reserve - cash flow hedges	(85)	(75)	
	4,045	3,508	

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.

Foreign currency reserve IAS1(79)(b)
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Internationaland currency units. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

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:

Consolidated	Revaluation surplus CU'000	Financial assets at fair value through OCI CU'000	Foreign currency CU'000	Hedging CU'000	Total CU'000	
Balance at 1 January 2022	2,835	-	(294)	(48)	2,493	
Revaluation - gross	1,800	-	-	(38)	1,762	IAS1(106A)
Deferred tax	(540)	-	-	11	(529)	IAS1(90), IAS12(81)(ab)
Foreign currency translation	-	-	(218)	-	(218)	
Balance at 31 December 2022	4,095	-	(512)	(75)	3,508	
Revaluation - gross	-	50	-	(15)	35	IAS1(106A)
Deferred tax	-	(15)	-	5	(10)	IAS1(90), IAS12(81)(ab)
Foreign currency translation	-	-	(257)	-	(257)	
Derecognition of reserve	-	-	769	-	769	
Balance at 31 December 2023	4,095	35	-	(85)	4,045	

Note 46. Equity - retained profits 76,77

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Retained profits at the beginning of the financial year	11,522	13,568	78
Profit after income tax expense for the year	27,126	15,520	
Dividends paid (note 48)	(29,383)	(17,616)	
Actuarial gain on defined benefit plans, net of tax	105	50	IAS1(96)
Retained profits at the end of the financial year	9,370	11,522	79

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

Note 47. Equity - non-controlling interest 80

	Consolidated	
	2023 CU'000	2022 CU'000
Issued capital	16,000	16,000
Reserves	455	455
Retained profits	908	766
	17,363	17,221

The non-controlling interest has a 10% (2022: 10%) equity holding in RSM Manufacturing Limited.

Note 48. Equity - dividends

Dividends paid during the financial year were as follows: 81

	Consolidated		
	2023 CU'000	2022 CU'000	
Final dividend for the year ended 31 December 2022 (2022: 31 December 2021) of 15 cents (2022: 8 cents) per ordinary share	22,037	11,744	IAS1(107)
Interim dividend for the year ended 31 December 2023 (2022: 31 December 2022) of 5 cents (2022: 4 cents) per ordinary share	7,346	5,872	IAS1(107)
	29,383	17,616	

On [date] the directors declared a final dividend for the year ended 31 December 2023 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 49. Financial instruments 82

Financial risk management objectives IFRS7(31),(33)(a)

The consolidated entity'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 consolidated entity'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 consolidated entity. The consolidated entity 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 consolidated entity 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)

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 consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis. IFRS7(31),(33)(b)

Market risk

Foreign currency risk

The consolidated entity 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 consolidated entity 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)

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

Note 49. Financial instruments (continued)

The maturity, settlement amounts and the average contractual exchange rates of the consolidated entity's outstanding forward foreign exchange contracts at the reporting date were as follows: IFRS7(23B)

	Sell Internationaland currency units		Average exchange rates	
	2023 CU'000	2022 CU'000	2023	2022
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 consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows: IFRS7(34)(a)

	Assets		Liabilities	
Consolidated	2023 CU'000	2022 CU'000	2023 CU'000	2022 CU'000
US dollars	35	18	64	69
Euros	7	21	82	74
Neighbourland dollars	45	32	61	52
	87	71	207	195

The consolidated entity had net liabilities denominated in foreign currencies of CU120,000 (assets of CU87,000 less liabilities of CU207,000) as at IFRS7(40)
31 December 2023 (2022: CU124,000 (assets of CU71,000 less liabilities of CU195,000)). Based on this exposure, had the Internationaland currency unit weakened by 10%/strengthened by 5% (2022: weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been CU12,000 lower/CU6,000 higher (2022: CU6,000 lower/CU6,000 higher) and equity would have been CU8,000 lower/CU4,000 higher (2022: 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 2023 was CU13,000 (2022: loss of CU6,000).

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

Interest rate risk
The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity 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 consolidated entity's bank loans outstanding, totalling CU24,500,000 (2022: CU18,000,000), are principal and interest payment loans. Monthly cash outlays of approximately CU170,000 (2022: CU120,000) per month are required to service the interest payments. An official increase/decrease in interest rates of 100 (2022: 100) basis points would have an adverse/favourable effect on profit before tax of CU245,000 (2022: CU180,000) 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 (2022: CU2,000,000) are due during the year ending 31 December 2024 (2022: 31 December 2023). IFRS7(40)

Credit risk 83
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity 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 consolidated entity does not hold any collateral. IFRS7(35K)

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

Note 49. Financial instruments (continued)

The consolidated entity 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 consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. As disclosed in note 12, due to the current environment, the calculation of expected credit losses has been revised as at 31 December 2023 and rates have increased in each category up to 6 months overdue. IFRS7(35G)

The consolidated entity has a credit risk exposure with a major Internationaland retailer, which as at 31 December 2023 owed the consolidated entity CU10,680,000 (76% of trade receivables) (2022: CU9,510,000 (74% of trade receivables)). This balance was within its terms of trade and no impairment was made as at 31 December 2023. 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 consolidated entity 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 consolidated entity 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 IAS7(50)(a)

Unused borrowing facilities at the reporting date:

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Bank overdraft	5,000	3,727
Bank loans	15,500	7,000
	20,500	10,727

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 (2022: 4 years).

Remaining contractual maturities

The following tables detail the consolidated entity'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.

Consolidated - 2023	Weighted average interest rate %	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	Remaining contractual maturities CU'000
Non-derivatives (IFRS7(39)(a))						
Non-interest bearing						
Trade payables	-	16,993	-	-	-	16,993
Other payables	-	1,883	-	-	-	1,883
Interest-bearing - fixed rate						
Bank loans	8.20%	10,161	9,464	7,808	-	27,433
Convertible notes payable	7.50%	225	3,004	-	-	3,229
Lease liability	5.03%	37,574	37,542	112,415	290,764	478,295
Total non-derivatives		66,836	50,010	120,223	290,764	527,833
Derivatives (IFRS7(39)(b))						
Forward foreign exchange contracts net settled	-	122	-	-	-	122
Total derivatives		122	-	-	-	122

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Note 49. Financial instruments (continued)

Consolidated - 2022	Weighted average interest rate %	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	Remaining contractual maturities CU'000	
Non-derivatives							IFRS7(39)(a) 84
Non-interest bearing							
Trade payables	-	15,711	-	-	-	15,711	
Other payables	-	1,628	-	-	-	1,628	
Interest-bearing - variable							
Bank overdraft	12.80%	1,355	-	-	-	1,355	
Interest-bearing - fixed rate							
Bank loans	8.20%	3,394	9,464	7,972	-	20,830	
Convertible notes payable	7.50%	225	225	3,004	-	3,454	
Lease liability	5.03%	37,107	37,574	112,523	328,200	515,404	
Total non-derivatives		59,420	47,263	123,499	328,200	558,382	
Derivatives							IFRS7(39)(b)
Forward foreign exchange contracts net settled	-	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)

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. IFRS7(25) 85

Hedge accounting
The effects of hedge accounting on the statement of financial position at the reporting date were as follows: IFRS7(24A),(24B)

Consolidated	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 2022	602	107	(9)	(75)	(20)
Forward foreign exchange contracts for purchases at 31 December 2023	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)

Consolidated	Spot component CU'000	Value of options CU'000	Cost of reserve CU'000	Total CU'000
Balance at 1 January 2022	(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 2022	(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 2023	(165)	99	(19)	(85)

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

Note 50. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed 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: IFRS13(93)(a),(b)
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date IFRS13(76)
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly IFRS13(81)
Level 3: Unobservable inputs for the asset or liability IFRS13(86)

Consolidated - 2023	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

Consolidated - 2022	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. IFRS13(93)(d)

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. IFRS13(93)(d)

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

Unquoted investments have been valued using a discounted cash flow model. 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. IFRS13(91)(a), IFRS13(93)(d), IAS40(75)(e)

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 31 December 2022 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. IFRS13(91)(a), IFRS13(93)(d), IAS16(77)(a),(b)

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. IFRS13(93)(d)

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

Note 50. Fair value measurement (continued)

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)

Consolidated	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 2022	-	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 2022	-	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 2023	170	46,900	58,500	105,570	

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 51. Key management personnel disclosures

Compensation 87

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

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Short-term employee benefits	1,618	1,498	IAS24(17)(a)
Post-employment benefits	107	101	IAS24(17)(b)
Long-term benefits	10	25	IAS24(17)(c)
Share-based payments	253	1	IAS24(17)(e)
	1,988	1,625	

Note 52. Contingent assets

IAS37(89)

RSM Manufacturing Limited, a subsidiary, will be paid a success premium of up to CU3,000,000 by Compdesign Partnership, in which it holds a 35% interest, if the rights to a computer manufacturing process are sold to a Korean based company. The likelihood of this proceeding is highly probable. No asset has been recognised within these financial statements.

Note 52. Contingent assets (continued)

RSM Manufacturing Limited, a subsidiary, has an outstanding insurance claim with respect to inventory that was damaged in the Cityville floods that occurred during the financial year. An assessment is currently being undertaken by the insurer as to whether it was the cause of a flood or rising waters, which will affect the payout. Because the insurance proceeds are not virtually certain, no asset has been recognised within these financial statements. The inventory of approximately CU400,000 has been written off during the current financial year.

Note 53. Contingent liabilities IAS37(86) 88

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 consolidated entity will not be found to be at fault and any compensation will be covered by the consolidated entity's insurance policy. Accordingly, no provision has been provided within these financial statements.

The consolidated entity has given bank guarantees as at 31 December 2023 of CU3,105,000 (2022: CU2,844,000) to various landlords.

Note 54. Commitments 89

	Consolidated		
	2023 CU'000	2022 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 55. Related party transactions

Parent entity IAS1(138)(c)
RSM IFRS Listed Comprehensive Limited is the parent entity. IAS24(13)

Subsidiaries
Interests in subsidiaries are set out in note 57.

Associates
Interests in associates are set out in note 58.

Key management personnel
Disclosures relating to key management personnel are set out in note 51.

Transactions with related parties 91
The following transactions occurred with related parties: IAS24(18)(a)

	Consolidated		
	2023 CU'000	2022 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 92
The following balances are outstanding at the reporting date in relation to transactions with related parties: IAS24(18)(b)

	Consolidated		
	2023 CU'000	2022 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)

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

Note 55. Related party transactions (continued)

Terms and conditions 93
All transactions were made on normal commercial terms and conditions and at market rates. IAS24(18)(b)(i)

Note 56. Business combinations

On [date] RSM Logistics Limited, a subsidiary of RSM IFRS Listed Comprehensive Limited, acquired 100% of the ordinary shares of RSM CompCarrier Limited (formerly known as CompCarrier Limited) for the total consideration transferred of CU8,230,000. This is a freight business and operates in the computer distribution division of the consolidated entity. It was acquired to better utilise the existing computer distribution division administrative function. The goodwill of CU408,000 represents the expected synergies from merging this business with the computer distribution division and eliminating third party freight costs. The acquired business contributed revenues of CU5,428,000 and profit after tax of CU670,000 to the consolidated entity for the period from [date] to 31 December 2023. If the acquisition occurred on 1 January 2023 the full year contributions would have been revenues of CU5,901,000 and profit after tax of CU729,000. The values identified in relation to the acquisition of CompCarrier are final as at 31 December 2023. IFRS3(B64)(a)-(e) 94

Details of the acquisition are as follows: IFRS3(B64)(f), IAS7(40)(d) 95

	Fair value CU'000		
Cash and cash equivalents	3	IAS7(40)(c)	
Trade receivables	822	IFRS3(B64)(h)	
Prepayments	106		
Plant and equipment	6,060		
Customer contracts	1,250		
Deferred tax asset	449		
Trade payables	(364)		
Deferred tax liability	(375)		
Employee benefits	(129)		
Net assets acquired	7,822		96
Goodwill	408		97
Acquisition-date fair value of the total consideration transferred	8,230	IFRS3(B64)(f)	
Representing:			98
Cash paid or payable to vendor	8,230	IAS7(40)(b)	
Acquisition costs expensed to profit or loss	182	IFRS3(53)	
Cash used to acquire business, net of cash acquired:		IAS7(40)(b)	
Acquisition-date fair value of the total consideration transferred	8,230	IAS7(40)(a)	
Less: cash and cash equivalents	(3)		
Less: payments made in prior periods	(155)		
Net cash used	8,072		

The fair value of trade receivables is CU822,000. The gross contractual amount for trade receivables due is CU874,000, of which CU52,000 is not expected to be collected. IFRS3(B64)(h)

Note 57. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1: IAS24(13) 99

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
RSM Retailing Limited	Internationaland	100.00%	100.00%
RSM Logistics Limited	Internationaland	100.00%	100.00%
RSM CompCarrier Limited	Internationaland	100.00%	-
RSM Retailing International Limited	Neighbourland	-	100.00%

Note 57. Interests in subsidiaries (continued)

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in note 1: IFRS12(12)(a)-(c) 100

Name	Principal place of business / Country of incorporation	Principal activities	Parent Ownership interest 2023 %	Parent Ownership interest 2022 %	Non-controlling interest Ownership interest 2023 %	Non-controlling interest Ownership interest 2022 %
RSM Manufacturing Limited *	Internationaland	Computer manufacturing	90.00%	90.00%	10.00%	10.00%

* the non-controlling interests hold 25% of the voting rights of RSM Manufacturing Limited IFRS12(12)(d)

Summarised financial information 101

Summarised financial information of the subsidiary with non-controlling interests that are material to the consolidated entity are set out below:

	RSM Manufacturing Limited 2023 CU'000	RSM Manufacturing Limited 2022 CU'000	
Summarised statement of financial position			IFRS12(12)(g),(B10)(b)
Current assets	48,800	50,443	
Non-current assets	163,318	162,342	
Total assets	212,118	212,785	
Current liabilities	25,735	22,452	
Non-current liabilities	18,183	23,047	
Total liabilities	43,918	45,499	
Net assets	168,200	167,286	
Summarised statement of profit or loss and other comprehensive income			IFRS12(12)(g),(B10)(b)
Revenue	231,564	219,870	
Expenses	(229,506)	(216,649)	
Profit before income tax expense	2,058	3,221	
Income tax expense	(644)	(935)	
Profit after income tax expense	1,414	2,286	
Other comprehensive income	-	1,400	
Total comprehensive income	1,414	3,686	
Statement of cash flows			IFRS12(12)(g),(B10)(b)
Net cash from operating activities	9,262	12,284	
Net cash used in investing activities	(7,962)	(11,212)	
Net cash used in financing activities	(2,500)	(500)	
Net increase/(decrease) in cash and cash equivalents	(1,200)	572	
Other financial information			
Profit attributable to non-controlling interests	142	229	IFRS12(12)(e)
Accumulated non-controlling interests at the end of reporting period	17,363	17,221	IFRS12(12)(f)

Significant restrictions IFRS12(10)(b)(i),(13)

RSM Manufacturing Limited cannot move its manufacturing location without the prior consent of the non-controlling interests.

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

Note 58. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below: IFRS12(21)(a),(b)(i)

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Compdesign Partnership	Internationaland	35.00%	35.00%

The Compdesign Partnership provides consultancy services relating to the design of IT equipment. As such, its activities are complementary to those of the consolidated entity.

Summarised financial information IFRS12(21)(b)(ii) 102

	Compdesign Partnership 2023 CU'000	Compdesign Partnership 2022 CU'000	
Summarised statement of financial position			IFRS12(B12)(b)
Current assets	28,994	26,806	IFRS12(B12)(b)(i)
Non-current assets	205,203	198,240	IFRS12(B12)(b)(ii)
Total assets	234,197	225,046	
Current liabilities	19,440	16,486	IFRS12(B12)(b)(iii)
Non-current liabilities	117,066	120,043	IFRS12(B12)(b)(iv)
Total liabilities	136,506	136,529	
Net assets	97,691	88,517	
Summarised statement of profit or loss and other comprehensive income			IFRS12(B12)(b)
Revenue	109,706	97,951	IFRS12(B12)(b)(v)
Expenses	(96,601)	(87,089)	
Profit before income tax	13,105	10,862	IFRS12(B12)(b)(vi)
Income tax expense	(3,931)	(3,259)	
Profit after income tax	9,174	7,603	
Other comprehensive income	-	-	IFRS12(B12)(b)(viii)
Total comprehensive income	9,174	7,603	IFRS12(B12)(b)(ix)
Reconciliation of the consolidated entity's carrying amount			IFRS12(B14)(b) 103
Opening carrying amount	30,981	28,320	
Share of profit after income tax	3,211	2,661	
Closing carrying amount	34,192	30,981	

Contingent liabilities IFRS12(23)(b)

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Share of bank guarantees	276	266

Commitments IFRS12(23)(a)

	Consolidated 2023 CU'000	Consolidated 2022 CU'000
Committed at the reporting date but not recognised as liabilities, payable:		
Share of capital commitments	175	74

Significant restrictions IFRS12(22)(a)
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.

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

Note 59. Events after the reporting period

IAS10(21) 104

On [date] RSM Manufacturing Limited, a subsidiary of RSM IFRS Listed Comprehensive Limited, acquired 100% of the ordinary shares of RSM Components Limited (formerly known as Wilkie Edward Limited) for the total consideration transferred of CU3,780,000. This is a computer component manufacturing business and operates in the computer manufacturing division of the consolidated entity. It was acquired to shorten the time between component order and delivery.

Details of the acquisition are as follows:

	Fair value CU'000	
Cash and cash equivalents	271	IAS7(40)(c)
Trade receivables	346	IFRS3(B64)(h)
Raw materials	82	
Finished goods	205	
Plant and equipment	2,844	
Deferred tax asset	49	
Trade payables	(242)	
Other payables	(51)	
Employee benefits	(147)	
Net assets acquired	3,357	
Goodwill	423	
Acquisition-date fair value of the total consideration transferred	3,780	IFRS3(B64)(f)
Representing:		
Cash paid or payable to vendor	3,780	

Apart from the dividend declared as disclosed in note 48, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 60. Non-cash investing and financing activities

IAS7(43) 105

	Consolidated 2023 CU'000	2022 CU'000
Additions to the right-of-use assets	5,521	6,228
Leasehold improvements - lease make good	550	-
Shares issued under employee share plan	250	-
	6,321	6,228

Note 61. Changes in liabilities arising from financing activities

IAS7(44A)

Consolidated	Bank loans CU'000	Convertible notes CU'000	Lease liability CU'000	Total CU'000
Balance at 1 January 2022	112,000	2,956	358,977	473,933
Net cash used in financing activities	(94,000)	-	(21,555)	(115,555)
Acquisition of leases	-	-	6,228	6,228
Other changes	-	11	-	11
Balance at 31 December 2022	18,000	2,967	343,650	364,617
Net cash from/(used in) financing activities	6,500	-	(25,385)	(18,885)
Acquisition of leases	-	-	5,521	5,521
Other changes	-	11	-	11
Balance at 31 December 2023	24,500	2,978	323,786	351,264

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

Note 62. Earnings per share

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Earnings per share for profit from continuing operations			
Profit after income tax	26,130	14,435	
Non-controlling interest	(142)	(229)	
Profit after income tax attributable to the owners of RSM IFRS Listed Comprehensive Limited	25,988	14,206	IAS33(70)(a)
Interest savings on convertible notes	158	158	
Profit after income tax attributable to the owners of RSM IFRS Listed Comprehensive Limited used in calculating diluted earnings per share	26,146	14,364	IAS33(70)(a)
	Cents	**Cents**	
Basic earnings per share	17.69	10.08	IAS33(66)
Diluted earnings per share	17.64	10.09	IAS33(66)

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Earnings per share for profit from discontinued operations			
Profit after income tax attributable to the owners of RSM IFRS Listed Comprehensive Limited	1,138	1,314	IAS33(70)(a)
	Cents	**Cents**	
Basic earnings per share	0.77	0.93	IAS33(68)
Diluted earnings per share	0.77	0.92	IAS33(68)

	Consolidated 2023 CU'000	Consolidated 2022 CU'000	
Earnings per share for profit			
Profit after income tax	27,268	15,749	
Non-controlling interest	(142)	(229)	
Profit after income tax attributable to the owners of RSM IFRS Listed Comprehensive Limited	27,126	15,520	IAS33(70)(a)
Interest savings on convertible notes	158	158	
Profit after income tax attributable to the owners of RSM IFRS Listed Comprehensive Limited used in calculating diluted earnings per share	27,284	15,678	IAS33(70)(a)
	Cents	**Cents**	
Basic earnings per share	18.47	11.01	IAS33(66)
Diluted earnings per share	18.41	11.02	IAS33(66)
	Number	**Number**	
Weighted average number of ordinary shares			
Weighted average number of ordinary shares used in calculating basic earnings per share	146,882,904	140,950,685	IAS33(70)(b)
Adjustments for calculation of diluted earnings per share:			
Options over ordinary shares	565	385	IAS33(70)(b)
Convertible notes	1,350,000	1,350,000	IAS33(70)(b)
Weighted average number of ordinary shares used in calculating diluted earnings per share	148,233,469	142,301,070	IAS33(70)(b)

Note 63. Share-based payments

On [date], 100,000 shares were issued to key management personnel at an issue price of CU2.50 per share and a total transactional value of CU250,000. IFRS2(45)(a)

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

Note 63. Share-based payments (continued)

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee. IFRS2(45)(a)

Set out below are summaries of options granted under the plan: IFRS2(45)(b),(d)

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/04/2021	31/03/2023	CU2.50	10,000	-	(10,000)	-	-
01/04/2023	31/03/2027	CU3.00	-	17,500	-	-	17,500
			10,000	17,500	(10,000)	-	17,500
Weighted average exercise price			CU2.50	CU3.00	CU2.50	CU0.00	CU3.00

IFRS2(45)(b)

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/04/2021	31/03/2023	CU2.50	10,000	-	-	-	10,000
			10,000	-	-	-	10,000
Weighted average exercise price			CU2.50	CU0.00	CU0.00	CU0.00	CU2.50

IFRS2(45)(b)

Set out below are the options exercisable at the end of the financial year: IFRS2(45)(b)(vii)

Grant date	Expiry date	2023 Number	2022 Number
01/04/2021	31/03/2023	-	10,000
		-	10,000

The weighted average share price during the financial year was CU2.66 (2022: CU2.34). IFRS2(45)(c)

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.25 years (2022: 0.25 years). IFRS2(45)(d)

Options were valued using a Black-Scholes model. For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date are as follows. Inputs were determined using available market data, with estimated volatility being based on previous volatility over the past 24 months: IFRS2(47)(a)(i)

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/04/2023	31/03/2027	CU2.61	CU3.00	18.00%	4.75%	5.93%	CU0.489

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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.

No non-controlling interest
Where there is no non-controlling interest, the profit and total comprehensive income should state:
6 Profit after income tax expense for the year attributable to the owners of RSM IFRS Listed Comprehensive Limited
7 Total comprehensive income for the year attributable to the owners of RSM IFRS Listed Comprehensive Limited

8 *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.

9 *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

10 *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)'.

11 *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

12 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

13 Income tax expense
Income tax benefit
Income tax (expense)/benefit

14 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

15 *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'.

16 *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

Alternative descriptions

17 Net assets
Net liabilities
Net assets/(liabilities)

18 Retained profits
Accumulated losses
Retained profits/(accumulated losses)

19 Total equity
Total deficiency in equity
Total equity/(deficiency)

Statement of changes in equity

20 *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

21 *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.

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

Alternative descriptions
23 Net cash from operating activities
Net cash used in operating activities
Net cash from/(used in) operating activities

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

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

26 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
27 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 reviewed and removed if they are not considered material to the entity.

28 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 consolidated entity has early adopted IFRS XXX 'XXXX'. No other new or amended Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

29 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 2023 the consolidated entity 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.

30 Accounting period:
Where the current or prior financial periods are not full year's, include a disclosure, for example:
The consolidated entity's current accounting period is the year ended 31 December 2023 and its comparative accounting period is from 2 September 2022 (date of incorporation) to 31 December 2022. Therefore, the results are not directly comparable.

Basis of preparation:
31 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.

32 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.

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

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

35 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.

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

37 New Accounting Standards and Interpretations not yet mandatory or early adopted:
The short form paragraph has been adopted. However, consider the needs of the users, as detailing the new Accounting Standards and Interpretations not yet mandatory or early adopted may be more appropriate.

Critical accounting judgements, estimates and assumptions

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

39 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.

40 Additional examples of critical accounting judgements, estimates and assumptions are as follows:

Control of entities where less than half of voting rights held
Management have determined that the consolidated entity controls the subsidiary [NAME], even though it holds less than half of the voting rights of this entity. This is because the consolidated entity is the largest shareholder with a [XX]% ownership interest while the remaining shares are held by [XX] investors.

No control of entities where more than half of voting rights held
Management have determined that the consolidated entity does not control a company called [NAME], even though it holds 100% of the issued capital of this entity. The consolidated entity is not exposed, and has no right, to variable returns from this entity and is not able to use its power over the entity to affect those returns.

Joint arrangements
The consolidated entity holds a 50% interest in [NAME]. The partnership agreements require unanimous consent from all parties for all relevant activities. The two partners own the assets of the partnership as tenants in common and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the consolidated entity recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 1.

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

Operating segments
Identification of reportable operating segments:

42 Change the CODM if it is not the Board of Directors, for instance you may identify the Chief Executive Officer as the CODM.

43 Where you have aggregated the operating segments, and are not reporting further operating segment information, replace this section with the following sentence:
The consolidated entity is organised into XX operating segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The operating segments have been aggregated on the basis that they share similar economic characteristics.

44 Where you have aggregated the operating segments, and are reporting further operating segment information, add the following sentence:
Operating segments have been aggregated where the segments have similar economic characteristics in respect of the nature of the products and services, the product processes, the type or class of customers, the distribution methods and, if applicable, the nature of the regulatory environment.

45 Where applicable, add the following sentence:
The operating segments are identified by management based on the manner in which the product is sold and the nature of the service provided. Discrete financial information about each of these operating segments is reported to the CODM on a monthly basis.

46 Operating segment information:
Where there is only one operating segment, consider the following wording as an alternative to the tables:
The consolidated entity has only one operating segment based on the information provided to the CODM. Therefore, as the results are the same as the consolidated entity they have not been repeated.

47 Acquisition of non-current assets:
Acquisition of non-current assets includes, where applicable, additions and additions through business combinations of investment properties, property, plant and equipment, intangibles, exploration and evaluation and biological assets.

Geographical information:
48 Geographical non-current assets does not represent total non-current assets, as it excludes, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

49 Modify geographical non-current assets wording where applicable.

Revenue
50 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:
51 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:
52 Income tax expense
Income tax benefit
Income tax expense/(benefit)

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

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

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

56 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

Discontinued operations
Alternative descriptions:
57 Gain on disposal
Loss on disposal
Gain/(loss) on disposal

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

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

Current assets - trade and other receivables

60 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

61 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.

62 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).

63 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

64 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)'.

65 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:
66 Credited to profit or loss
Charged to profit or loss
Credited/(charged) to profit or loss

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

Current liabilities - lease liabilities

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

Current liabilities - employee benefits

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

Non-current liabilities - lease liabilities

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

Non-current liabilities - deferred tax

71 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:
72 Charged to profit or loss
Credited to profit or loss
Charged/(credited) to profit or loss

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

Non-current liabilities - employee benefits

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

Equity - issued capital

75 Capital risk management:
An alternative is to apply the gearing ratio as follows:
The consolidated entity 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:

	Consolidated	
	2023 CU'000	2022 CU'000
Current liabilities - trade and other payables (note 28)	18,876	15,836
Current liabilities - borrowings (note 30)	4,500	3,273
Current liabilities - trade and other payables (held for sale) (note 37)	-	1,441
Current liabilities - borrowings (held for sale) (note 37)	4,000	-
Non-current liabilities - borrowings (note 38)	18,978	18,967
Total borrowings	46,354	39,517
Current assets - cash and cash equivalents (note 11)	(26,136)	(5,346)
Net debt	20,218	34,171
Total equity	213,731	214,929
Total capital	233,949	249,100
Gearing ratio	9%	14%
Gearing ratio - target	10%	10%

Equity - retained profits

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

Alternative descriptions:
77 Equity - retained profits
Equity - accumulated losses
Equity - retained profits/(accumulated losses)

78 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

79 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

80 *Equity - non-controlling interest*
The non-controlling interest note is not mandatory but its inclusion should be considered.

81 *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 or previous financial year.

82 *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.

83 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.

84 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.

85 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.

86 *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.

Key management personnel disclosures
87 Compensation:
There are five subclasses of compensation:
Short-term employee benefits
Post-employment benefits
Long-term benefits
Termination benefits
Share-based payments

Contingent liabilities
88 When you have no contingent liabilities, either remove the note, or state:
The consolidated entity had no contingent liabilities as at 31 December 2023 and 31 December 2022.

Commitments
89 When you have no commitments, either remove the note, or state:
The consolidated entity had no commitments as at 31 December 2023 and 31 December 2022.

Related party transactions
90 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.

91 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.

92 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.

93 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.

Business combinations
94 Business combinations accounted for on a provisional basis (values not finalised):
If the business combination was accounted for on a provisional basis (values not finalised), the last sentence would have stated:
The values identified in relation to the acquisition of CompCarrier are provisional as at 31 December 2023 as the customer contracts intangible asset fair value has yet to be finalised.

For a further understanding of the provisional basis, refer to the business combination accounting policy which states the following:
Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

95 Acquiree's carrying amount:
The 'Acquiree's carrying amount' column is not mandatory and has therefore not been disclosed.

Alternative descriptions:
96 Net assets acquired
Net liabilities acquired

97 Goodwill
Discount on acquisition

98 Additional examples of business combination settlements are as follows:
RSM IFRS Listed Comprehensive Limited shares issued to vendor
Contingent consideration

Interests in subsidiaries

99 Disclosure of subsidiaries without non-controlling interests is not directly mandatory, but it is common practice. IAS24(13) requires 'relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them'. When a parent is preparing separate financial statements (which in this illustrated example is not the case), IAS27(16)(b) requires a 'list of significant interests in subsidiaries, jointly controlled entities and associates, including the name, the principal place of business (and country of incorporation, if different), proportion of ownership interest and, if different, proportion of voting power held'.

100 An alternative to showing subsidiaries with non-controlling interests in a separate table, is to include all subsidiaries in this table and for those subsidiaries that are wholly owned either over-disclose the 'principal activities' or leave this field blank.

101 Summarised financial information on subsidiaries with non-controlling interests is required when material to the consolidated entity.

Interests in associates

102 Summarised financial information on associates is required when material to the consolidated entity.

103 The 'Reconciliation of the consolidated entity's carrying amount' is considered a grey area. The intention is to provide information that is meaningful to the consolidated entity'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 consolidated entity's share and adding adjustments like goodwill.

104 *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 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity'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 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

105 *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 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