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Model Half-Year Report
The period of relative calm

Half-years ending on or after 31 December 2012

November 2012

Model half-year report

Contents | **Section**

Contents	Section
What's new for financial reports at December 2012?	A
Model half-year report	B

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Section A
What's new for financial reports at December 2012?

Contents **Page**

Contents	Page
Overview	A 1
ASIC's likely focus areas	A 1
New and revised accounting pronouncements	A 2
Online resources	A 13

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What's new for financial reports at December 2012?

Overview

The Australian economy in general is growing at a moderate pace, although the conditions vary significantly across different sectors. The global economy is still on uncertain grounds and Europe's financial markets bear close watching. Another key risk is the rate of growth in China, as close trade linkages and excessive sensitivity to commodity prices suggest that the Australian economy may see some discomfort as a result of economic slowdown in China.

A wide range of impacts for financial reporting might need to be considered – including impairment (as well as the possibility of reversals of previous impairment losses in some cases), fair value determination (for tangible, intangible and financial assets as appropriate), provisions and contingencies. On top of the recognition and measurement requirements, there is an ever growing list of disclosure requirements to consider.

From the point of view of new accounting changes, the current half-year period may be viewed as a 'period of relative calm' before the big changes in 2013-15, that will see application of new standards in major areas like consolidation, joint arrangements, financial instruments, revenue and, leases, including extensive disclosure requirements.

However, there will still be some new and amended reporting requirements that must be applied for the first time this December 2012 half-year, including:

- amendment to AASB 112 'Income taxes', that may affect measurement of deferred taxes in relation to Investment properties (Fair value model), as the amendments establish a rebuttable presumption that the carrying amount of an investment property will be recovered entirely through sale; and
- amendment to AASB 101 'Presentation of Financial Statements', that may affect the presentation and disclosure of the statement of profit or loss and other comprehensive income (previously the 'statement of comprehensive income') and statement of profit or loss (previously the 'income statement'), as the amendments introduce new terminology for the above named statements and grouping of items in other comprehensive income and associated tax on the basis of whether the items are potentially reclassifiable to profit or loss subsequently.

ASIC's likely focus areas

In July 2012, the Australian Securities & Investments Commission (ASIC) issued a media release to share findings from its review of the 31 December 2011 reports and the areas of focus for the 30 June 2012 reporting season. These areas of focus will continue to be instructive for the December 2012 reporting season.

The areas of focus include:

- Reporting performance and business drivers
    - Revenue recognition, expense deferral and other comprehensive income – revenue recognition policies to be in accordance with substance of the underlying transaction and expense deferral only when there is an asset;
    - Quality of the operating and financial review; and
    - Non-IFRS financial information disclosures – Non-IFRS financial information disclosures to be in accordance with ASIC Regulatory Guide RG 230 'Disclosing non-IFRS financial information'.
- Current market conditions
    - Going concern – appropriateness of the going concern assumption, ability to refinance debt and compliance with lending covenants;
    - Asset values – appropriateness and disclosure of underlying assumptions used in asset impairment calculations with a particular focus on companies with substantial assets held in emerging economies and consideration of the impacts of carbon tax and minerals resource tax;
    - Financial instruments – disclosure of the ageing analysis of financial assets that are past due but not impaired, analysis of impaired financial assets and the methods and significant assumptions used to value financial assets for which there was no observable market data; and
    - Adequate disclosure of significant judgments in applying accounting policies, and key assumptions and sources of estimation uncertainty.
- Other matters
    - Current vs. non-current classifications for assets and liabilities to be consistent with accounting standards and understanding of business;
    - New accounting standards – assess and disclose the impacts of the 'suite of six standards' on consolidation, joint arrangements and disclosures; and
    - Off-balance sheet arrangements – assessment of the existence of control for off-balance sheet arrangements.

Impact on financial reporting

Whilst there are no direct financial reporting impacts of the ASIC guidance, these areas are largely consistent with prior periods and provide directors, preparers and auditors with a good starting point in assessing the veracity of financial reports.

New and revised accounting pronouncements

The tables below outline the new and revised accounting pronouncements that are either to be applied for the first time at 31 December 2012, or which may be early adopted at that date. In the majority of cases, the disclosure requirements of the pronouncements listed in the tables below would not be applicable to half-year financial reports. However, where relevant, the recognition and measurement requirements of any relevant pronouncements would be applied where those pronouncements have been adopted by the entity.

As occurs so often with changes to accounting standards and financial reporting requirements, some of the other new or revised pronouncements listed in the tables below may have a substantial impact on particular entities. Therefore, it is important that the pronouncements listed are carefully reviewed for any potential impacts or opportunities. Where early adoption is being contemplated, it is important to address any necessary procedural requirements, e.g. for entities reporting under the *Corporations Act 2001*, appropriate director's resolutions for early adoption must be made under s.334(5). Disclosure in the financial statements must also be addressed. In addition, the disclosure requirements required in relation to new and revised accounting pronouncements need to be carefully considered even where they have not yet been adopted.

The information in this section is updated throughout the reporting season in our ‘What’s new’ summary, available at http://www.deloitte.com/au/WhatsNew.

New and revised IFRS-equivalent Standards

New or revised requirement	When effective	Applicability to 31 December 2012 half years
AASB 9 ‘Financial Instruments’ (December 2009), AASB 2009-11 ‘Amendments to Australian Accounting Standards arising from AASB 9’, AASB 2012-6 ‘Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures’ AASB 9 introduces new requirements for classifying and measuring financial assets, as follows: • Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances) • Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss • All other instruments (including all derivatives) are measured at fair value with changes recognised in the profit or loss • The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines. *Note: In October 2010, the IASB reissued IFRS 9 ‘Financial Instruments’, including revised requirements for financial liabilities and carrying over the existing derecognition requirements from IAS 39 ‘Financial Instruments: Recognition and Measurement’. On 15 December 2010, the AASB publicly released AASB 9 'Financial Instruments' (December 2010) and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', which supersedes AASB 9 (December 2009). However, for annual reporting periods beginning before 1 January 2013, an entity may early adopt AASB 9 (December 2009) instead of AASB 9 (December 2010).* *AASB 2012-6 amended AASB 9 to defer the mandatory effective date to annual periods beginning on or after 1 January 2015.*	Applies on a modified retrospective basis to annual periods beginning on or after 1 January 2015	Optional (see note regarding early adoption)

New or revised requirement	When effective	Applicability to 31 December 2012 half years
AASB 9 'Financial Instruments' (December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures' A revised version of AASB 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over of the existing derecognition requirements from AASB 139 'Financial Instruments: Recognition and Measurement'. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. *Note: This Standard supersedes AASB 9 (December 2009). However, for annual reporting periods beginning before 1 January 2013, an entity may early adopt AASB 9 (December 2009) instead of applying this Standard. AASB 2012-6 amended AASB 9 to defer the mandatory effective date to annual periods beginning on or after 1 January 2015.*	Applies on a modified retrospective basis to annual periods beginning on or after 1 January 2015	Optional (see note regarding early adoption)
AASB 10 'Consolidated Financial Statements', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards' Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in AASB 127 'Consolidated and Separate Financial Statements' and INT-112 'Consolidation - Special Purpose Entities'. The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities'). Under AASB 10, control is based on whether an investor has: • Power over the investee • Exposure, or rights, to variable returns from its involvement with the investee, and • The ability to use its power over the investee to affect the amount of the returns. *Note: Early application is permitted by 'for-profit' entities, but not by 'not-for-profit' entities. Entities early adopting this standard must also adopt the other standards included in the 'suite of six' standards on consolidation, joint arrangements and disclosures: AASB 10 'Consolidated Financial Statements', AASB 11 'Joint Arrangements', AASB 12 'Disclosure of Interests in Other Entities', AASB 127 'Separate Financial Statements' (2011) and AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'.*	Applicable to annual reporting periods beginning on or after 1 January 2013	Optional (see note regarding early adoption)

New or revised requirement	When effective	Applicability to 31 December 2012 half years
AASB 11 ‘Joint Arrangements’, AASB 2011-7 ‘Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards’ Replaces AASB 131 ‘Interests in Joint Ventures’. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. Joint arrangements are either joint operations or joint ventures: • A **joint operation** is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognise their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly) • A **joint venture** is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with AASB 128 ‘Investments in Associates and Joint Ventures’ (2011). Unlike AASB 131, the use of 'proportionate consolidation' to account for joint ventures is not permitted. *Note: Early application is permitted by 'for-profit' entities, but not by 'not-for-profit' entities. Entities early adopting this standard must also adopt the other standards included in the 'suite of six' standards on consolidation, joint arrangements and disclosures: AASB 10 'Consolidated Financial Statements', AASB 11 'Joint Arrangements', AASB 12 'Disclosure of Interests in Other Entities', AASB 127 'Separate Financial Statements' (2011) and AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 ‘Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards’.*	Applicable to annual reporting periods beginning on or after 1 January 2013	Optional (see note regarding early adoption)
AASB 12 ‘Disclosure of Interests in Other Entities’, AASB 2011-7 ‘Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards’ Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. In high-level terms, the required disclosures are grouped into the following broad categories: • **Significant judgements and assumptions** - such as how control, joint control, significant influence has been determined • **Interests in subsidiaries** - including details of the structure of the group, risks associated with structured entities, changes in control, and so on • **Interests in joint arrangements and associates** - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarised financial information) • **Interests in unconsolidated structured entities** - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities. AASB 12 lists specific examples and additional disclosures which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.	Applicable to annual reporting periods beginning on or after 1 January 2013	Optional (see note regarding early adoption)

New or revised requirement	When effective	Applicability to 31 December 2012 half years
*Note: Entities are encouraged to voluntarily provide the information required by AASB 12 prior to its adoption. Providing some of the disclosures required by AASB 12 does **not** compel an entity to comply with all of the requirements of the AASB or to also apply the other standards included in the 'suite of six' standards on consolidation, joint arrangements and disclosures: AASB 10 'Consolidated Financial Statements', AASB 11 'Joint Arrangements', AASB 12 'Disclosure of Interests in Other Entities', AASB 127 'Separate Financial Statements' (2011) and AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'.*		
AASB 13 'Fair Value Measurement' and related AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13' Replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. The AASB defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, AASB 13 does not change the requirements regarding which items should be measured or disclosed at fair value. AASB 13 applies when another AASB requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs: • **Level 1** - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date • **Level 2** - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly • **Level 3** - unobservable inputs for the asset or liability. Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.	Applicable to annual reporting periods beginning on or after 1 January 2013	Optional
AASB 119 'Employee Benefits' (2011), AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119' (2011) and AASB 2011-11 'Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements' An amended version of AASB 119 'Employee Benefits' with revised requirements for pensions and other postretirement benefits, termination benefits and other changes. The key amendments include: • Requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing AASB 119) • Introducing enhanced disclosures about defined benefit plans • Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits	Applicable to annual reporting periods beginning on or after 1 January 2013	Optional

New or revised requirement	When effective	Applicability to 31 December 2012 half years
• Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features • Classification of employee benefits: the amendments define short term employee benefits as employee benefits that are "expected to be settled wholly before twelve months after the end of annual reporting period" in place of currently used "due to be settled" • Incorporating other matters submitted to the IFRS Interpretations Committee.		
AASB 127 'Separate Financial Statements' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards' Amended version of AASB 127 which now only deals with the requirements for separate financial statements, which have been carried over largely unamended from AASB 127' Consolidated and Separate Financial Statements'. Requirements for consolidated financial statements are now contained in AASB 10 'Consolidated Financial Statements'. The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with AASB 9 'Financial Instruments'. The Standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements. *Note: Early application is permitted by 'for-profit' entities, but not by 'not-for-profit' entities. Entities early adopting this standard must also adopt the other standards included in the 'suite of six' standards on consolidation, joint arrangements and disclosures: AASB 10 'Consolidated Financial Statements', AASB 11 'Joint Arrangements', AASB 12 'Disclosure of Interests in Other Entities', AASB 127 'Separate Financial Statements' (2011) and AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'.*	Applicable to annual reporting periods beginning on or after 1 January 2013	Optional (see note regarding early adoption)
AASB 128 'Investments in Associates and Joint Ventures' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards' This Standard supersedes AASB 128 'Investments in Associates' and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. *Note: Early application is permitted by 'for-profit' entities, but not by 'not-for-profit' entities. Entities early adopting this standard must also adopt the other standards included in the 'suite of six' standards on consolidation, joint arrangements and disclosures: AASB 10 'Consolidated Financial Statements', AASB 11 'Joint Arrangements', AASB 12 'Disclosure of Interests in Other Entities', AASB 127 'Separate Financial Statements' (2011) and AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'.*	Applicable to annual reporting periods beginning on or after 1 January 2013	Optional (see note regarding early adoption)

New or revised domestic Standards

New or revised requirement	When effective	Applicability to 31 December 2012 half years
AASB 1053 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' These Standards together implement 'stage 1' of the AASB's revised differential reporting regime. AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements: • Tier 1: Australian Accounting Standards • Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements ('RDR'). AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by 'Tier 2' entities. In some cases, additional 'RDR" paragraphs are inserted requiring simplified disclosures. The following entities apply either Tier 2 (RDR) or Tier 1 ('full' Australian Accounting Standards) in preparing general purpose financial statements: • For-profit private sector entities that do not have public accountability • All not-for-profit private sector entities • Public sector entities other than Federal, State, Territory and Local Governments. Regulators may have the power to require the application of 'full' Australian Accounting Standards (Tier 1) by the entities they regulate. *Note: The AASB is yet to consider RDR simplifications to certain standards, including AASB 4, AASB 1023, AASB 1038 and AAS 25. These will be subject of an additional consultative document. 'Stage 2' of the AASB's differential reporting project will consider whether to extend these arrangements to all financial statements prepared under Australian Accounting Standards, including entities currently considered 'non-reporting entities'.*	Applies to annual reporting periods beginning on or after 1 July 2013 but may be early adopted for annual reporting period beginning on or after 1 July 2009	Optional (for eligible entities)
AASB 1054 'Australian Additional Disclosures', AASB 2011-1 'Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project' and AASB 2011-2 'Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements' These Standards are a consequence of Phase 1 of the joint Trans-Tasman Convergence project of the AASB and the Financial Reporting Standards Board (FRSB) of the New Zealand Institute of Chartered Accountants, harmonising Australian Accounting Standards and New Zealand equivalents to IFRSs (NZ IFRSs), with a focus on eliminating differences between the Standards in each jurisdiction relating to for-profit entities. AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. This Standard contains disclosure requirements that are additional to IFRSs in areas such as compliance with Australian Accounting Standards, the nature of financial statements (general purpose or special purpose), audit fees, imputation (franking) credits and the reconciliation of net operating cash flow to profit (loss).	**AASB 1054** - Applies to annual reporting periods beginning on or after 1 July 2011 **AASB 2011-1** - Applies to annual reporting periods beginning on or after 1 July 2011 **AASB 2011-2** - Applies to annual reporting periods beginning on or after 1 July 2013	**AASB 1054** – Already implemented **AASB 2011-1** – Already implemented **AASB 2011-2** - Optional

New or revised requirement	When effective	Applicability to 31 December 2012 half years
AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards. The Standard deletes various Australian-specific guidance and disclosures from other Standards (Australian-specific disclosures retained are now contained in AASB 1054), and aligns the wording used to that adopted in IFRSs. The 'true and fair override' is introduced into AASB 101 'Presentation of Financial Statements', but its application in the Australian context is limited by an additional 'Aus' paragraph. AASB 2011-2 establishes reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements in relation to the Australian additional disclosures arising from the Trans-Tasman Convergence Project. The application date of this standard aligns with AASB 1053 'Application of Tiers of Australian Accounting Standards' (but may be early adopted, see below). *Note: Early adoption of AASB 2011-2 is permitted for annual reporting periods beginning on or after 1 July 2009 but before 1 July 2013, provided that AASB 1053 'Application of Tiers of Australian Accounting Standards', AASB 1054 and AASB 2011-1 are also adopted for the same period.*		

New Amending Standards

The table below lists the Amending Standards that do not relate to the pronouncements listed in other tables.

New or revised requirement	When effective	Applicability to 31 December 2012 half years
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets' Amends AASB 112 'Income Taxes' to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in AASB 140 'Investment Property' will, normally, be through sale. As a result of the amendments, Interpretation 112 'Income Taxes — Recovery of Revalued Non-Depreciable Assets' would no longer apply to investment properties carried at fair value. The amendments also incorporate into AASB 112 the remaining guidance previously contained in Interpretation 112, which is accordingly withdrawn.	Applicable to annual periods beginning on or after 1 January 2012	Mandatory
AASB 2010-10 'Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters' Amends AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)' to replace references to a fixed date of '1 January 2004' with 'the date of transition to Australian Accounting Standards', thereby providing relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards. *Note: Early application of the amendments in this Standard is permitted in accordance with the early application provisions of AASB 2009-11 or AASB 2010-7, as relevant.*	Applicable to annual reporting periods beginning on or after 1 January 2013	Optional (for first-time adopters, see note)

New or revised requirement	When effective	Applicability to 31 December 2012 half years
AASB 2011-3 'Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments' This Standard makes amendments to AASB 1049 'Whole of Government and General Government Sector Financial Reporting' to amend the definition of the ABS GFS Manual, provide relief from adopting the latest version of the ABS GFS Manual, and require related disclosures where the latest version of the ABS GFS Manual has not been applied.	Applicable to annual reporting periods beginning on or after 1 July 2012	Mandatory
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements' Amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. Such disclosures are more in the nature of governance disclosures that are better dealt with as part of the Corporations Act 2001.	Applicable to annual reporting periods beginning on or after 1 July 2013	n/a (early adoption is not permitted)
AASB 2011-6 'Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements' Extends relief from consolidation, the equity method and proportionate consolidation to Tier 2 entities in particular circumstances, by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. *Note: Early adoption permitted provided that AASB 1053 is also adopted early for the same period*	Applicable to annual reporting periods beginning on or after 1 July 2013	Optional (see note regarding early adoption)
AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income' These amendments arise from the issuance of the IASB Standard 'Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)' in June 2011. The amendments: • Requires entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments) • Require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax).	Applicable to annual reporting periods beginning on or after 1 July 2012, with early adoption permitted	Mandatory
AASB 2011-13 'Amendments to Australian Accounting Standard – Improvements to AASB 1049' Amends some of the requirements in AASB 1049 'Whole of Government and General Government Sector Financial Reporting' to improve that standard at an operational level.	Applicable to annual reporting periods beginning on or after 1 July 2012	Mandatory
AASB 2012-1 'Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements' Sets out reduced disclosure requirements for Tier 2 entities to apply in relation to AASB 13' Fair Value Measurement' and amends reduced disclosure requirements of other Australian Accounting Standards that were amended as a consequence of the issuance of AASB 13. *Note: Early application permitted provided AASB 1053 'Application of Tiers of Australian Accounting Standards'; AASB 13 'Fair Value Measurement'; and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13' are also adopted.*	Applicable to annual reporting periods beginning on or after 1 July 2013	Optional

New or revised requirement	When effective	Applicability to 31 December 2012 half years
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7)' Amends AASB 7 'Financial Instruments: Disclosures' to require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.	Applicable to annual periods beginning on or after 1 January 2013	Optional
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)' Address inconsistencies in current practice when applying the offsetting criteria in AASB 132 'Financial Instruments: Presentation'. Clarifies the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. *Note: Entities early adopting this standard must also adopt 'Amendments to Australian Accounting Standards – Disclosures- Offsetting Financial Assets and Financial Liabilities' (Amendments to AASB 7).*	Applicable to annual periods beginning on or after 1 January 2014	Optional
AASB 2012-4 'Amendments to Australian Accounting Standards – Government Loans (Amendments to AASB 1 'First-time Adoption of International Financial Reporting Standards')' Gives first-time adopters of AASBs relief from full retrospective application of AASBs when accounting for government loans received at a below market rate of interest on transition. First-time adopters shall apply the requirements in AASB 9 'Financial Instruments' and AASB 120 'Accounting for Government Grants and Disclosure of Government Assistance' prospectively to government loans existing at the date of transition to IFRSs. This means that first-time adopters may not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant, unless the information needed to do so had been obtained at the time of initial accounting for the loan. It gives first-time adopters the same relief as existing preparers of IFRS financial statements.	Applicable to annual periods beginning on or after 1 January 2013	Optional
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle' Amends a number of pronouncements as a result of the 2009–2011 annual improvements cycle. Key amendments include: • AASB 1 – repeated application of AASB 1 • AASB 101 – clarification of the requirements for comparative information • AASB 116 – classification of servicing equipment • AASB 132 – tax effect of the distribution to holder of equity instruments • AASB 134 – interim reports and segment information for total assets and liabilities	Applicable to annual periods beginning on or after 1 January 2013	Optional
AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures' Amends the mandatory effective date of AASB 9 'Financial Instruments' so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. Modifies the relief from restating prior periods by amending AASB 7 'Financial Instruments: Disclosures' to require additional disclosures on transition from AASB 139 'Financial Instruments: Recognition and Measurement' to AASB 9 in some circumstances.	Applicable to annual periods beginning on or after 1 January 2013	Optional

New or revised requirement	When effective	Applicability to 31 December 2012 half years
AASB 2012-7 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' Amends reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. These amendments relate to amended disclosures in the following Standards: • AASB 7 'Financial Instruments: Disclosures' • AASB 12 'Disclosure of Interests in Other Entities' • AASB 101 'Presentation of Financial Statements' • AASB 127 'Separate Financial Statements'	Applicable to annual periods beginning on or after 1 July 2013	Optional

New and revised Interpretations

New or revised requirement	When effective	Applicability to 31 December 2012 half years
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' (and related AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20') Clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement.	Applies to annual periods beginning on or after 1 January 2013	Optional

Pronouncements approved by the IASB/IFRIC where an equivalent pronouncement has not been issued by the AASB

New or revised requirement	When effective	Applicability to 31 December 2012 half years
***Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (Amendments to IFRS 10, IFRS 11 and IFRS 12)** Clarifies the transition guidance in IFRS 10 'Consolidated Financial Statements'. Provides transition relief in IFRS 10, IFRS 11 'Joint Arrangements' and IFRS 12 'Disclosure of Interests in Other Entities', limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Removes the requirement to present comparative information in relation to unconsolidated structured entities for periods before IFRS 12 is first applied.	Applicable to annual periods beginning on or after 1 January 2013	Optional (once equivalent amendments are made by the AASB)
Conceptual Framework for Financial Reporting First phase of the IASB and FASB joint project to develop an improved revised conceptual framework for International Financial Reporting Standards (IFRSs) and US generally accepted accounting practices (US GAAP). The first phase deals with the objective and qualitative characteristics of financial reporting, incorporating the following chapters: • Chapter 1 The objective of financial reporting • Chapter 3 Qualitative characteristics of useful financial information • Chapter 4 The 1989 Framework: the remaining text. *Note: The Conceptual Framework project is being conducted in phases. As a chapter is finalised, the relevant paragraphs in the 'Framework for the Preparation and Presentation of Financial Statements' that was published in 1989 will be replaced. Chapter 2 will deal with the reporting entity concept.*	The Conceptual Framework is not an IFRS and hence does not define standards for any particular measurement or disclosure issue. Nothing in the Conceptual Framework overrides any specific IFRS	Applicable once equivalent Framework adopted by the AASB

New or revised requirement	When effective	Applicability to 31 December 2012 half years
***Editorial Corrections* (various)** The IASB periodically issues Editorial Corrections and changes to IFRSs and other pronouncements. Since December 2011, such corrections have been made in February 2012 and July 2012	As minor editorial corrections, these changes are effectively immediately applicable under IFRS	Optional (once equivalent amendments are made by the AASB)

Corporations Act 2001 developments

Development	When effective
ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information' [RG 230] Provides guidance on disclosure of non-IFRS (International Financial Reporting Standards) financial information. Non-IFRS financial information can provide useful information to investors and other users. However, it may increase the risk of misleading disclosure. This guidance would assist directors and preparers of financial information in reducing this risk, and the guidance includes: • giving equal or greater prominence to IFRS financial information; • explaining the non-IFRS information and reconciling it to the IFRS financial information; • calculating the information consistently from period to period; and • not using information to remove 'bad news'.	Issued 9 December 2011

Online resources

Deloitte Australia website

Regulation is a given in this post-Enron and post-financial crisis world. New challenges – and opportunities – arise on an almost daily basis: International Financial Reporting Standards, Corporations law changes, Carbon, best practice Corporate Governance, and the list goes on. Responding to these challenges and making the most of the opportunities they present is a critical objective of boards, audit committees and senior management alike.

Access to information about these important developments and understanding their practical and commercial implications is a crucial part of your organisation's response. In this regard, we've recently relaunched a transformed and updated Assurance and Advisory website to assist you. In response to your feedback, the site has been restructured with hot topics, easier navigation, expert accounting technical information (including archives) and more detailed information about our services. The new site and content is designed to assist you quickly find the information suited to your needs.

Why not visit our new site now at http://www.deloitte.com/au/AssuranceAdvisory.

In keeping with the theme of easy access to critical information, you can also use our Quick links to get to the information on topics of key importance to you, such as:

- IFRS - www.deloitte.com/au/IFRS
- Monthly Roundups of developments – www.deloitte.com/au/MonthlyRoundup
- Advisory Services – www.deloitte.com/au/AdvisoryServices
- Carbon Reporting – www.deloitte.com/au/CarbonReporting
- Accounting alerts – www.deloitte.com/au/AccountingAlerts

Our most popular quick links can be found here – www.deloitte.com/au/QuickLinks and you can easily bookmark your favourites from this page.

IAS Plus website

Our IAS Plus website provides the most comprehensive information on the Internet about international financial reporting. It is aimed at accounting professionals, businesses, financial analysts, standard-setters and regulators, and accounting educators and students. The site, which is totally free of charge, has a broad array of resources about the International Accounting Standards Board, International Financial Reporting Standards, and international accounting and auditing in general.

Access the site at www.iasplus.com

Other websites

- AASB – www.aasb.gov.au
- ASIC – www.asic.gov.au
- ASX – www.asx.com.au
- IASB – www.iasb.org
- FASB – www.fasb.org (in addition to US-GAAP information, contains information on joint IASB/FASB projects)

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Section B
Model half-year report

Contents **Page**

Contents	Page
About the model half-year report	
Appendix 4D	B 1
Directors' report	B 5
Auditor's independence declaration	B 9
Independent auditor's report	B 11
Directors' declaration	B 12
Condensed consolidated statement of profit or loss and other comprehensive income	
Alt 1: Presentation as a single statement, with expenses analysed by function	B 15
Alt 2: Presentation as two statements, with expenses analysed by nature	B 18
Condensed consolidated statement of financial position	B 22
Condensed consolidated statement of changes in equity	B 25
Condensed consolidated statement of cash flows	B 27
Notes to the condensed consolidated financial statements	B 30

About the model half-year report

Purpose

This model half-year report has been developed by Deloitte Touche Tohmatsu to assist users with the preparation of **half-year reports** for a **consolidated entity** in accordance with:

- provisions of the *Corporations Act 2001*; and
- Australian Accounting Standard AASB 134 'Interim Financial Reporting'
- other requirements and guidelines current as at the date of issue, including Australian Securities Exchange ('ASX') Listing Rules and Australian Securities and Investments Commission ('ASIC') Class Orders and Regulatory Guides.

Where appropriate, this model half-year report also adopts the classification criteria and other guidance contained in Accounting Standard AASB 101 'Presentation of Financial Statements' (2007).

This model half-year report is not designed to meet specific needs of specialised industries and not-for-profit entities. Rather, it is intended to meet the needs of the vast majority of entities in complying with the half-year reporting requirements of the *Corporations Act 2001*. Inquiries regarding specialised industries (e.g. life insurance companies, credit unions, etc.) should be directed to an industry specialist at your nearest Deloitte Touche Tohmatsu office.

This model half-year report does not, and cannot be expected to cover all situations that may be encountered in practice. Knowledge of the disclosure provisions of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations are prerequisites for the preparation of financial reports.

This publication is an illustration only and does not represent the only manner in which an entity's reporting obligations may be met. Deloitte strongly encourages preparers of financial statements to ensure that disclosures made in their half-year reports are relevant, practical and useful.

About GAAP Holdings (Australia) Interim Limited

GAAP Holdings (Australia) Interim Limited is a **listed for-profit disclosing entity**, and is assumed to have presented financial statements in accordance with Australian Accounting Standards for a number of years. Therefore, it is **not a first-time adopter** of Australian Accounting Standards. AASB 1 'First-time Adoption of Australian Accounting Standards' includes additional disclosure requirements for interim periods covered by an entity's first Australian-Accounting-Standards financial statements – these are not illustrated in this publication.

The interim financial report illustrates the **presentation of a set of condensed financial statements**, as envisaged by AASB 134.8. If a complete set of financial statements is published in the interim financial report, the form and content of those statements should conform to the requirements of AASB 101 'Presentation of Financial Statements' for a complete set of financial statements.

GAAP Holdings (Australia) Interim Limited's year end is 30 June 2013. Accordingly, it is preparing a half-year report for the half-year ending 31 December 2012.

Note: This publication illustrates the half-year report of a fictional listed company GAAP Holdings (Australia) Interim Limited. Accordingly, users of this publication should not attempt to cross-reference back 'facts' and figures in this model half-year report to the Deloitte 2012 *Model Financial Statements*.

Source references

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

Abbreviations used in this illustration are as follows:

AASB	Australian Accounting Standards Board, or reference to an Accounting Standard issued by the Australian Accounting Standards Board
ASIC	Australian Securities and Investments Commission
ASIC-CO	Australian Securities and Investments Commission Class Order issued pursuant to s.341(1) of the Corporations Act 2001
ASIC-RG	Australian Securities and Investments Commission Regulatory Guide
ASX-LR	Australian Securities Exchange Limited Listing Rule
ASX-GN	Australian Securities Exchange Limited Guidance Note
IASB	International Accounting Standards Board
IFRS/IAS	International Financial Reporting Standard issued by the IASB or its predecessor
IFRIC	International Financial Reporting Interpretations Committee or its predecessor, or reference to an Interpretation issued by the International Financial Reporting Interpretations Committee
Int	Interpretation issued by the AASB
Reg	Regulation of the *Corporations Regulations 2001*
s.	Section of the *Corporations Act 2001*

ASX Appendix 4D

(listed entities only)

ASX-LR 4.2A.3

ASX listed entities must provide the following information to the ASX under ASX Listing Rule 4.2A.3:

(a) details of the reporting period and the previous corresponding period;

(b) key information in relation to the following. This information must be identified as 'Results for announcement to the market' and placed at the beginning of the report:

   (i) the amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities;

   (ii) the amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members;

   (iii) the amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members;

   (iv) the amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends;

   (v) the record date for determining entitlements to the dividends (if any); and

   (vi) a brief explanation of any of the figures in (i) to (iv) necessary to enable the figures to be understood;

(c) net tangible assets per security with the comparative figure for the previous corresponding period;

(d) details of entities over which control has been gained or lost during the period, including the following:

   (i) name of the entity;

   (ii) the date of the gain or loss of control; and

   (iii) where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period;

(e) details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution;

(f) details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan;

(g) details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period;

(h) for foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards); and

(i) for all entities, if the accounts contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph. The audit report or review report must be provided as part of the report to the ASX.

Other than the information identified as 'Results for announcement to the market' (point (b) above), the information may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately.

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GAAP Holdings (Australia) Interim Limited

ABN 12 345 678 900

Half year report for the half-year ended 31 December 2012

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Source	GAAP Holdings (Australia) Interim Limited

Directors' report

ASIC-CO 98/2395	Information required by s.306 may be transferred to a document attached to the directors' report and half-year financial report where a clear cross reference to the pages containing the excluded information exists and certain conditions are satisfied. Where the information is transferred to the half-year financial report it will be subject to audit or review.
s.1308(7)	Where the directors' report contains information in addition to that required by the *Corporations Act 2001*, the information will be regarded as part of the directors' report for the purposes of s.1308 'False or misleading statements'.

The directors of GAAP Holdings (Australia) Interim Limited submit herewith the financial report of GAAP Holdings (Australia) Interim Limited and its subsidiaries (the Group) for the half-year ended 31 December 2012. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

s.306(1)(b) The names of the directors of the company during or since the end of the half-year are:

Name

Mr C.J. Chambers	Mr B.M. Stavrinidis
Mr P.H. Taylor	Mr W.K. Flinders
Ms F.R. Ridley	Ms L.A. Lochert
Mr A.K. Black	Ms S.M. Saunders

s.306(1)(b) The above named directors held office during and since the end of the half-year except for:

- Mr W.K. Flinders – resigned 20 July 2012
- Ms S.M. Saunders – appointed 2 August 2012
- Ms L.A. Lochert – appointed 30 July 2012 and resigned 3 December 2012

Review of operations

s.306(1)(a) The directors' report must contain a review of the consolidated entity's operations during the half-year and the results of those operations. The *Corporations Act 2001* contains no guidance on the contents of this review.

ASX-GN10 In preparing this disclosure, entities may wish to refer to ASX Guidance Note 10 'Review of Operations and Activities: Listing Rule 4.10.17' and to the G100's 'Guide to Review of Operations and Financial Condition', providing guidance on the form and content of the consolidated entity's review of operations and the results of those operations, including specific guidance on items which might be appropriately included in such a review.

It is recommended that the review should provide users, being shareholders, prospective investors and other interested stakeholders, an understanding of the consolidated entity by providing short and long-term analysis of the business as seen through the eyes of the directors. As such, the review should aim to meet the information needs of users of financial reports relating to the current reporting period and also provide them with a basis for forming a view as to likely future performance in the context of the strategies of the consolidated entity for achieving long-term value creation and known trends in performance. This requires that the review contains a discussion of the operations of the period, including an explanation of unusual or infrequent events and transactions, and an analysis of the opportunities and risks facing the consolidated entity, together with the planned approach to managing those opportunities and risks. Given this context, preparers of annual reports are encouraged to provide:

(a) An overview of the consolidated entity and its strategy
(b) A review of operations, considering both short and longer-term value creation in the context of the consolidated entity's strategy
(c) Information on investments made to enhance future value creating potential
(d) A review of the consolidated entity's financial condition
(e) An overview of risk management and governance practices.

This is aimed at anchoring the review in a strategic context of how the consolidated entity is aiming to enhance shareholder value, both in the short and long term. This includes discussion of both financial and non-financial elements of performance, including analysis using relevant financial and non-financial key performance indicators. The latter may include sustainability related indicators.

Source	GAAP Holdings (Australia) Interim Limited

The recommended contents of the review include:

(a) Consolidated entity overview and strategy
   i. Explaining the objectives of the consolidated entity and how they are to be achieved
   ii. Including a discussion and analysis of key financial and non-financial performance indicators used by management in their assessment of the consolidated entity and its performance (including relevant sustainability performance indicators)
   iii. Discussing the main factors and influences that may have a major effect on future results (including potential longer-term effects), whether or not they were significant in the period under review. This may include discussion of market opportunities and risks; competitive advantage; changes in market share or position; economic factors; key customer and other relationships; employee skills and training; environmental, occupational health and safety aspects; significant legal issues; and innovation and technological developments.

(b) Review of operations
   i. Discussing the main activities of the consolidated entity, including significant features of operating performance for the period under review. It should cover all aspects of operations, focussing on the consolidated entity as a whole 'through the eyes of the directors'. It should not be boilerplate, and should cover significant aspects of the consolidated entity's performance in the period, financial and non-financial. Consideration should be given to unusual or infrequent events or transactions, including material acquisitions or disposals, major sources of revenues and expenses, and changes in factors which affect the results to enable users to assess the significance of the ongoing and core activities of the consolidated entity to identify the sustainability of performance over the longer-term
   ii. Providing the overall return attributable to shareholders in terms of dividends and increases in shareholders' funds, including a commentary on the comparison between the results of the financial year and dividends, both in total and in per share terms, and indicating the directors' overall distribution policy.

(c) Providing information on investments made for future performance, including capital expenditure and other expenditure enhancing future performance potential. This may include marketing and advertising spend to enhance brand loyalty and reputation; staff training and development programmes; quality improvement and health and safety programs; customer relationship management; and expansion of production capacity.

(d) Review of financial conditions
   i. Capital structure of the consolidated entity including capital funding and treasury policies and objectives
   ii. Cash from operations and other sources of capital
   iii. Discussion of the liquidity and funding at the end of the period under review, including restrictions on funds transfer, covenants entered into and the maturity profile of borrowings
   iv. Discussing the resources available to the consolidated entity not reflected in the statement of financial position, for example mineral reserves, key intellectual property (e.g. databases or specific entity competences); market-position; employee competences or resources / skills and their role in creating longer-term value
   v. Impact of legislation and other external requirements having a material effect on the financial condition in the reporting period or expected to have a material effect on the financial condition in future periods.

(e) Risk management and corporate governance practices, including management of both financial and non-financial risks.

Source	GAAP Holdings (Australia) Interim Limited
ASIC-RG 230	**Non-IFRS financial information**
	If the directors consider it appropriate to include non-IFRS financial information in the operating and financial review, the directors' report or another document in the annual report, the guidelines in Section D of Regulatory Guide 230 'Disclosing non-IFRS financial information' should be followed to assist in reducing the risk of non-IFRS financial information being misleading[1]. Important considerations include that: • IFRS financial information should be given equal or greater prominence compared to non-IFRS financial information, in particular IFRS profit; • Non-IFRS information should: o be explained and reconciled to IFRS financial information; o be calculated consistently from period to period; and o be unbiased and not used to remove 'bad news'. Entities should refer to the complete document when preparing their reports as it provides detailed guidance for presenting non-IFRS financial information.
	Auditor's independence declaration
s.306(1A)	The auditor's independence declaration is included on page B9 of the half-year report.
ASIC-CO 98/2395	The auditor's declaration under s.307C in relation to the audit or review for the half-year may be transferred from the directors' report into a document which is included with the directors' report and the half-year financial report. The auditor's independence declaration may not be transferred to the half-year financial report. The directors' report must include a clear cross-reference to the page(s) containing the auditor's declaration.

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

Source	GAAP Holdings (Australia) Interim Limited
	True and fair view
s.306(2)	If the half-year financial report includes additional information in the notes to the condensed consolidated financial statements necessary to give a true and fair view of the financial performance and position of the disclosing entity (including the consolidated entity), the directors' report must also: (a) set out the directors' reasons for forming the opinion that the inclusion of that additional information was necessary to give a true and fair view required by s.305; and (b) specify where that information can be found in the half-year financial report.
ASIC-CO 98/2395	This additional information may not be transferred to the half-year financial report.
	Rounding off of amounts
ASIC-CO 98/100	The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.
ASIC-CO 98/100	If the company is of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and consequently the amounts in the directors' report and the half-year financial report are rounded, that fact must be disclosed in the financial report or the directors' report.
s.306(3)(a)	Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.
	On behalf of the Directors
	(Signature)
s.306(3)(c)	C.J. Chambers Director
s.306(3)(b)	Melbourne, 15 February 2013

Source	GAAP Holdings (Australia) Interim Limited

Auditor's independence declaration

Deloitte Touche Tohmatsu
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Deloitte.

The Board of Directors
GAAP Holding (Australia) Interim Limited
167 Admin Ave
SYDNEY NSW 2000

15 February 2013

Dear Board Members,

GAAP Holdings (Australia) Interim Limited

s.306(1A), s.307C, ASIC-CO 98/2395

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of GAAP Holdings (Australia) Interim Limited.

As lead audit partner for the review of the financial statements of GAAP Holdings (Australia) Interim Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

Yours sincerely

DELOITTE TOUCHE TOHMATSU

T.L. Green
Partner
Chartered Accountants

Source	GAAP Holdings (Australia) Interim Limited
s.307C(1), (3)	If an audit firm, audit company or individual auditor conducts an audit or review of the financial report for a half-year, the lead auditor must give the directors of the company, registered scheme or disclosing entity a written declaration that, to the best of the lead auditor's knowledge and belief, there have been: (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit or review; and (ii) no contraventions of any applicable code of professional conduct in relation to the audit or review; or a written declaration that, to the best of the lead auditor's knowledge and belief, the only contraventions of: (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit or review; or (ii) any applicable code of professional conduct in relation to the audit or review; are those contraventions details of which are set out in the declaration.
s.307C(5)(a)	The auditor's independence declaration must be given when the audit report is given to the directors of the company, registered scheme or disclosing entity (other than when the conditions in s.307(5A) are satisfied – see below) and must be signed by the person making the declaration.

s.307C(5A)	A declaration under s.307C(1) or s.307C(3) in relation to a financial report for a half-year satisfies the conditions in this subsection if:
	(a) the declaration is given to the directors of the company, registered scheme or disclosing entity before the directors pass a resolution under s.306(3) in relation to the directors' report for the half-year; and
	(b) a director signs the directors' report within 7 days after the declaration is given to the directors; and
	(c) the auditors' report on the financial report is made within 7 days after the directors' report is signed; and
	(d) the auditors' report includes either of the following statements:
	    (i) a statement to the effect that the declaration would be in the same terms if it had been given to the directors at the time that auditors' report was made;
	    (ii) a statement to the effect that circumstances have changed since the declaration was given to the directors, and setting out how the declaration would differ if it had been given to the directors at the time the auditor's report was made.

s.307C(5B)	An individual auditor or lead auditor is not required to give a declaration under s.307(1) and s.307(3) in respect of a contravention if: (a) the contravention was a contravention by a person of s.324CE(2) or s.324CG(2) (strict liability contravention of specific independence requirements by individual auditor or audit firm), or s.324CF(2) (contravention of independence requirements by members of audit firms); and (b) the person does not commit an offence because of s.324CE(4), s.324CF(4) or s.324CG(4) (quality control system defence).

Source	GAAP Holdings (Australia) Interim Limited

Independent auditors' report

An independent auditor's report shall be prepared by the auditor in accordance with the Australian Auditing Standards.
This publication does not include a model auditors' report.

Source	GAAP Holdings (Australia) Interim Limited

Directors' declaration

The directors declare that:

s.303(4)(c) (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

s.303(4)(d) (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

s.303(5) Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

(Signature)
s.303(5) C.J. Chambers
Director

s.303(5) Melbourne, 15 February 2013

Index to the condensed consolidated financial statements

		Page
Condensed consolidated statement of profit or loss and other comprehensive income		
	Alt 1: Presentation as a single statement, with expenses analysed by function	B 15
	Alt 2: Presentation as two statements, with expenses analysed by nature	B 18
Condensed consolidated statement of financial position		B 22
Consolidated statement of changes in equity		B 25
Condensed consolidated statement of cash flows		B 27
Notes to the condensed consolidated financial statements		
1	Significant accounting policies	B 30
2	Segment information	B 32
3	Results for the period	B 34
4	Changes in accounting estimates	B 35
5	Dividends	B 35
6	Investments in associates	B 35
7	Goodwill	B 36
8	Issues, repurchases and repayments of equity securities	B 36
9	Borrowings	B 37
10	Disposals of subsidiaries	B 37
11	Acquisition of subsidiary	B 38
12	Key management personnel	B 41
13	Subsequent events	B 41

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Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2012

(Alt 1: Single statement presentation, with expenses analysed by function)

	Note	Consolidated Half-year ended 31 Dec 2012 $'000	Consolidated Half-year ended 31 Dec 2011 $'000
Continuing operations			
Revenue		450,077	297,336
Cost of sales		(272,632)	(176,297)
Gross profit		177,445	121,039
Investment income		2,927	1,043
Gain recognised on disposal of interest in former associate	6	582	-
Other income		8,650	6,037
Distribution expenses		(73,274)	(55,807)
Administrative expenses		(78,243)	(52,185)
Finance costs		(11,859)	(8,492)
Other expenses		(1,838)	(1,410)
Share of profit of associates and jointly controlled entities		4,818	1,669
Profit/(loss) before tax		29,208	11,894
Income tax expense		(4,598)	(1,290)
Profit/(loss) for the period from continuing operations		24,610	10,604
Discontinued operation			
Profit/(loss) for the period from discontinued operation	10	2,691	(1,168)
Profit/(loss) for the period		27,301	9,436
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Gain/(loss) on revaluation of properties		22,466	(1,479)
Share of gain/(loss) on property revaluation of associates		-	-
Others (please specify)		-	-
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		9,346	716
Net fair value loss on available-for-sale financial assets		(719)	(87)
Fair value gain/(loss) on hedging instruments entered into for cash flow hedges		(988)	92
Others (please specify)		-	-
Other comprehensive income for the period, net of income tax		30,105	(758)
Total comprehensive income for the period		57,406	8,678
Profit attributable to:			
Owners of the parent		20,705	6,776
Non-controlling interests		6,596	2,660
		27,301	9,436
Total comprehensive income attributable to:			
Owners of the parent		50,810	6,018
Non-controlling interests		6,596	2,660
		57,406	8,678

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2012

(Alt 1: Single statement presentation, with expenses analysed by function – continued)

		Consolidated	
		Half-year ended	
	Note	31 Dec 2012 $'000	31 Dec 2011 $'000
Earnings per share			
From continuing and discontinued operations			
Basic (cents per share)		17.2	5.6
Diluted (cents per share)		11.5	4.3
From continuing operations			
Basic (cents per share)		15.0	6.6
Diluted (cents per share)		10.0	5.0

Notes to the condensed consolidated financial statements are included on pages B30 to B41.

Source references: AASB134.8(b)(i), 10, 11, 14 and 20(b)

Source reference

The Group has applied the amendments to AASB 101 arising from AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income' which is effective for annual periods beginning on or after 1 July 2012. The amendments to AASB 101 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss.

One statement vs. two statements

AASB101.10A

The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Alt 1 above illustrates the presentation of profit or loss and other comprehensive income in one statement with expenses analysed by function. Alt 2 (see next pages) illustrates the presentation of profit or loss and other comprehensive income in two separate but consecutive statements with expenses analysed by nature.

Whichever presentation approach is adopted, the distinction is retained between items recognised in profit or loss and items recognised in other comprehensive income. The objective under both approaches is to arrive at an amount for 'total comprehensive income', Under the two-statement approach, the separate statement of profit or loss ends at 'profit for the year', and this 'profit for the year' is then the starting point for the statement of profit or loss and other comprehensive income, which is required to be presented immediately following the statement of profit or loss. In addition, the analysis of 'profit for the year' between the amount attributable to the owners of the Company and the amount attributable to non-controlling interests is presented as part of the separate statement of profit or loss.

Other comprehensive income: items that may or may not be reclassified

AASB101.82A

Irrespective of whether the one-statement or the two-statement approach is followed, the items of other comprehensive income should be classified by nature and grouped into those that, in accordance with other IFRSs:

(a) will not be reclassified subsequently to profit or loss; and

(b) will be reclassified subsequently to profit or loss when specific conditions are met.

Presentation options for reclassification adjustments

AASB101.94

In addition, in accordance with paragraph 94 of AASB 101, an entity may present reclassification adjustments in the statement(s) of profit or loss and other comprehensive income or in the notes.

Presentation options for income tax relating to items of other comprehensive income

AASB101.91

Furthermore, for items of other comprehensive income, additional presentation options are available as follows: the individual items of other comprehensive income may be presented net of tax in the statement of profit or loss and other comprehensive income (as illustrated on the previous pages), or they may be presented gross with a single line deduction for tax relating to those items by allocating the tax between the items that may be reclassified subsequently to the profit or loss section and those that will not be reclassified subsequently to profit or loss section (see Alt 2).

Condensed consolidated statement of profit or loss for the half-year ended 31 December 2012

(Alt 2: Presentation as two statements, with expenses analysed by nature)

	Note	Consolidated Half-year ended 31 Dec 2012 $'000	Consolidated Half-year ended 31 Dec 2011 $'000
Continuing operations			
Revenue		450,077	297,336
Investment income		2,927	1,043
Gain recognised on disposal of interest in former associate	6	582	-
Other income		8,650	6,037
Changes in inventories of finished goods and work in progress		5,446	7,329
Raw materials and consumables used		(283,336)	(167,366)
Employee benefits expense		(133,100)	(111,760)
Depreciation and amortisation expense		(14,302)	(12,498)
Finance costs		(11,859)	(8,492)
Other expenses		(695)	(1,404)
Share of profit of associates and jointly controlled entities		4,818	1,669
Profit/(loss) before tax		29,208	11,894
Income tax expense		(4,598)	(1,290)
Profit/(loss) for the period from continuing operations		24,610	10,604
Discontinued operation			
Profit/(loss) for the period from discontinued operation	10	2,691	(1,168)
Profit/(loss) for the period		27,301	9,436
Attributable to:			
Owners of the parent		20,705	6,776
Non-controlling interests		6,596	2,660
		27,301	9,436
Earnings per share			
From continuing and discontinued operations			
Basic (cents per share)		17.2	5.6
Diluted (cents per share)		11.5	4.3
From continuing operations			
Basic (cents per share)		15.0	6.6
Diluted (cents per share)		10.0	5.0

Notes to the condensed consolidated financial statements are included on pages B30 to B41.

Source references: AASB134.8(b)(ii), 10, 11, 11A, 14 and 20(b)

The format outlined above aggregates expenses according to their nature.
See the previous page for a discussion of the format of the statement of profit or loss and other comprehensive income. Note that where the two-statement approach is adopted (above and on the next page), as required by AASB101.10A, the statement of profit or loss must be displayed immediately before the statement of profit or loss and other comprehensive income.

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2012

(Alt 2: Presentation as two statements, with expenses analysed by nature – continued)

	Note	Consolidated	
		Half-year ended	
		31 Dec 2012 $'000	31 Dec 2011 $'000
Profit (loss) for the period		27,301	9,436
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain/(loss) on revaluation of properties		32,095	(2,113)
Share of gain/(loss) on property revaluation of associates		-	-
Others (please specify)		-	-
Income tax relating to items that will not be reclassified subsequently		(9,629)	634
		22,466	(1,479)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		13,351	1,023
Net fair value loss on available-for-sale financial assets		(1,027)	(125)
Fair value gain/(loss) on hedging instruments entered into for cash flow hedges		(1,412)	132
Others (please specify)		-	-
Income tax relating to items that may be reclassified subsequently		(3,273)	(309)
		7,639	721
Other comprehensive income for the period (net of tax)		30,105	(758)
Total comprehensive income for the period		57,406	8,678
Total comprehensive income attributable to:			
Owners of the parent		50,810	6,018
Non-controlling interests		6,596	2,660
		57,406	8,678

Notes to the condensed consolidated financial statements are included on pages B30 to B41.

Source references: AASB134.8(b)(ii), 10, 11, 14 and 20(b)

The guidance below is extracted from Accounting Standards as they relate to the preparation of the primary financial statements for an annual financial report. Some required disclosures are permitted to be made either on the face of the financial statements or in the notes to the financial statements. Where an entity chooses to disclose such items on the face of the financial statements in the annual financial report, they should also be presented on the face of the financial statements in the interim financial report. Where an entity chooses to disclose such items in the notes to the financial statements in the annual financial report, such disclosures are not required in the interim financial report unless they are otherwise required by AASB 134.

Similarly, some requirements of the Accounting Standards relating to the preparation of the primary financial statements for an annual financial report require disclosures in the notes to the financial statements. Where disclosures are required only in the notes to the financial statements in the annual financial report, such disclosures are not required in the interim financial report unless they are otherwise required by AASB 134.

Source reference

Presentation of revenues and expenses

AASB 101.10A

An entity may present a single statement of profit or loss and other comprehensive income, with profit or loss and other comprehensive income presented in two sections. The sections shall be presented together, with the profit or loss section presented first followed directly by the other comprehensive income section. An entity may present the profit or loss section in a separate statement of profit or loss. If so, the separate statement of profit or loss shall immediately precede the statement presenting comprehensive income, which shall begin with profit or loss.

AASB101.81A

The statement of profit or loss and other comprehensive income (statement of comprehensive income) shall present, in addition to the profit or loss and other comprehensive income sections:

(a) profit or loss;
(b) total other comprehensive income;
(c) comprehensive income for the period, being the total of profit or loss and other comprehensive income.

If an entity presents a separate statement of profit or loss it does not present the profit or loss section in the statement presenting comprehensive income.

AASB101.81B

An entity shall present the following items, in addition to the profit or loss and other comprehensive income sections, as allocation of profit or loss and other comprehensive income for the period:

(a) profit or loss for the period attributable to:
    (i) non-controlling interests, and
    (ii) owners of the parent.
(b) comprehensive income for the period attributable to:
    (i) non-controlling interests, and
    (ii) owners of the parent.

If an entity presents profit or loss in a separate statement it shall present (a) in that statement.

AASB101.82

In addition to items required by other Australian Accounting Standards, the profit or loss section or the statement of profit or loss shall include line items that present the following amounts for the period:

(a) revenue;
(b) finance costs;
(c) share of the profit or loss of associates and joint ventures accounted for using the equity method;
(d) tax expense;
(e) [deleted by the IASB]
(ea) a single amount for the total of discontinued operations (see AASB 5).
(f)-(i) [deleted by the IASB]

AASB101.82A

The other comprehensive income section shall present line items for amounts of other comprehensive income in the period, classified by nature (including share of the other comprehensive income of associates and joint ventures accounted for using the equity method) and grouped into those that, in accordance with other Australian Accounting Standards:

(a) will not be reclassified subsequently to profit or loss; and
(b) will be reclassified subsequently to profit or loss when specific conditions are met.

AASB101.88

All items of income and expense recognised in a period are to be included in profit or loss unless another Accounting Standard requires otherwise. Other Accounting Standards require some gains and losses (for example, revaluation increases and decreases, particular foreign exchange differences, gains or losses on remeasuring available-for-sale financial assets, and related amounts of current tax and deferred tax) to be recognised directly as changes in equity.

Source reference

Examples of items of income and expense recognised directly in equity not illustrated in these model financial statements include:

- gains/losses on a hedge of the net investment in a foreign operation
- transfers to profit or loss on impairment of available-for-sale financial assets
- transfers to profit or loss on sale of available-for-sale financial assets
- share of increments in reserves attributable to associates
- share of increments in reserves attributable to jointly controlled entities.

AASB101.99,100 An entity shall present, in the statement(s) presenting profit or loss and other comprehensive income, or in the notes, an analysis of expenses recognised in profit or loss using a classification based on either their nature or their function within the entity, whichever provides information that is reliable and more relevant. Sub-classifications of expenses by nature or function have been illustrated in the example on the face of the statement(s) presenting profit or loss and other comprehensive income respectively as is encouraged by the Accounting Standard.

AASB101.105 The choice between the function of expense method and the nature of expense method depends on historical and industry factors and the nature of the entity. Both methods provide an indication of those costs that might vary, directly or indirectly, with the level of sales or production of the entity. Because each method of presentation has merit for different types of entities, management is required to select the most relevant and reliable presentation. However, because information on the nature of expenses is useful in predicting future cash flows, additional disclosure is required when the function of expense classification is used.

AASB101.29, 30
AASB101.31 Regardless of whether expenses are classified by nature or by function, each material class is separately disclosed. Unclassified expenses that are immaterial both individually and in aggregate may be combined and presented as a single line item. An item that is not sufficiently material to warrant separate presentation on the face of the financial statements may nevertheless be sufficiently material for it to be presented separately in the notes. It follows that the total of unclassified expenses is unlikely to exceed 10% of total expenses classified by nature or by function, whether disclosed either on the face or in the notes to the financial statements.

Offsetting

AASB101.32 An entity shall not offset income and expenses, unless required or permitted by an Australian Accounting Standard.

AASB101.34 An entity undertakes, in the course of its ordinary activities, transactions that do not generate revenue but are incidental to the main revenue-generating activities. An entity presents the results of such transactions, when this presentation reflects the substance of the transaction or other event, by netting any income with related expenses arising on the same transaction. For example:

(a) an entity presents gains and losses on the disposal of non-current assets, including investments and operating assets, by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses; and

(b) an entity may net expenditure related to a provision that is recognised in accordance with AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' and reimbursed under a contractual arrangement with a third party (for example, a supplier's warranty agreement) against the related reimbursement.

AASB101.35 An entity presents on a net basis gains and losses arising from a group of similar transactions, for example, foreign exchange gains and losses or gains and losses arising on financial instruments held for trading. However, an entity presents such gains and losses separately if they are material.

Disclosure of specific revenues and expenses

AASB101.97 When items of income and expense are material, an entity shall disclose their nature and amount separately either in the statement(s) presenting profit or loss and other comprehensive income or in the notes.

Disclosure of additional information

AASB101.85 An entity shall present additional line items, headings and subtotals in the statement(s) presenting profit or loss and other comprehensive income, when such presentation is relevant to an understanding of the entity's financial performance.

Prohibition on extraordinary items

AASB101.87 An entity shall not present any items of income or expense as extraordinary items, in the statement(s) presenting profit or loss and other comprehensive income, or in the notes.

Other comprehensive income for the period

AASB119.93B Where an entity recognises actuarial gains and losses with respect to defined benefit plans in other comprehensive income, the entity must present these in the statement of profit or loss and other comprehensive income.

An illustrative example of a statement of profit or loss and other comprehensive income is presented on pages B15 and B19.

Condensed consolidated statement of financial position as at 31 December 2012

	Note	Consolidated 31 Dec 2012 $'000	Consolidated 30 June 2012 $'000
Current assets			
Cash and cash equivalents		5,609	1,175
Trade and other receivables		181,464	142,062
Other financial assets		90,120	77,606
Inventories		108,199	91,815
Current tax assets		-	-
Other		1,836	1,798
		387,228	314,456
Assets classified as held for sale		-	-
Total current assets		387,228	314,456
Non-current assets			
Investments accounted for using the equity method	6	50,518	12,204
Other financial assets		98,310	128,997
Property, plant and equipment		622,227	567,512
Investment property		-	-
Deferred tax assets		4,118	3,872
Goodwill	7	3,010	3,562
Other intangible assets		26,985	21,294
Other		7,746	12,908
Total non-current assets		812,914	750,349
Total assets		1,200,142	1,064,805
Current liabilities			
Trade and other payables		80,862	48,890
Borrowings	9	171,352	128,633
Other financial liabilities		1,470	1,483
Current tax payables		8,229	1,986
Provisions		6,432	2,065
Other		-	-
		268,345	183,057
Liabilities directly associated with assets classified as held for sale		-	-
Total current liabilities		268,345	183,057
Non-current liabilities			
Borrowings	9	477,966	490,393
Other financial liabilities		36,637	44,004
Deferred tax liabilities		12,025	2,972
Provisions		2,118	-
Other		-	-
Total non-current liabilities		528,746	537,369
Total liabilities		797,091	720,426
Net assets		403,051	344,379
Equity			
Issued capital	8	142,343	142,343
Reserves		68,732	37,341
Retained earnings		174,059	159,119
		385,134	338,803
Amounts recognised directly in equity relating to assets classified as held for sale		-	-
Equity attributable to owners of the parent		385,134	338,803
Non-controlling interest		17,917	5,576
Total equity		403,051	344,379

Notes to the condensed consolidated financial statements are included on pages B30 to B41.

Source references: AASB134.8(a), 10, 14 and 20(a)

The guidance below is extracted from Accounting Standards as they relate to the preparation of the primary financial statements for an annual financial report. Some required disclosures are permitted to be made either on the face of the financial statements or in the notes to the financial statements. Where an entity chooses to disclose such items on the face of the financial statements in the annual financial report, they should also be presented on the face of the financial statements in the interim financial report. Where an entity chooses to disclose such items in the notes to the financial statements in the annual financial report, such disclosures are not required in the interim financial report unless they are otherwise required by AASB 134.

Similarly, some requirements of the Accounting Standards relating to the preparation of the primary financial statements for an annual financial report require disclosures in the notes to the financial statements. Where disclosures are required only in the notes to the financial statements in the annual financial report, such disclosures are not required in the interim financial report unless they are otherwise required by AASB 134.

Source reference

Current/non-current vs. liquidity presentation

AASB101.60, 61 — All assets and all liabilities shall be classified and presented as either current or non-current unless they are presented in order of their liquidity. The term 'current' is defined for:

AASB101.66 — (a) assets, as an asset that is:
- i. expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- ii. held primarily for the purpose of being traded;
- iii. expected to be realised within 12 months after the reporting period; or
- iv. cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period;

AASB101.69 — (b) liabilities, as a liability that:
- i. is expected to be settled in the entity's normal operating cycle;
- ii. is held primarily for the purpose of being traded;
- iii. is due to be settled within 12 months after the reporting period; or
- iv. the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

AASB101.60 — A liquidity basis shall only be presented where a liquidity presentation provides information that is reliable and more relevant than the current/non-current presentation. The liquidity basis of presentation is not illustrated in these model financial statements.

Operating cycle

AASB101.68 — A company's operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Once an entity defines their operating cycle it affects the classification and presentation of assets and liabilities as either current or non-current.

AASB101.68, 70 — When an entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months.

AASB101.66, 69 — However, where there is a single clearly identifiable operating cycle that extends over a period greater than 12 months, the longer period shall be used as the basis for identifying as:

(a) current assets, those assets expected to be realised in, or intended for sale or consumption in, the entity's normal operating cycle; and

(b) current liabilities, those liabilities expected to be settled in the entity's normal operating cycle.

AASB101.68, 70 — Current assets will include inventories and trade receivables that are sold, consumed or realised as part of the normal operating cycle and current liabilities will include those liabilities that form part of the working capital used in a normal operating cycle of the entity, for example trade payables and accruals for employee benefits expense. This is the case even when they are not expected to be realised/settled within 12 months of the reporting period.

Refinancing liabilities

AASB101.72 — Where current and non-current liabilities are presented separately, financial liabilities shall be categorised as current when they are due to be settled within 12 months of the reporting period, even if:

(a) the original term was for a period longer than 12 months; and

(b) an agreement to refinance, or to reschedule payments, on a long term basis is completed after the reporting period and before the financial report is authorised for issue.

Source reference

AASB101.73 However, if an entity expects, and has the discretion, to refinance or roll over an obligation for at least 12 months after the reporting period under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period. However, when refinancing or rolling over the obligation is not at the discretion of the entity (for example, there is no agreement to refinance), the potential to refinance is not considered and the obligation is classified as current.

Breach of loan covenants

AASB101.74 Where current and non-current liabilities are presented separately and an undertaking, including a covenant included in a borrowing agreement, is breached such that the liability becomes payable on demand, the liability shall be categorised as current even if the lender has agreed, after the reporting period, and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach.

AASB101.75 However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

Offsetting

AASB101.32 An entity shall not offset assets and liabilities, unless required or permitted by an Accounting Standard, for example, AASB 132 *Financial Instruments: Disclosure and Presentation*.

Income taxes

AASB112.71 An entity shall offset current tax assets and current tax liabilities if, and only if, the entity:

(a) has a legally enforceable right to set-off the recognised amounts; and
(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

AASB112.74 An entity shall offset deferred tax assets and deferred tax liabilities if, and only if:

(a) the entity has a legally enforceable right to set-off current tax assets against current tax liabilities; and
(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
    i. the same taxable entity; or
    ii. different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Presentation of a non-current asset or disposal group classified as held for sale

AASB5.40 An entity shall not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the statements of financial position for prior periods to reflect the classification in the statements of financial position for the latest period presented.

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2012

Consolidated	Issued capital $'000	Asset revaluation reserve $'000	Investments revaluation reserve $'000	Hedging reserve $'000	Foreign currency translation reserve $'000	Other reserve $'000	Retained earnings $'000	Attributable to owners of the parent $'000	Non-controlling interest $'000	Total $'000
Balance as at 1 July 2011	142,343	39,552	6,875	1,501	(7,329)	-	149,786	332,728	1,158	333,886
Profit for the period	-	-	-	-	-	-	6,776	6,776	2,660	9,436
Other comprehensive income for the year, net of income tax	-	(1,733)	(125)	77	1,023	-	-	(758)	-	(758)
Total comprehensive income for the period	-	(1,733)	(125)	77	1,023	-	6,776	6,018	2,660	8,678
Payment of dividends	-	-	-	-	-	-	(14,472)	(14,472)	-	(14,472)
Balance at 31 December 2011	142,343	37,819	6,750	1,578	(6,306)	-	142,090	324,274	3,818	328,092
Balance at 1 July 2012	142,343	34,418	6,390	1,156	(4,623)	-	159,119	338,803	5,576	344,379
Profit for the period	-	-	-	-	-	-	20,705	20,705	6,596	27,301
Other comprehensive income for the year, net of income tax	-	27,399	(233)	(412)	3,351	-	-	30,105	-	30,105
Total comprehensive income for the period	-	27,399	(233)	(412)	3,351	-	20,705	50,810	6,596	57,406
Payment of dividends	-	-	-	-	-	-	(5,765)	(5,765)	-	(5,765)
Difference arising on disposal of interest in Sub B Limited (note 11)	-	-	-	-	-	1,286	-	1,286	3,214	4,500
Non-controlling interests arising on the acquisition of Sub X Limited (note 12)	-	-	-	-	-	-	-	-	2,531	2,531
Balance at 31 December 2012	142,343	61,817	6,157	744	(1,272)	1,286	174,059	385,134	17,917	403,051

Notes to the condensed consolidated financial statements are included on pages B30 to B41.

Source references: AASB134.8(c), 10, 14 and 20(c)

The guidance below is extracted from Accounting Standards as they relate to the preparation of the primary financial statements for an annual financial report. Some required disclosures are permitted to be made either on the face of the financial statements or in the notes to the financial statements. Where an entity chooses to disclose such items on the face of the financial statements in the annual financial report, they should also be presented on the face of the financial statements in the interim financial report. Where an entity chooses to disclose such items in the notes to the financial statements in the annual financial report, such disclosures are not required in the interim financial report unless they are otherwise required by AASB 134.

Similarly, some requirements of the Accounting Standards relating to the preparation of the primary financial statements for an annual financial report require disclosures in the notes to the financial statements. Where disclosures are required only in the notes to the financial statements in the annual financial report, such disclosures are not required in the interim financial report unless they are otherwise required by AASB 134.

Source reference

AASB101.106

An entity shall present a statement of changes in equity as required by paragraph 10. The statement of changes in equity includes the following information:

(a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests;

(b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108; and

(c) [deleted by the IASB]

(d) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:
   (i) profit or loss;
   (ii) other comprehensive income; and
   (iii) transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.

AASB101.106A

For each component of equity an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item (see paragraph 106(d)(ii)).

AASB101.107
AASB 101.BC75

An entity shall present, either in the statement of changes in equity or in the notes, the amount of dividends recognised as distributions to owners during the period, and the related amount of dividends per share. (Note that presentation of dividend disclosures in the income statement is no longer permitted.)

An illustrative example of a statement of changes in equity is presented on page B25.

AASB101.109

Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease in its net assets during the period. Except for changes resulting from transactions with owners in their capacity as owners (such as equity contributions, reacquisitions of the entity's own equity instruments and dividends) and transaction costs directly related to such transactions, the overall change in equity during a period represents the total amount of income and expense, including gains and losses, generated by the entity's activities during that period.

Condensed consolidated statement of cash flows for the half-year ended 31 December 2012

		Consolidated	
		Half-year ended	
	Note	31 Dec 2012 $'000	31 Dec 2011 $'000
Cash flows from operating activities			
Receipts from customers		476,235	251,653
Payments to suppliers and employees		(440,157)	(194,800)
Interest and other costs of finance paid		(7,407)	(6,052)
Income tax paid		(5,487)	(4,321)
Net cash provided by operating activities		23,184	46,480
Cash flows from investing activities			
Payment for investment securities		(15,807)	(19,262)
Proceeds on sale of investment securities		35,007	-
Interest received		11,531	9,939
Dividends received		156	150
Proceeds from repayment of related party loans		-	-
Amounts advanced to related parties		-	(12,415)
Payment for property, plant and equipment		(93,669)	(28,940)
Proceeds from sale of property, plant and equipment		33,386	9,827
Payment for intangible assets		(6,406)	-
Capitalised development costs paid		-	-
Additional interests acquired in associates and jointly controlled entities	6	(34,519)	-
Proceeds from sale of interests in associates	6	1,245	
Proceeds from sale of businesses	11	35,400	-
Payment for businesses	12	(9,491)	-
Net cash used in investing activities		(43,167)	(40,701)
Cash flows from financing activities			
Proceeds from issues of equity instruments of the Company		-	-
Payment for share issue costs		-	-
Payment for share buy-back:			
- owners of the parent entity		-	-
- non-controlling interests		-	-
Proceeds from issue of debt securities			
Payment for debt issue costs		-	-
Proceeds from borrowings	9	50,000	30,000
Repayment of borrowings	9	(19,818)	(18,230)
Dividends paid:			
- members of the parent entity	5	(5,765)	(14,472)
- non-controlling interests		-	-
Net cash used in financing activities		24,417	(2,702)
Net (decrease)/increase in cash and cash equivalents		4,434	3,077
Cash and cash equivalents at the beginning of the period		1,175	2,033
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	-
Cash and cash equivalents at the end of the period		5,609	5,110

Notes to the condensed consolidated financial statements are included on pages B30 to B41.

Source references: AASB134.8(d), 10, 14 and 20(d)

The guidance below is extracted from Accounting Standards as they relate to the preparation of the primary financial statements for an annual financial report. Some required disclosures are permitted to be made either on the face of the financial statements or in the notes to the financial statements. Where an entity chooses to disclose such items on the face of the financial statements in the annual financial report, they should also be presented on the face of the financial statements in the interim financial report. Where an entity chooses to disclose such items in the notes to the financial statements in the annual financial report, such disclosures are not required in the interim financial report unless they are otherwise required by AASB 134.

Similarly, some requirements of the Accounting Standards relating to the preparation of the primary financial statements for an annual financial report require disclosures in the notes to the financial statements. Where disclosures are required only in the notes to the financial statements in the annual financial report, such disclosures are not required in the interim financial report unless they are otherwise required by AASB 134.

Source reference

Operating activities

AASB107.14 Cash flows from operating activities are primarily derived from the principal revenue-producing activities of the entity. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss. Examples of cash flows from operating activities are:

(a) cash receipts from the sale of goods and the rendering of services;
(b) cash receipts from royalties, fees, commissions and other revenue;
(c) cash payments to suppliers for goods and services;
(d) cash payments to and on behalf of employees;
(e) cash receipts and cash payments of an insurance entity for premiums and claims, annuities and other policy benefits;
(f) cash payments or refunds of income taxes unless they can be specifically identified with financing and investing activities; and
(g) cash receipts and payments from contracts held for dealing or trading purposes.

Some transactions, such as the sale of an item of plant, may give rise to a gain or loss that is included in recognised profit or loss. The cash flows relating to such transactions are cash flows from investing activities. However, cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale as described in paragraph 68A of AASB 116 *Property, Plant and Equipment* are cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also cash flows from operating activities.

AASB107.18 Entities shall report cash flows from operations using the direct method or indirect method.

AASB107.19 Entities are encouraged to report cash flows from operating activities using the direct method.

AASB1054.16 When an entity uses the direct method to present its statement of cash flows, the financial statements shall provide a reconciliation of the net cash flow from operating activities to profit (loss).

Investing activities

AASB107.16 The separate disclosure of cash flows arising from investing activities is important because the cash flows represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. Examples of cash flows arising from investing activities are:

(a) cash payments to acquire property, plant and equipment, intangibles and other long-term assets. These payments include those relating to capitalised development costs and self-constructed property, plant and equipment;
(b) cash receipts from sales of property, plant and equipment, intangibles and other long-term assets;
(c) cash payments to acquire equity or debt instruments of other entities and interests in joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes);
(d) cash receipts from sales of equity or debt instruments of other entities and interests in joint ventures (other than receipts for those instruments considered to be cash equivalents and those held for dealing or trading purposes);
(e) cash advances and loans made to other parties (other than advances and loans made by a financial institution);
(f) cash receipts from the repayment of advances and loans made to other parties (other than advances and loans of a financial institution);

Source reference

(g) cash payments for futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the payments are classified as financing activities; and
(h) cash receipts from futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the receipts are classified as financing activities.

When a contract is accounted for as a hedge of an identifiable position, the cash flows of the contract are classified in the same manner as the cash flows of the position being hedged.

Financing activities

AASB107.17 The separate disclosure of cash flows arising from financing activities is important because it is useful in predicting claims on future cash flows by providers of capital to the entity. Examples of cash flows arising from financing activities are:

(a) cash proceeds from issuing shares or other equity instruments;
(b) cash payments to owners to acquire or redeem the entity's shares;
(c) cash proceeds from issuing debentures, loans, notes, bonds, mortgages and other short-term or long-term borrowings;
(d) cash repayments of amounts borrowed; and
(e) cash payments by a lessee for the reduction of the outstanding liability relating to a finance lease.

Interest and dividends

AASB107.31 Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as either operating, investing or financing activities.

AASB107.32 The total amount of interest paid during a period is disclosed in the cash flow statement whether it has been recognised as an expense in profit or loss or capitalised in accordance with AASB 123 *Borrowing Costs*.

AASB107.33 Interest paid and interest and dividends received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and interest and dividends received may be classified as operating cash flows because they enter into the determination of net profit or loss. Alternatively, interest paid and interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.

AASB107.34 Dividends paid may be classified as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, dividends paid may be classified as a component of cash flows from operating activities in order to assist users to determine the ability of an entity to pay dividends out of operating cash flows.

Taxes on income

AASB107.35 Cash flows arising from taxes on income shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.

Investments in subsidiaries, associates and joint ventures

AASB107.37 When accounting for an investment in an associate or a subsidiary accounted for by use of the equity or cost method, an investor restricts its reporting in the cash flow statement to the cash flows between itself and the investee, for example, to dividends and advances.

AASB107.38 An entity which reports its interest in a jointly controlled entity (see AASB 131 'Interests in Joint Ventures') using proportionate consolidation, includes in its consolidated cash flow statement its proportionate share of the jointly controlled entity's cash flows. An entity which reports such an interest using the equity method includes in its cash flow statement the cash flows in respect of its investments in the jointly controlled entity, and distributions and other payments or receipts between it and the jointly controlled entity.

Non-cash transactions

AASB107.43 Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a cash flow statement. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

Source reference

AASB134.8(e)

Notes to the condensed consolidated financial statements

1. Significant accounting policies

Statement of compliance

AASB134.19

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

ASIC-CO 98/100

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

AASB134.16A(a)

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2012 annual financial report for the financial year ended 30 June 2012, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New or revised Standards and Interpretations that are first effective in the current reporting period

The disclosures below illustrate the types of disclosure that should be made in respect of changes resulting from the adoption of the new or revised Standards and Interpretations. Users of this model half-year report are encouraged to refer to Section A 'What's new for financial reports at December 2012?' to determine the Standards and Interpretations that are now effective and the impact of adoption of these Standards and Interpretations on financial reporting for the half-year ended 31 December 2012. Please contact your Deloitte advisor for further information about the implications of the new or revised Standards and Interpretations to your business.

AASB134.16A(a), s.334(5)

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

Source reference

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

For entities that are affected by the application of the amendments to AASB 112 as a consequence of AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets' (effective for annual periods beginning on or after 1 January 2012), the following illustrative disclosure can be adapted as necessary:

The company has applied the amendments to AASB 112 as a consequence of AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets' in the current half-year. Under the amendments, investment properties that are measured using the fair value model in accordance with AASB 140 'Investment Property' are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes unless the presumption is rebutted.

The company measures its investment properties using the fair value model. As a result of the application of the amendments to AASB 112, the directors reviewed the company's investment property portfolios and concluded that none of the company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the presumption set out in the amendments to AASB 112 is not rebutted. The application of the amendments to AASB 112 has resulted in the company not recognising any deferred taxes on changes in fair value of the investment properties as the company is not subject to any income taxes on disposal of its investment properties. Previously, the company recognised deferred taxes on changes in fair value of investment properties on the basis that the entire carrying amounts of the properties were recovered through use. The amendments to AASB 112 have been applied retrospectively, resulting in the company's deferred tax liabilities being decreased by $[x,xxx] as at 1 July 2011 with the corresponding adjustment being recognised in retained earnings. Similarly, the deferred tax liabilities have been decreased by $[x,xxx] as at 31 December 2011.

In the current half-year, no deferred taxes have been recognised for changes in fair value of the company's investment properties. The change in accounting policy has resulted in the company's income tax expense for the half-years ended 31 December 2012 and 31 December 2011 being reduced by $[x,xxx] and $[x,xxx] respectively and hence resulted in profit for the half-years ended 31 December 2012 and 31 December 2011 being increased by $[x,xxx] and $[x,xxx] respectively.

Note: When an investment property was acquired as part of a business combination that took place in a prior half-year, the corresponding adjustments will also include an adjustment to goodwill.

Source reference

1. Significant accounting policies (cont'd)

AASB134.16A(a) Where accounting policy or methods of computation changes have been made since the most recent annual financial statements, the half-year financial report shall include a description of the nature and effect of the change.

AASB134.43 A change in accounting policy, other than one for which the transition is specified by a new Australian Accounting Standard, shall be reflected by:

(a) restating the financial statements of the comparable half-year period of any prior annual reporting periods that will be restated in the annual financial statements in accordance with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'; or

(b) when it is impracticable to determine the cumulative effect at the beginning of the annual reporting period of applying a new accounting policy to all prior periods, adjusting the financial statements of the comparable half-year period of any prior annual reporting periods to apply the new accounting policy prospectively from the earliest date practicable.

AASB134.44 That is, any change in accounting policy is applied either retrospectively or, if that is not practicable, prospectively, from no later than the beginning of the annual reporting period.

2. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

AASB134.16A (g)(v) Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is more specifically focused on the category of customer for each type of good. The principal categories of customer for these goods are direct sales to major customers, wholesalers, retailers and internet sales. The Group's reportable segments under AASB 8 are therefore as follows:

- Electronic equipment – direct sales
- Electronic equipment – wholesalers and retail outlets
- Electronic equipment – internet sales
- Leisure goods – wholesalers
- Leisure goods – retail outlets
- Other

The leisure goods reportable segments supply sports shoes and equipment, outdoor play equipment and, prior to discontinuation (see below), toys. The electronic equipment reportable segments supply media equipment such as televisions and DVD recorders.

'Other' is the aggregation of the Group's other operating segments that are not separately reportable. Included in 'Other' are operating segments for the Group's activities in the development, sale and installation of computer software for specialised business applications, leasing of specialised storage equipment, and construction services.

In prior half-years, the Group was involved in the manufacture and sale of toys. The toy operation was included within the leisure goods reportable segment. That operation was discontinued with effect from 31 October 2012 (see note 10).

AASB134.16A (g)(v) Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Source reference

2. Segment information (cont'd)

AASB134.16A (g)(i), (iii)

The following is an analysis of the Group's revenue and results by reportable operating segment for the half-years under review:

	Revenue		Segment profit	
	Half-year ended		Half-year ended	
	31 Dec 2012 $'000	31 Dec 2011 $'000	31 Dec 2012 $'000	31 Dec 2011 $'000
Continuing operations				
Electronic equipment – direct sales	99,817	64,116	7,642	4,309
Electronic equipment – wholesalers and retail outlets	84,106	43,339	6,719	2,895
Electronic equipment – internet sales	81,117	40,746	6,339	2,693
Leisure goods – wholesalers*	98,411	83,554	7,722	5,589
Leisure goods – retail outlets*	79,700	50,339	6,319	3,367
Other	6,926	15,242	933	1,487
	450,077	297,336	35,674	20,340
Investment revenue			2,927	1,043
Central administration and directors' salaries			(2,934)	(2,666)
Finance costs			(11,859)	(8,492)
Gain recognised on disposal of interest in former associate			582	-
Share of profit of associates			4,818	1,669
Other [describe]			-	-
AASB134.16A(g)(vi) Profit before tax			29,208	11,894
Discontinued operations				
Leisure goods – wholesalers (toys)	35,714	34,977	557	879
Leisure goods – retail outlets (toys)	28,033	20,288	(625)	(1,829)
	63,747	55,265	(68)	(950)
Central administration costs			(386)	(362)
Gain on disposal of toy operation			3,883	-
Profit/(loss) before tax			3,429	(1,312)
Income tax expense (continuing and discontinued operations)			(5,336)	(1,146)
Consolidated segment revenue and profit for the period	513,824	352,601	27,301	9,436

* excluding toys

AASB134.16A (g)(i), (ii)

The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the half-year.

AASB134.16A (g)(v), (vi)

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, investment revenue and finance costs, income tax expense, and gains or losses on disposal of associates and discontinued operations. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

AASB134.16A (g)(ii)

Separate disclosure of intersegment revenues, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker, is required, if material.

AASB134.16A (g)(vi)

The interim financial report shall include a reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. However, if an entity allocates to reportable segments items such as tax expense (tax income), the entity may reconcile the total of the segments' measures of profit or loss to profit or loss after those items. Material reconciling items shall be separately identified and described in that reconciliation.

Source reference

2. Segment information (cont'd)

AASB134.16A (g)(iv)

The following is an analysis of the Group's assets by reportable operating segment:

	31 Dec 2012 $'000	30 June 2012 $'000
Continuing operations		
Electronic equipment – direct sales	191,561	159,454
Electronic equipment – wholesalers and retail outlets	165,567	107,133
Electronic equipment – internet sales	160,571	102,150
Leisure goods – wholesalers*	189,828	293,787
Leisure goods – retail outlets*	158,635	176,664
Other	22,462	37,910
Total segment assets	888,624	877,098
Unallocated assets	311,518	187,707
Total assets	1,200,142	1,064,805

* At 30 June 2012, these operating segments included the assets of the toy operation sold on 31 October 2012.

Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

AASB 134.16A(g)(iv) requires disclosure of segment assets for which there has been a material change from the amount disclosed in the last annual financial report. The above disclosure assumes that there is a material change in the total assets for each reportable segment. If there is material change in the total assets of one or some of the reportable segment(s), the disclosure can given in the form of simply explaining material changes. For example:

During the half-year reporting, the company made investments of $[xx,xxx] to increase the existing operating capacity to manufacture the electronic equipments.

3. Results for the period

AASB134.16A(b) The notes to the condensed consolidated financial statements shall include explanatory comments about the seasonality or cyclicality of the half-year operations, if not disclosed elsewhere in the half-year financial report.

AASB134.16A(c) The notes to the condensed consolidated financial statements shall disclose, if not disclosed elsewhere in the half-year financial report, the nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

AASB134.15B The following is a list of events and transactions for which disclosures would be required if they are significant; the list is not exhaustive:

(a) the write-down of inventories to net realisable value and the reversal of such a write-down;
(b) recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible assets, or other assets, and the reversal of such an impairment loss;
(c) the reversal of any provisions for the costs of restructuring;
(d) acquisitions and disposals of items of property, plant and equipment;
(e) commitments for the purchase of property, plant and equipment;
(f) litigation settlements;
(g) corrections of prior period errors;
(h) changes in the business or economic circumstances that affect the fair value of the financial assets and financial liabilities, whether those assets or liabilities are recognised at fair value or amortised cost;
(i) any loan default or breach of a loan agreement that has not been remedied on or before the reporting date;
(j) related party transactions;
(k) transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments;
(l) changes in the classification of financial assets as a result of a change in the purpose or use of those assets; and
(m) changes in contingent liabilities or contingent assets.

Source reference

4. Change in accounting estimates

AASB134.16A(d) During the half-year the directors reassessed the useful life of certain items of plant and equipment, as follows:

Plant and equipment class	Previous estimate of useful lives used in the calculation of depreciation	Revised estimate of useful lives used in the calculation of depreciation
Buildings	50 years	40 to 45 years
Equipment under lease	5 to 10 years	5 to 7 years

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is to increase consolidated depreciation expense in the current half-year by $4 thousand, and for the next four financial years, by the following amounts:

Financial years	$'000
2012	9
2013	7
2014	4
2015	2

5. Dividends

AASB134.16A(f) During the half-year, GAAP Holdings (Australia) Interim Limited made the following dividend payments:

	Half-year ended 31 December 2012		Half-year ended 31 December 2011	
	Cents per share	Total $'000	Cents per share	Total $'000
Fully paid ordinary shares				
Final dividend	4.80	5,765	12.05	14,472

AASB134.16A(h) On 10 February 2013, the directors declared a fully franked interim dividend of 2.8 cents per share to the holders of fully paid ordinary shares in respect of the half-year ended 31 December 2012, to be paid to shareholders on 1 March 2013. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $3,363 thousand.

6. Investments in associates

AASB134.16A(i) On 25 November 2012, the Group acquired a 30% interest in A Plus Limited, a company incorporated in Australia and engaged in the manufacture of electronic goods. The consideration for the acquisition was $34,519 thousand.

At 30 June 2012, the Group held a 40% interest in K Plus Limited and accounted for the investment as an associate. In December 2012, the Group transferred a 30% interest to a third party for proceeds of $1,245 thousand. The Group has retained the remaining 10% interest, and from the date of selling the 30% interest, recognises the investment as an available-for-sale financial asset. This transaction has resulted in the recognition of a gain in profit or loss, calculated as follows:

	$'000
Proceeds of disposal	1,245
Add: Fair value of investment retained	360
Less: Carrying amount of investment on the date of loss of significant influence	(1,023)
Gain recognised on disposal of associate interest	582

The Group recognised net income tax expense of $144 thousand on disposal of the associate interest, and additional deferred tax expense of $31 thousand relating to the fair value uplift of the remaining interest.

Source reference	

7. Goodwill

AASB134.16A(i), AASB3.61, B67(d) — Where there has been a business combination during the half-year, the entity is required to disclose the information required by AASB 3 'Business Combinations' (2008) in respect of goodwill.

Source reference		Half-year ended 31 Dec 2012 $'000	Half-year ended 31 Dec 2011 $'000
	Gross carrying amount		
AASB3.B67(d)(i)	Balance at beginning of the period	3,562	3,562
AASB3.B67(d)(ii)	Additional amounts recognised from business combinations occurring during the period (i) (note 11)	467	-
AASB3.B67(d)(iii)	Adjustments resulting from the subsequent recognition of deferred tax assets	-	-
AASB3.B67(d)(iv)	Derecognised on disposal of a subsidiary	(1,019)	-
AASB3.B67(d)(iv)	Reclassified as held for sale	-	-
AASB3.B67(d)(vi)	Effects of foreign currency exchange differences	-	-
AASB3 B67(d)(vii)	Other [describe]	-	-
AASB3.B67(d)(viii)	Balance at end of the period	3,010	3,562
	Accumulated impairment losses		
AASB3.B67(d)(i)	Balance at beginning of the period	-	-
AASB3.B67(d)(v)	Impairment losses for the period (i)	-	-
AASB3.B67(d)(iv)	Derecognised on disposal of a subsidiary	-	-
AASB3.B67(d)(iv)	Classified as held for sale	-	-
AASB3.B67(d)(vi)	Effect of foreign currency exchange differences	-	-
AASB3.B67(d)(viii)	Balance at end of the period	-	-
	Net book value		
	At the beginning of the period	3,562	3,562
	At the end of the period	3,010	3,562

AASB3.B67(d)(ii), (iv) — (i) Other than goodwill included in a disposal group that on acquisition met the criteria for classification as held for sale. No such acquisitions were made during the half-year (2011: nil).

8. Issues, repurchases and repayments of equity securities

AASB134.16A(e) — Issued capital as at 31 December 2012 amounted to $142,343 thousand (120,099,585 ordinary shares). There were no movements in the issued capital of the company in either the current or the prior half-years.

[Otherwise, describe, for example:]
During the half-year, the company issued [no.] ordinary shares for $[x,xxx] thousand on exercise of [no.] share options issued under its executive share option plan. As a result of this share issue, $[x,xxx] thousand was transferred from the equity-settled employee benefits reserve to issued capital. There were no other movements in the ordinary share capital or other issued share capital of the company in the current or prior half-year.
The company issued [no.] share options (2011: [no.]) over ordinary shares under its executive share option plan during the half-year. These share options had a fair value at grant date of $[x.xx] per share option (2011: $[x.xx]).

Source reference

9. Borrowings

AASB134.16A(e)

During the half-year, the Group obtained a new short-term bank loan to the amount of $50,000 thousand (2011: $30,000 thousand). The loan bears interest at variable market rates and is repayable within one year. The proceeds from the loan have been used to meet short-term expenditure needs. Repayments of other bank loans amounting to $19,818 thousand (2011: $18,230 thousand) were made in line with previously disclosed repayment terms.

10. Disposal of subsidiaries

AASB134.16A(i)

(i) Disposal of interest in Sub B Limited

On 31 July 2012, the Group disposed of 20% of its interest in Sub B Limited, reducing its continuing interest to 80%. The proceeds on disposal of $4,500 thousand were received in cash. The difference between the disposal proceeds and the amount transferred to non-controlling interests of $3,214 thousand has been recognised directly in equity.

AASB134.16A(i)

(ii) Disposal of interest in Sub A Limited (discontinued operation)

On 31 October 2012, the Group disposed of Sub A Limited, which carried out all of its toy manufacturing operations. The proceeds on disposal of $30,900 thousand were received in cash. The profit/(loss) for the half-year from the discontinued operation is analysed as follows:

	4 months ended 31 Oct 2012 $'000	6 months ended 31 Dec 2011 $'000
Loss of toy manufacturing operations for the half-year	(1,192)	(1,168)
Gain on disposal of toy manufacturing operations	3,883	-
	2,691	(1,168)

The following were the results of the toy business for the half-year:

	4 months ended 31 Oct 2012 $'000	6 months ended 31 Dec 2011 $'000
Revenue	63,747	55,265
Operating expenses	(64,201)	(56,577)
Profit before income tax	(454)	(1,312)
Income tax expense/(credit)	(738)	144
Profit after income tax	(1,192)	(1,168)

Source reference

10. Disposal of subsidiaries (cont'd)

The net assets of Sub A Limited at the date of disposal were as follows:

	31 October 2012 $'000
Net assets disposed of (excluding goodwill)	25,998
Attributable goodwill	1,019
	27,017
Gain on disposal	3,883
Total consideration	30,900
Satisfied by cash, and net cash inflow arising on disposal	30,900

A gain of $3,883 thousand was recognised on the disposal of Sub A Limited. No tax charge or credit arose on the transaction.

AASB134.16A(i), AASB3.59-63, B64-B67

11. Acquisition of subsidiary

About the illustrative disclosures

Where there has been a business combination during or since the end of the half-year, AASB 134.16A(i) requires disclosure of the information required by AASB 3 'Business Combinations' (2008) in the interim financial report. The following disclosure illustrates the relevant disclosures specified by AASB 3(2008) in respect of the illustrated business combinations. Where the following items are relevant to a particular business combination extensive additional disclosures are required that are not illustrated below

- contingent liabilities;
- equity instruments issued by the acquirer as consideration for the business combination
- bargain purchase gains; and
- a business combination achieved in stages.

AASB3.B64(a)-(d) On 15 November 2012, the Group acquired an 80% interest in Sub X Limited. Sub X Limited is engaged in distribution activities and was acquired with the objective of significantly improving the Group's distribution logistics.

AASB3.B64(f) **Consideration transferred**

		$'000
	Cash	9,691
AASB3.B64(g)(i)	Contingent consideration arrangement (i)	75
		9,766
	Add: Settlement of legal claim against Sub X Limited (ii)	40
		9,806

Source reference

11. Acquisition of subsidiary (cont'd)

AASB3.B64(g)(ii), (iii)

(i) The contingent consideration requires the Group to pay the non-controlling interests an additional $100 thousand if Sub X Limited's profit before interest and tax (PBIT) in each of the years 2012 and 2013 exceeds $500 thousand. No amount is payable if the PBIT target is not met. Sub X Limited's PBIT for the past three years has been $470 thousand on average and the directors expect that the specified target will be met. $75 thousand represents the estimated fair value of this obligation.

AASB3.B64(l)

(ii) Prior to the acquisition of Sub X Limited, the Group was pursuing a legal claim against that company in respect of damage to goods in transit to a customer. Although the Group was confident of recovery, this amount has not previously been recognised as an asset. In line with the requirements of AASB 3(2008), the Group has recognised the effective settlement of this legal claim on the acquisition of Sub X Limited by recognising $40,000 (being the estimated fair value of the claim) as a gain in profit or loss within the 'other income' line item. This has resulted in a corresponding increase in the consideration transferred.

AASB3.B64(m)

Acquisition-related costs amounting to $145 thousand have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the half-year, within the 'other expenses' line item.

AASB3.B64(i)

Assets acquired and liabilities assumed at the date of acquisition

	$'000
Current assets	
Cash & cash equivalents	200
Trade receivables (i)	2,043
Loans (ii)	900
Inventories	3,631
Non-current assets	
Plant & equipment	7,512
Current liabilities	
Trade & other payables	(2,358)
Non-current liabilities	
Deferred tax liabilities	(58)
	11,870

AASB3.B64(h)

(i) Trade receivables acquired with a fair value of $2,043 thousand had gross contractual amounts of $2,300 thousand. The best estimate at acquisition date of the contractual cash flows not expected to be collected is $257 thousand.

AASB3.B64(h)

(ii) Loans acquired had a fair value of $900 thousand and gross contractual amounts receivable of $950 thousand. The best estimate at acquisition date of the contractual cash flows not expected to be collected is $50 thousand.

AASB3.B64(h)

Disclosure must be made, by each major class of receivables (e.g. loans, direct finance leases), of the fair value of the receivables, the gross contractual amounts receivable, and the best estimate at the acquisition date of the contractual cash flows not expected to be collected.

AASB3.B67(a)

The initial accounting for the acquisition of Sub X Limited has only been provisionally determined at the end of the half-year. At the end of the half-year, the final valuation report in respect of the plant and equipment acquired had not yet been received. At the date of finalisation of this half-year financial report, the necessary market valuations and other calculations had not been finalised and the fair value of the plant and equipment, associated deferred tax liabilities and goodwill noted above have therefore only been provisionally determined based on the directors' best estimate of the likely fair value of the plant and equipment.

Source reference

11. Acquisition of subsidiary (cont'd)

Non-controlling interests

AASB3.B64(o)

The non-controlling interest (20%) in Sub X Limited recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to $2,531 thousand. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

- assumed discount rate range of 18% - 22%;
- assumed long-term sustainable growth rates of 3% - 5%; and
- assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interests in Sub X Limited.

Goodwill arising on acquisition

	$'000
Consideration transferred	9,806
Plus: non-controlling interests (at fair value)	2,531
Less: fair value of identifiable net assets acquired	(11,870)
Goodwill arising on acquisition	467

AASB3.B64(e)

Goodwill arose in the acquisition of Sub X Limited because the acquisition included the customer lists and customer relationships of Sub X Limited as part of the acquisition. These assets could not be separately recognised from goodwill because they are not capable of being separated from the Group and sold, transferred, licensed, rented or exchanged, either individually or together with any related contracts.

AASB3.B64(k)

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

	$'000
Consideration paid in cash	9,691
Less: cash and cash equivalent balances acquired	(200)
	(9,491)

Impact of acquisition on the results of the Group

AASB3.B64(q)

Included in the profit for the half-year is $35 thousand attributable to Sub X Limited. Revenue for the half-year includes $673 thousand in respect of Sub X Limited.

Had the acquisition of Sub X Limited been effected at 1 July 2012, the revenue of the Group from continuing operations for the six months ended 31 December 2012 would have been $454,890 thousand, and the profit for the year from continuing operations would have been $26,500 thousand. The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on a half-yearly basis and to provide a reference point for comparison in future half-years.

In determining the 'pro-forma' revenue and profit of the Group had Sub X Limited been acquired at the beginning of the current half-year, the directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements;
- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination; and
- excluded takeover defense costs of Sub X Limited as a pre-acquisition transaction.

Source reference

12. Key management personnel

AASB134.16A

Remuneration arrangements of key management personnel are disclosed in the annual financial report. In addition, during the half-year, a cash bonus of $200,000 was paid to the CFO, Mr. P.H. Taylor, for successfully completing the acquisition of Sub X Limited.

13. Subsequent events

AASB134.16A(h)

The notes to the condensed consolidated financial statements shall disclose information about events after the half-year that have not been reflected in the half-year financial statements, if not disclosed elsewhere in the half-year financial report. Further guidance concerning the disclosure of subsequent events is contained in Accounting Standard AASB 110 'Events after the Reporting Period'.

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