



RDR VS SDS

WHAT DOES IT LOOK LIKE?

Compiled by Carmen Ridley. Published by CaseWare Australia & New Zealand

[Abstract](#)

An illustrated example of the changes required when applying the Simplified Disclosure standard to an entity that has previously reported with Reduced Disclosure financial statements. Based on a fictional entity.

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CaseWare Australia & New Zealand

Reduced disclosure to Simplified Disclosure: What does it look like?

30 June 2021 is the last June reporting period for reduced disclosure (RDR) financial statements. All entities currently preparing RDR financial statements will need to change their reporting framework for annual reporting periods beginning on or after 1 July 2021.

Tier 2 general purpose financial reporting is now specified in AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, however there are a number of changes between RDR and the new simplified disclosure regime at a fundamental level.

- AASB 1060 is a standalone standard which contains all the presentation and disclosure requirements under Tier 2, therefore entities will no longer be required to focus on shaded sentences in the AAS standards to identify their required disclosures.
- AASB 1060 was developed using IFRS for SME as a base standard and therefore the number of disclosures is lower, where RDR was developed using a top down approach to reduce the full IFRS disclosures.
- AASB 1060 is structured into sections which contain all the relevant requirements for a particular topic.

The purpose of this paper is to provide a comparison using **Caseware Large Pty Ltd** sample entity to show the differences at a financial statement note level between RDR and Simplified Disclosure Standard to allow entities who previously prepared RDR financial statements to understand the different disclosure requirements for the Simplified Disclosure (SD) financial statements.

Caseware Large Pty Ltd is a for-profit entity and therefore this document does not include any information for not-for-profit specific disclosures.

The changes relate to accounting standards only and therefore there will no impact on Directors Report, Auditors Independence Declaration and other statements which are not covered by accounting standards from the move to SD financial statements except that the financial reporting framework should refer to Australian Accounting Standards – Simplified Disclosures.

Statement of profit and loss and other comprehensive income

RDR financial statements			Changes	Simplified Disclosure statements		
	\$	\$			\$	\$
Sales revenue	67,426,111	66,467,805			67,426,111	66,467,805
Cost of sales	(48,609,302)	(46,757,575)			(48,609,302)	(46,757,575)
Gross profit	18,816,809	19,710,230			18,816,809	19,710,230
Finance income	39,422	40,558			39,422	40,558
Other income	449,233	456,856			449,233	456,856
Distribution costs	(941,816)	(923,446)	No change		(941,816)	(923,446)
Marketing expenses	(1,571,937)	(1,613,384)			(1,571,937)	(1,613,384)
Occupancy costs	(2,546,377)	(2,086,293)			(2,546,377)	(2,086,293)
Administrative expenses	(10,369,006)	(10,006,673)			(10,369,006)	(10,006,673)
Impairment losses on receivables	(53,455)	(41,510)			(53,455)	(41,510)
Other expenses	(1,612,274)	(1,503,019)			(1,612,274)	(1,503,019)
Finance expenses	(315,120)	(623,753)			(315,120)	(623,753)
Profit before income tax	1,895,479	3,409,566			1,895,479	3,409,566
Income tax expense	(592,824)	(898,545)			(592,824)	(898,545)
Profit for the year	1,302,655	2,511,021			1,302,655	2,511,021
Other comprehensive income, net of income tax					Other comprehensive income, net of income tax	
Items that will not be reclassified subsequently to profit or loss					Items that will not be reclassified subsequently to profit or loss	
Financial assets at revaluation	161,956	85,863			161,956	85,863
Other comprehensive income for the year, net of tax	161,956	85,863			161,956	85,863
Total comprehensive income for the year	1,464,611	2,596,884			1,464,611	2,596,884

Refer to Note (i) under Statement of Changes of Equity.

Statement of financial position

RDR financial statements		Changes	Simplified Disclosure statements	
	\$			\$
ASSETS			ASSETS	
CURRENT ASSETS			CURRENT ASSETS	
Cash and cash equivalents	2,440,055		Cash and cash equivalents	2,440,055
Trade and other receivables	5,923,450		Trade and other receivables	5,923,450
Inventories	16,237,320		Inventories	16,237,320
Loans and advances	-		Loans and advances	-
Contract cost assets	511,009		Contract cost assets	511,009
Other assets	937,877		Other assets	937,877
TOTAL CURRENT ASSETS	26,049,711		TOTAL CURRENT ASSETS	26,049,711
NON-CURRENT ASSETS			NON-CURRENT ASSETS	
Other financial assets	823,456		Other financial assets	823,456
Property, plant and equipment	5,821,032		Property, plant and equipment	5,821,032
Investment property	3,208,532		Investment property	3,208,532
Intangible assets	1,092,697		Intangible assets	1,092,697
Right-of-use assets	3,842,734		Right-of-use assets	3,842,734
TOTAL NON-CURRENT ASSETS	14,788,451		TOTAL NON-CURRENT ASSETS	14,788,451
TOTAL ASSETS	40,838,162		TOTAL ASSETS	40,838,162
LIABILITIES			LIABILITIES	
CURRENT LIABILITIES			CURRENT LIABILITIES	
Trade and other payables	1,051,633		Trade and other payables	1,051,633
Borrowings	321,346		Borrowings	321,346
Current tax liabilities	378,677		Current tax liabilities	378,677
Contract liabilities	83,455		Contract liabilities	83,455
Lease liabilities	437,074		Lease liabilities	437,074
Employee benefits	1,221,269		Employee benefits	1,221,269
Other liabilities	273,556		Other liabilities	273,556
TOTAL CURRENT LIABILITIES	3,767,010		TOTAL CURRENT LIABILITIES	3,767,010
NON-CURRENT LIABILITIES			NON-CURRENT LIABILITIES	
Deferred tax liabilities	392,842		Deferred tax liabilities	392,842
Lease liabilities	3,719,602		Lease liabilities	3,719,602
Employee benefits	301,446		Employee benefits	301,446
TOTAL NON-CURRENT LIABILITIES	4,413,890		TOTAL NON-CURRENT LIABILITIES	4,413,890
TOTAL LIABILITIES	8,180,900		TOTAL LIABILITIES	8,180,900
NET ASSETS	32,657,262		NET ASSETS	32,657,262

No changes

EQUITY		
Issued capital	3,259,673	3,259,673
Reserves	437,915	275,959
Retained earnings	28,859,674	27,657,020
TOTAL EQUITY	32,657,262	31,192,652

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TOTAL EQUITY	32,657,262	31,192,652

Statement of changes in equity

RDR financial statements					Changes	Simplified Disclosure statements				
Current year					No changes unless entity has limited movements in equity – refer note (i)	Current year				
	Ordinary Shares	Retained Earnings	Financial asset reserve	Total			Ordinary Shares	Retained Earnings	Financial asset reserve	Total
	\$	\$	\$	\$			\$	\$	\$	\$
Balance at 1 July 202X	3,259,673	27,657,019	275,959	31,192,651		Balance at 1 July 202X	3,259,673	27,657,019	275,959	31,192,651
Profit for the year	-	1,302,655	-	1,302,655		Profit for the year	-	1,302,655	-	1,302,655
Total other comprehensive income for the year	-	-	161,956	161,956		Total other comprehensive income for the year	-	-	161,956	161,956
Balance at 30 June 202Y	3,259,673	28,959,674	437,915	32,657,262		Balance at 30 June 202Y	3,259,673	28,959,674	437,915	32,657,262
Prior year						Prior year				
Balance at 1 July 202W	3,259,673	25,360,999	190,096	29,647,151		Balance at 1 July 202W	3,259,673	25,360,999	190,096	29,647,151
Profit for the year	-	2,511,021	-	2,511,021		Profit for the year	-	2,511,021	-	2,511,021
Total other comprehensive income for the period	-	-	85,863	85,863		Total other comprehensive income for the period	-	-	85,863	85,863
Dividends paid or provided for	-	(215,000)	-	(215,000)		Dividends paid or provided for	-	(215,000)	-	(215,000)
Balance at 30 June 202X	3,259,673	27,657,020	275,959	31,192,652		Balance at 30 June 202X	3,259,673	27,657,020	275,959	31,192,652

Note (i)

Under AASB 1060.26 the entity has an option not to prepare a statement of changes in equity, if the only changes to an entity's equity balance during the period are:

- Results for the year (profit or loss)
- Payment of dividends
- Corrections of prior period errors and
- Changes in accounting policy

In this case, the entity prepares a Statement of Income and Retained Earnings which comprises of the statement of profit or loss and other comprehensive (up to and including the profit for the year line) plus the following line items (where applicable):

- Retained earnings at the beginning of the reporting period
- Dividends declared and paid or payable during the period
- Restatements of retained earnings for correction of prior period errors
- Restatements of retained earnings for changes in accounting policy and
- Retained earnings at the end of the reporting period.

Illustrative summarised Statement of Income and Retained Earnings
(Note this does not include all required revenue and expense line items)

	\$	\$
Revenue		
Expenses		
Profit before tax		
Income tax expense		
Profit for the year		
Retained earnings at the beginning of the reporting period		
Dividends declared and paid or payable during the period		
Restatements of retained earnings for correction of prior period errors		
Restatements of retained earnings for changes in accounting policy		
Retained earnings at the end of the reporting period		

Statement of cash flows

RDR financial statements			Changes	Simplified Disclosure statements		
	\$	\$			\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:				CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	66,887,642	65,986,334		Receipts from customers	66,887,642	65,986,334
Payments to suppliers and employees	(63,286,975)	(59,519,139)		Payments to suppliers and employees	(63,286,975)	(59,519,139)
Interest received	39,422	40,558		Interest received	39,422	40,558
Interest paid	(315,120)	(623,753)		Interest paid	(315,120)	(623,753)
Income taxes paid	(585,617)	(990,300)		Income taxes paid	(585,617)	(990,300)
Net cash provided by/(used in) operating activities	2,739,352	4,893,700		Net cash provided by/(used in) operating activities	2,739,352	4,893,700
CASH FLOWS FROM INVESTING ACTIVITIES:				CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	5,070		Proceeds from sale of plant and equipment	-	5,070
Payment for intangible asset	(106,897)	(52,815)	No changes	Payment for intangible asset	(106,897)	(52,815)
Purchase of property, plant and equipment	(1,570,243)	(1,772,865)		Purchase of property, plant and equipment	(1,570,243)	(1,772,865)
Payments for listed shares	(76,088)	-		Payments for listed shares	(76,088)	-
Net cash provided by/(used in) investing activities	(1,753,228)	(1,820,610)		Net cash provided by/(used in) investing activities	(1,753,228)	(1,820,610)
CASH FLOWS FROM FINANCING ACTIVITIES:				CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(431,989)	(1,515,161)		Repayment of borrowings	(431,989)	(1,515,161)
Payment of dividends	-	(215,000)		Payment of dividends	-	(215,000)
Repayment of lease liabilities (principal)	-	(355,616)		Repayment of lease liabilities (principal)	-	(355,616)
Net cash provided by/(used in) financing activities	(431,989)	(2,085,777)		Net cash provided by/(used in) financing activities	(431,989)	(2,085,777)
Net increase/(decrease) in cash and cash equivalents held	554,135	987,313		Net increase/(decrease) in cash and cash equivalents held	554,135	987,313
Cash and cash equivalents at beginning of year	1,885,920	898,607		Cash and cash equivalents at beginning of year	1,885,920	898,607
Cash and cash equivalents at end of financial year	2,440,055	1,885,920		Cash and cash equivalents at end of financial year	2,440,055	1,885,920

RDR financial statements (AASB 101, AASB 110)	Changes	Simplified Disclosure financial statements (AASB 1060.11, 95 - 97, 186)
<p>Date of authorisation of the financial statements</p> <p>The financial report was authorised for issue by the Directors on 30 September 202Y.</p> <p>Basis of preparation</p> <p>The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the <i>Corporations Act 2001</i>.</p> <p>Accounting policies</p> <p>Information on relevant significant accounting policies, including accounting policies choices.</p> <p>Critical Accounting Estimates and Judgments</p> <p>The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.</p> <p>These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.</p> <p>The significant estimates and judgements made have been described below.</p> <p><i>Key estimates – [provide details]</i></p> <p><i>Key judgements – [provide details]</i></p>	<p>Domicile and legal form of the entity to be disclosed</p> <p>Name of financial reporting framework changes, otherwise no changes</p>	<p>Entity information</p> <p>CaseWare Large SDS Pty Ltd is a for-profit proprietary Company, incorporated and domiciled in Australia.</p> <p>Date of authorisation of the financial statements</p> <p>The financial report was authorised for issue by the Directors on 30 September 2021</p> <p>Basis of preparation</p> <p>The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the <i>Corporations Act 2001</i>.</p> <p>Accounting policies</p> <p>Information on relevant significant accounting policies, including accounting policies choices.</p> <p>Critical Accounting Estimates and Judgments</p> <p>The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.</p> <p>These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.</p> <p>The significant estimates and judgements made have been described below.</p> <p><i>Key estimates – [provide details]</i></p> <p><i>Key judgements – [provide details]</i></p>

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- A description of the nature of the entity's operations and its principal activities (if not disclosed elsewhere in information published with the financial statements) – **CaseWare Large Pty** discloses this information in the directors report.

Revenue and other income

RDR financial statements (AASB 15 and AASB 120)		Changes	Simplified Disclosure financial statements (AASB 1060.157-160)	
Revenue from contracts with customers			Revenue from contracts with customers	
- sale of goods	54,747,114	53,445,380	- sale of goods	54,747,114 53,445,380
- provision of services	12,678,997	13,022,425	- provision of services	12,678,997 13,022,425
Total Revenue	67,426,111	66,467,805	Total Revenue	67,426,111 66,467,805
Other Income			Other Income	
- rental income	263,235	254,025	- rental income	263,235 254,025
- other income	42,566	51,586	- other income	42,566 51,586
- fair value adjustment to investment property	143,432	151,245	- fair value adjustment to investment property	143,432 151,245
	449,233	456,856		449,233 456,856
Disaggregation of revenue from contracts with customers			Disaggregation of revenue from contracts with customers	
Timing of revenue recognition			Timing of revenue recognition	
- At a point in time	55,291,384	54,042,310	- At a point in time	55,291,384 54,042,310
- Over time	12,134,727	12,425,495	- Over time	12,134,727 12,425,495
Revenue from contracts with customers	67,426,111	66,467,805	Revenue from contracts with customers	67,426,111 66,467,805
Type of contract			Type of contract	
- Sale of goods - Wholesale	41,946,327	41,613,065	- Sale of goods - Wholesale	41,946,327 41,613,065
- Sale of goods- retail	12,800,787	12,181,085	- Sale of goods retail	12,800,787 12,181,085
- Provision of services - Fixed price	10,298,855	10,234,983	- Provision of services - Fixed price	10,298,855 10,234,983
- Provision of services - Hourly rate contracts	2,380,142	2,438,672	- Provision of services - Hourly rate contracts	2,380,142 2,438,672
Revenue from contracts with customers	67,426,111	66,467,805	Revenue from contracts with customers	67,426,111 66,467,805
Performance obligation information (not illustrated here since specific to the entity)			Performance obligation information (not illustrated here since specific to the entity)	
Unsatisfied performance obligations			Unsatisfied performance obligations	
Aggregate amount of the transaction price allocated to long term training contracts that are partially or fully unsatisfied at 30 June			Aggregate amount of the transaction price allocated to long term training contracts that are partially or fully unsatisfied at 30 June	
	6,483,657	6,345,987		
Management expects 70% of the transaction price allocated to the unsatisfied			Management expects 70% of the transaction price allocated to the unsatisfied	
			Unsatisfied performance obligation information no longer required	

contracts at 30 June 202Y will be recognised as revenue during 202Z (\$4,287,681).
The remaining 30% is expected to be recognised as revenue in the year ended 203A.

Disclosure required under RDR no longer required under SDS

- Revenue recognised from contracts with customer shown separately from other sources of revenue (Note Caseware SDS continues to do this as it is considered to provide useful information and is not considered onerous)
- Any impairment losses recognised on any receivables or contract assets arising from an entity's contracts with customers shown separately from other impairment.
- For performance obligations satisfied at a point in time, the significant judgements made in evaluating when a customer obtains control of promised goods or services (note: the generic requirement to disclose significant judgements or estimates exists in AASB 1060.96-97).

Finance income and expenses

RDR financial statements (AASB 7)			Changes	Simplified Disclosure financial statements (AASB 1060.119, 161 - 163)		
Finance income			No change	Finance income		
	\$	\$			\$	\$
Interest income				Interest income		
- Assets measured at amortised cost	<u>39,422</u>	<u>40,558</u>		- Assets measured at amortised cost	<u>39,422</u>	<u>40,558</u>
Finance expenses				Finance expenses		
Interest expense on lease liability	279,687	302,721		Interest expense on lease liability	279,687	302,721
Other finance expenses	<u>35,433</u>	<u>321,032</u>		Other finance expenses	<u>35,433</u>	<u>321,032</u>
Total finance expenses	<u>315,120</u>	<u>623,753</u>		Total finance expenses	<u>315,120</u>	<u>623,753</u>

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- Amount of borrowing costs capitalised during the period.

Note: there is a requirement to disclose impairment loss for each class of financial asset, the sample financial statements provide this information on the face of the statement of profit or loss and other comprehensive income.

Result for the year

RDR financial statements			Changes	Simplified Disclosure statements		
The result for the year includes the following specific expenses:			No requirement to separately disclose employee benefit expenses, depreciation if present expenses by function or cost of sales if present by nature.	The result for the year includes the following specific expenses:		
Other expenses:				Defined contribution superannuation	2,230,424	1,821,023
Employee benefit expenses	26,190,879	25,129,817				
Depreciation expenses	1,391,430	1,279,999				
Defined contribution superannuation	2,230,424	1,821,023				

Income tax expense

RDR financial statements (AASB 112)	Changes	Simplified Disclosure financial statements (AASB 1060.176-178)																																																																														
<p>(a) The major components of tax expense (income) comprise:</p> <table> <tr> <th></th><th>\$</th><th>\$</th></tr> <tr> <td>Current tax expense</td><td></td><td></td></tr> <tr> <td>Local income tax - current period</td><td>651,549</td><td>1,005,302</td></tr> <tr> <td>Deferred tax expense</td><td>(58,724)</td><td>(106,757)</td></tr> <tr> <td></td><td>592,824</td><td>822,103</td></tr> </table> <p>(b) Reconciliation of income tax to accounting profit</p> <table> <tr> <td>Prima facie tax payable on profit from ordinary activities before income tax at X% (202X: X%)</td><td>568,644</td><td>1,060,499</td></tr> <tr> <td>Add:</td><td></td><td></td></tr> <tr> <td>Tax effect of:</td><td></td><td></td></tr> <tr> <td>Non-deductible expenses</td><td>82,904</td><td>-</td></tr> <tr> <td>Less:</td><td></td><td></td></tr> <tr> <td>Income tax relating to each component of other comprehensive income</td><td>(58,724)</td><td>(106,757)</td></tr> <tr> <td>Changes in recognised temporary differences</td><td>-</td><td>(17,568)</td></tr> <tr> <td></td><td>592,824</td><td>898,545</td></tr> </table> <p>Weighted average effective tax rate 31% 26%</p> <p>The increase in the weighted average effective tax rate for 202Y is a result of the increase in non-deductible expenses.</p>		\$	\$	Current tax expense			Local income tax - current period	651,549	1,005,302	Deferred tax expense	(58,724)	(106,757)		592,824	822,103	Prima facie tax payable on profit from ordinary activities before income tax at X% (202X: X%)	568,644	1,060,499	Add:			Tax effect of:			Non-deductible expenses	82,904	-	Less:			Income tax relating to each component of other comprehensive income	(58,724)	(106,757)	Changes in recognised temporary differences	-	(17,568)		592,824	898,545	No changes	<p>(a) The major components of tax expense (income) comprise:</p> <table> <tr> <th></th><th>\$</th><th>\$</th></tr> <tr> <td>Current tax expense</td><td></td><td></td></tr> <tr> <td>Local income tax - current period</td><td>651,549</td><td>1,005,302</td></tr> <tr> <td>Deferred tax expense</td><td>(58,724)</td><td>(106,757)</td></tr> <tr> <td></td><td>592,824</td><td>898,545</td></tr> </table> <p>(b) Reconciliation of income tax to accounting profit</p> <table> <tr> <td>Prima facie tax payable on profit from ordinary activities before income tax at X% (202X: X%)</td><td>568,644</td><td>1,022,870</td></tr> <tr> <td>Add:</td><td></td><td></td></tr> <tr> <td>Tax effect of:</td><td></td><td></td></tr> <tr> <td>- Non-deductible expenses</td><td>82,904</td><td>-</td></tr> <tr> <td>Less:</td><td></td><td></td></tr> <tr> <td>- Income tax relating to each component of other comprehensive income</td><td>(58,724)</td><td>(106,757)</td></tr> <tr> <td>- Changes in recognised temporary differences</td><td>-</td><td>(17,568)</td></tr> <tr> <td></td><td>592,824</td><td>898,545</td></tr> </table> <p>Income tax expense 592,824 898,545</p> <p>Weighted average effective tax rate 31% 26%</p> <p>The increase in the weighted average effective tax rate for 202Y is a result of the increase in non-deductible expenses.</p>		\$	\$	Current tax expense			Local income tax - current period	651,549	1,005,302	Deferred tax expense	(58,724)	(106,757)		592,824	898,545	Prima facie tax payable on profit from ordinary activities before income tax at X% (202X: X%)	568,644	1,022,870	Add:			Tax effect of:			- Non-deductible expenses	82,904	-	Less:			- Income tax relating to each component of other comprehensive income	(58,724)	(106,757)	- Changes in recognised temporary differences	-	(17,568)		592,824	898,545
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(c) Income tax relating to each component of other comprehensive income:

	202Y			202X		
	Before-tax Amount	Tax (Expense) Benefit	Net-of -tax Amount	Before-tax Amount	Tax (Expense) Benefit	Net-of-tax Amount
	\$	\$	\$	\$	\$	\$
Financial assets revaluation	231,366	(69,410)	161,956	122,661	(36,798)	85,863

Disclosure required under RDR no longer required under SDS not illustrated

- In respect of discontinued operations, the tax expense relating to:
 - The gain or loss on discontinuance and
 - The profit or loss from the ordinary activities of the discontinued operations for the period, together with the corresponding amount for each prior period presented.

(c) Income tax relating to each component of other comprehensive income:

	202Y			202X		
	Before-tax Amount	Tax (Expense) Benefit	Net-of -tax Amount	Before-tax Amount	Tax (Expense) Benefit	Net-of-tax Amount
	\$	\$	\$	\$	\$	\$
Financial assets revaluation	231,366	(69,410)	161,956	122,661	(36,798)	85,863

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- Amount of deferred tax expenses (income) relating to changes in tax rates or the imposition of new taxes.
- Amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce tax expense.
- Adjustments to deferred tax expense (income) arising from a change in the tax status of the entity or its shareholders
- Deferred tax expense (income) arising from the write-down or reversal of a previous write-down, of a deferred tax asset
- The amount of tax expense (income) relating to those changes in accounting policies and errors that are included in profit or loss in accordance with AASB 108 because they cannot be accounted for retrospectively.

Cash and cash equivalents

RDR financial statements (AASB 107)			Changes	Simplified Disclosure financial statements (AASB 1060.88)		
	2021 \$	2020 \$	No changes		2021 \$	2020 \$
Cash at bank and in hand	736,611	673,370		Cash at bank and in hand	736,611	673,370
Short-term deposits	1,703,444	1,212,550		Short-term deposits	1,703,444	1,212,550
	<u>2,440,055</u>	<u>1,885,920</u>			<u>2,440,055</u>	<u>1,885,920</u>

Trade and Other Receivables

RDR financial statements (AASB 7)			Changes	Simplified Disclosure financial statements (AASB 1060.111-119)		
CURRENT				CURRENT		
Trade receivables	6,023,472	4,985,540		Trade receivables	6,023,472	4,985,540
Provision for impairment	(202,366)	(201,586)		Provision for impairment	(202,366)	(201,586)
	5,821,106	4,783,954			5,821,106	4,783,954
Other receivables	102,344	118,225		Other receivables	102,344	118,225
Total current trade and other receivables	5,923,450	4,902,179		Total current trade and other receivables	5,923,450	4,902,179
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.			No longer required to disclose information in relation to fair value or maximum exposure to credit risk			
The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.						

Inventories

RDR financial statements (AASB 102/			Changes	Simplified Disclosure financial statements		
CURRENT			No changes	CURRENT		
At cost:				At cost:		
Raw materials and consumables	2,467,789	3,500,255		Raw materials and consumables	2,467,789	3,500,255
Work in progress	4,445,678	3,430,515		Work in progress	4,445,678	3,430,515
Finished goods	9,158,421	9,302,540		Finished goods	9,158,421	9,302,540
Goods in transit	165,432	142,010		Goods in transit	165,432	142,010
	16,237,320	16,375,320			16,237,320	16,375,320
Write downs of inventories to net realisable value during the year were \$ NIL (202X: \$ NIL).				Write downs of inventories to net realisable value during the year were \$ NIL (202X: \$ NIL).		

Other financial assets

RDR financial statements (AASB 7)	Changes	Simplified Disclosure financial statements (AASB 1060.111 – 119)
NON-CURRENT Equity securities - at fair value through Other Comprehensive Income <div> <div>823,456</div> <div>585,412</div> </div>	No changes	NON-CURRENT Equity securities - at fair value through Other Comprehensive Income <div> <div>823,456</div> <div>585,412</div> </div>

Contract balances

RDR financial statements (AASB 15)				Changes	Simplified Disclosure financial statements (AASB 1060.159)			
Contract assets and liabilities					Contract assets and liabilities			
The Company has recognised the following contract assets and liabilities from contracts with customers:					The Company has recognised the following contract assets and liabilities from contracts with customers:			
	Note	\$	\$			Note	\$	\$
CURRENT					CURRENT			
Training services	(i)	<u>83,455</u>	71,258		Training services	(i)	<u>83,455</u>	71,258
(i) Contract liabilities represent payment received from customers in excess of services rendered by the Company.					(i) Contract liabilities represent payment received from customers in excess of services rendered by the Company.			
Contract cost assets								
Incremental costs to obtain a contract		112,344	124,522					
Costs to fulfil a contract		<u>398,665</u>	498,125					
		<u>511,009</u>	622,647					
(i) [Enter description of contract balance]								

This breakdown is not required under SDS

Property, plant and equipment

RDR financial statements (AASB 116)		Changes	Simplified Disclosure financial statements (AASB 1060.134-135)	
Freehold land			Freehold land	
At cost	<u>929,136</u>	929,136	At cost	<u>929,136</u> 929,136
Plant and equipment			Plant and equipment	
At cost	<u>6,146,723</u>	4,822,156	At cost	<u>6,146,723</u> 4,822,156
Accumulated depreciation	<u>(2,643,449)</u>	(2,282,215)	Accumulated depreciation	<u>(2,643,449)</u> (2,282,215)
Total plant and equipment	<u>3,503,274</u>	2,539,941	Total plant and equipment	<u>3,503,274</u> 2,539,941
Furniture, fixtures and fittings			Furniture, fixtures and fittings	
At cost	<u>231,533</u>	231,533	At cost	<u>231,533</u> 231,533
Accumulated depreciation	<u>(219,953)</u>	(182,113)	Accumulated depreciation	<u>(219,953)</u> (182,113)
Total furniture, fixtures and fittings	<u>11,580</u>	49,420	Total furniture, fixtures and fittings	<u>11,580</u> 49,420
Motor vehicles			Motor vehicles	
At cost	<u>432,825</u>	432,825	At cost	<u>432,825</u> 432,825
Accumulated depreciation	<u>(336,437)</u>	(315,881)	Accumulated depreciation	<u>(336,437)</u> (315,881)
Total motor vehicles	<u>96,388</u>	116,944	Total motor vehicles	<u>96,388</u> 116,944
Computer equipment			Computer equipment	
At cost	<u>2,461,908</u>	2,216,232	At cost	<u>2,461,908</u> 2,216,232
Accumulated depreciation	<u>(2,047,100)</u>	(1,652,532)	Accumulated depreciation	<u>(2,047,100)</u> (1,652,532)
Total computer equipment	<u>414,808</u>	563,700	Total computer equipment	<u>414,808</u> 563,700
Leasehold Improvements			Leasehold Improvements	
At cost	<u>1,221,126</u>	1,221,126	At cost	<u>1,221,126</u> 1,221,126
Accumulated amortisation	<u>(355,280)</u>	(310,256)	Accumulated amortisation	<u>(355,280)</u> (310,256)
Total leasehold improvements	<u>865,846</u>	910,870	Total leasehold improvements	<u>865,846</u> 910,870
Total property, plant and equipment	<u>5,821,032</u>	<u>5,110,011</u>	Total property, plant and equipment	<u>5,821,032</u> <u>5,110,011</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Computer Equipment \$	Leasehold Improvements \$	Total \$
Current year							
Balance at beginning of year	929,136	2,539,941	49,420	116,945	563,700	910,870	5,110,012
Additions	-	1,324,567	-	-	245,676	-	1,570,243
Depreciation expense	-	(361,234)	(37,840)	(20,556)	(394,568)	(45,024)	(859,222)
Balance at the end of year	929,136	3,503,274	11,580	96,389	414,808	865,846	5,821,033

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Computer Equipment \$	Leasehold Improvements \$	Total \$
Current year							
Balance at beginning of year	929,136	2,539,941	49,420	116,945	563,700	910,870	5,110,012
Additions	-	1,324,567	-	-	245,676	-	1,570,243
Depreciation expense	-	(361,234)	(37,840)	(20,556)	(394,568)	(45,024)	(859,222)
Balance at the end of year	929,136	3,503,274	11,580	96,389	414,808	865,846	5,821,033

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- The existence and carrying amount of property, plant and equipment to which the entity has restricted title or that is pledged as security for liabilities.
- Property, plant and equipment at fair value
 - The effective date of the revaluation
 - Whether an independent valuer was involved
 - The methods and significant assumptions applied in estimating the items' fair values and
 - The revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders

Note: these disclosures are currently required by RDR and therefore are not new requirements.

Investment property

RDR financial statements (AASB 140)	Changes	Simplified Disclosure statements (AASB 1060.132-135)
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At fair value		
Owned Property		
Balance at beginning of year	3,065,100	3,065,100
Fair value adjustments	143,432	151,245
Balance at end of year	3,208,532	3,216,345

At fair value		
Owned Property		
Balance at beginning of year	3,065,100	3,065,100
Fair value adjustments	143,432	151,245
Balance at end of year	3,208,532	3,216,345

Disclosure required under RDR no longer required under SDS not illustrated

Investment property carried at cost:

- Existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal
- Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Investment property measured at fair value:

- In the rare case where fair value model is used but there is an investment property for which fair value cannot be reliably measured:
 - If possible, the range of estimates within which fair value is highly likely to lie and
 - On disposal of investment property not carried at fair value:
 - The fact that the entity has disposed of investment property not carried at fair value
 - The carrying amount of that investment property at the time of the sale and
 - The amount of gain or loss recognised.

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

Investment property carried at cost

- Useful life or depreciation rates used
- The gross carrying amount and the accumulated depreciation at the beginning and end of the period.
- A reconciliation of the carrying amount of investment property at the beginning and end of the reporting period.

Note: the disclosures relating to investment property carried at cost are currently required by RDR and are not new requirements

Investment property measured at fair value

- Methods and significant assumptions applied in determining fair value are required to be disclosed – these disclosures are included in the fair value note in these Caseware Sample Simplified Disclosure financial statements.

Intangible assets

RDR financial statements (AASB 138)			Changes	Simplified Disclosure financial statements (AASB 1060.137-141, 143)		
Computer software			No changes	Computer software		
Cost	3,322,442	3,215,545		Cost	3,322,442	3,215,545
Accumulated amortisation and impairment	(2,229,745)	(1,752,213)		Accumulated amortisation and impairment	(2,229,745)	(1,752,213)
Total Intangible assets	1,092,697	1,463,332		Total Intangible assets	1,092,697	1,463,332
(a) Movements in carrying amounts of intangible assets				(a) Movements in carrying amounts of intangible assets		
		Computer software				Computer software
		\$				\$
Year ended 30 June 202Y				Year ended 30 June 202Y		
Balance at the beginning of the year		1,463,332		Balance at the beginning of the year		1,463,332
Amortisation		(370,635)		Amortisation		(370,635)
Closing value at 30 June 202Y		1,092,697		Closing value at 30 June 202Y		1,092,697

Disclosure required under RDR no longer required under SDS not illustrated

- Separation of additions into those from internal development and, those acquired separately.

Intangible assets carried at fair value

- The carrying amount of revalued intangible assets.

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

Intangible assets carried at fair value

- Whether an independent valuer was involved and
- The methods and significant assumptions applied in estimating the items' fair value.

Other assets

RDR financial statements (AASB 101, AASB 15)			Changes	Simplified Disclosure financial statements (AASB 1060.21)		
CURRENT			No changes	CURRENT		
Prepayments	613,556	633,588		Prepayments	613,556	633,588
Other current assets	99,643	280,125		Other current assets	99,643	280,125
Return assets	224,678	208,332		Return assets	224,678	208,332
	<u>937,877</u>	<u>1,122,045</u>			<u>937,877</u>	<u>1,122,045</u>

RDR financial statements	Changes	Simplified Disclosure financial statements (AASB 1060.144-146)																																																																
<p>Company as a lessee</p> <p>The Company has leases over a range of assets including land and buildings, vehicles, machinery and IT equipment. The Company has chosen not to apply AASB 16 to leases of intangible assets.</p> <p>Information relating to the leases in place and associated balances and transactions are provided below.</p> <p><i>Terms and conditions of leases</i> The building lease is for the corporate office and warehouse has 9 years remaining and has a 5 year option extension at the discretion of the Company. The rentals are subject to a fixed increase of 3% for the initial term of 15 years. The equipment leases are for various items of plant and equipment, the original lease was signed in 201X and expires in 202L, the lease payments are fixed and the lease includes a 3 year optional extension</p> <p>Right-of-use assets</p> <table><tr><td></td><td>Buildings</td><td>Plant and Equipment</td><td>Total</td></tr><tr><td></td><td>\$</td><td>\$</td><td>\$</td></tr><tr><td>Year ended 30 June 202Y</td><td></td><td></td><td></td></tr><tr><td>Balance at beginning of year</td><td>4,492,225</td><td>414,925</td><td>4,907,150</td></tr><tr><td>Depreciation charge</td><td>(898,446)</td><td>(165,970)</td><td>(1,064,416)</td></tr><tr><td>Balance at end of year</td><td>3,593,779</td><td>248,955</td><td>3,842,734</td></tr><tr><td>Year ended 30 June 202X</td><td></td><td></td><td></td></tr><tr><td>Balance at beginning of year</td><td>4,492,225</td><td>414,925</td><td>4,907,150</td></tr><tr><td>Depreciation charge</td><td>(449,223)</td><td>(82,985)</td><td>(532,208)</td></tr><tr><td>Balance at end of year</td><td>4,043,002</td><td>331,940</td><td>4,374,942</td></tr></table>		Buildings	Plant and Equipment	Total		\$	\$	\$	Year ended 30 June 202Y				Balance at beginning of year	4,492,225	414,925	4,907,150	Depreciation charge	(898,446)	(165,970)	(1,064,416)	Balance at end of year	3,593,779	248,955	3,842,734	Year ended 30 June 202X				Balance at beginning of year	4,492,225	414,925	4,907,150	Depreciation charge	(449,223)	(82,985)	(532,208)	Balance at end of year	4,043,002	331,940	4,374,942	<p>Prior year reconciliation of ROU asset is not required</p>	<p>Company as a lessee</p> <p>The Company has leases over a range of assets including land and buildings, vehicles, machinery and IT equipment. The Company has chosen not to apply AASB 16 to leases of intangible assets.</p> <p>Information relating to the leases in place and associated balances and transactions are provided below.</p> <p><i>Terms and conditions of leases</i> The building lease is for the corporate office and warehouse has 9 years remaining and has a 5 year option extension at the discretion of the Company. The rentals are subject to a fixed increase of 3% for the initial term of 15 years. The equipment leases are for various items of plant and equipment, the original lease was signed in 201X and expires in 202L, the lease payments are fixed and the lease includes a 3 year optional extension</p> <p>Right-of-use assets</p> <table><tr><td></td><td>Buildings</td><td>Plant and Equipment</td><td>Total</td></tr><tr><td></td><td>\$</td><td>\$</td><td>\$</td></tr><tr><td>Year ended 30 June 202Y</td><td></td><td></td><td></td></tr><tr><td>Balance at beginning of year</td><td>4,492,225</td><td>414,925</td><td>4,907,150</td></tr><tr><td>Depreciation charge</td><td>(898,446)</td><td>(165,970)</td><td>(1,064,416)</td></tr><tr><td>Balance at end of year</td><td>3,593,779</td><td>248,955</td><td>3,842,734</td></tr></table>		Buildings	Plant and Equipment	Total		\$	\$	\$	Year ended 30 June 202Y				Balance at beginning of year	4,492,225	414,925	4,907,150	Depreciation charge	(898,446)	(165,970)	(1,064,416)	Balance at end of year	3,593,779	248,955	3,842,734
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Extension options

A number of the building leases contain extension options which allow the Company to extend the lease term by up to twice the original non-cancellable period of the lease.

The Company includes options in the leases to provide flexibility and certainty to the Company operations and reduce costs of moving premises and the extension options are at the Company's discretion.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

There are \$4,207,956 in potential future lease payments which are not included in lease liabilities as the Company has assessed that the exercise of the option is not reasonably certain

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	\$	\$
Interest expense on lease liabilities	279,687	302,721
Expenses relating to leases of low-value assets	104,546	93,660
Depreciation of right-of-use assets	532,208	532,208

SDS requires maturity analysis of lease liabilities

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in the Statement of Financial Position \$
202Y					
Lease liabilities	691,231	2,620,734	2,052,765	5,364,730	4,156,676
202X					
Lease liabilities	674,545	2,667,176	2,697,554	6,039,275	4,551,555

Extension options

A number of the building leases contain extension options which allow the Company to extend the lease term by up to twice the original non-cancellable period of the lease.

The Company includes options in the leases to provide flexibility and certainty to the Company operations and reduce costs of moving premises and the extension options are at the Company's discretion.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

There are \$4,207,956 in potential future lease payments which are not included in lease liabilities as the Company has assessed that the exercise of the option is not reasonably certain

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are:

	\$	\$
Interest expense on lease liabilities	279,687	302,721
Expenses relating to leases of low-value assets	104,546	93,660

Depreciation of right of use assets is not required to be separately disclosed

	916,441	928,589
Statement of Cash Flows		
Total cash outflow for leases	792,347	752,005
The Company has applied the practical expedient to all COVID-19 related rent concessions that meet the following conditions:		
<p>a. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;</p> <p>b. any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and</p> <p>c. there is no substantive change to other terms and conditions of the lease.</p>		
The practical expedient allows changes in lease payments resulting from the rent concession to be treated as a variable lease payment through the statement of profit or loss and other comprehensive income, rather than as a lease modification.		
	2021	2020
	\$	\$
Amount recognised in profit or loss to reflect changes in lease payments arising from COVID-19 rent concessions	21,464	52,347

Disclosure required under RDR no longer required under SDS not illustrated

- The expense relating to variable lease payments not included in the measurement of lease liabilities
- Income from subleasing right of use assets.
- Gains or losses arising from sale and leaseback transactions.

Total cash outflows for leases is not required

The Company has applied the practical expedient to all COVID-19 related rent concessions that meet the following conditions:		
<p>a. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;</p> <p>b. any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and</p> <p>c. there is no substantive change to other terms and conditions of the lease.</p>		
The practical expedient allows changes in lease payments resulting from the rent concession to be treated as a variable lease payment through the statement of profit or loss and other comprehensive income, rather than as a lease modification.		
	2021	2020
	\$	\$
Amount recognised in profit or loss to reflect changes in lease payments arising from COVID-19 rent concessions	21,464	52,347

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- Lessor accounting – AASB 1060 paragraphs 147-148

Trade and other payables

RDR financial statements (AASB 7)			Changes	Simplified Disclosure financial statements (AASB 1060.111 – 118)		
	\$	\$			\$	\$
CURRENT			No changes	CURRENT		
Trade payables	403,234	301,587		Trade payables	403,234	301,587
GST payable	36,788	35,422		GST payable	36,788	35,422
Sundry payables and accrued expenses	611,611	562,857		Sundry payables and accrued expenses	611,611	562,857
	<u>1,051,633</u>	<u>899,866</u>			<u>1,051,633</u>	<u>899,866</u>
Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.				Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances		

Borrowings

RDR financial statements (AASB 7)	Changes	Simplified Disclosure financial statements (AASB 1060.111 – 119)																		
<p>CURRENT</p> <p>Secured liabilities:</p> <p>Bank loans <u>321,346</u> 358,456</p> <p>Summary of borrowings</p> <p>The borrowings are floating rate borrowings which are used to fund working capital and asset acquisitions.</p> <p>(a) The carrying amounts of non-current assets pledged as collateral for liabilities are:</p> <table> <tr> <td></td><td style="text-align: center;">\$</td><td style="text-align: center;">\$</td></tr> <tr> <td>First Mortgage:</td><td></td><td></td></tr> <tr> <td>- freehold land and buildings</td><td style="text-align: right;"><u>1,500,000</u></td><td style="text-align: right;"><u>1,500,000</u></td></tr> </table> <p>Collateral</p> <p>The bank debt is secured by a registered first mortgage over certain freehold properties owned by the Company. Covenants imposed by the bank require total bank debt not to exceed 30% of total tangible assets, total liabilities not to exceed 20% of total tangible assets and borrowing costs not to exceed 15% of EBIT.</p> <p>The financial assets pledged as collateral represent a floating charge and cannot be disposed of without consent of the financier.</p>		\$	\$	First Mortgage:			- freehold land and buildings	<u>1,500,000</u>	<u>1,500,000</u>	<p>Defaults and breaches information to be included for SDS</p>	<p>CURRENT</p> <p>Secured liabilities:</p> <p>Bank loans <u>321,346</u> 358,456</p> <p>Summary of borrowings</p> <p>The borrowings are floating rate borrowings which are used to fund working capital and asset acquisitions.</p> <p>Defaults and breaches</p> <p>During the current and prior year, there were no defaults or breaches on any of the loans.</p> <p>(a) The carrying amounts of non-current assets pledged as collateral for liabilities are:</p> <table> <tr> <td></td><td style="text-align: center;">\$</td><td style="text-align: center;">\$</td></tr> <tr> <td>First Mortgage:</td><td></td><td></td></tr> <tr> <td>- freehold land and buildings</td><td style="text-align: right;"><u>1,500,000</u></td><td style="text-align: right;"><u>1,500,000</u></td></tr> </table> <p>Collateral</p> <p>The bank debt is secured by a registered first mortgage over certain freehold properties owned by the Company. Covenants imposed by the bank require total bank debt not to exceed 30% of total tangible assets, total liabilities not to exceed 20% of total tangible assets and borrowing costs not to exceed 15% of EBIT.</p> <p>The financial assets pledged as collateral represent a floating charge and cannot be disposed of without consent of the financier.</p>		\$	\$	First Mortgage:			- freehold land and buildings	<u>1,500,000</u>	<u>1,500,000</u>
	\$	\$																		
First Mortgage:																				
- freehold land and buildings	<u>1,500,000</u>	<u>1,500,000</u>																		
	\$	\$																		
First Mortgage:																				
- freehold land and buildings	<u>1,500,000</u>	<u>1,500,000</u>																		

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- Where there is a breach in terms or a default of principal, interest, sinking fund or redemption terms that have not been remedied by the reporting date, the following should be disclosed:
 - Details of that breach or default
 - The carrying amount of the related loans payable at the reporting date
- Whether the breach or default was remedied, or the terms of the loans payable were renegotiated before the financial statements were authorised for issue.

Other liabilities

RDR financial statements (AASB 15, AASB 7)		Changes	Simplified Disclosure financial statements (AASB 1060.111-119)	
	\$			\$
CURRENT			CURRENT	
Refund liability	<u>273,556</u>	No changes	Refund liability	<u>273,556</u>
	254,841			254,841
The refund liability relates to the right of return offered to retail sales customers under the Company's 14 day returns policy.			The refund liability relates to the right of return offered to retail sales customers under the Company's 14 day returns policy.	

Employee benefits

RDR financial statements (AASB 119)		Changes	Simplified Disclosure financial statements (AASB 1060.171 – 175)	
Current liabilities			Current liabilities	
Long service leave	332,246	401,545	Long service leave	332,246 401,545
Annual leave	889,023	934,269	Annual leave	889,023 934,269
	<u>1,221,269</u>	<u>1,335,814</u>		<u>1,221,269</u> <u>1,335,814</u>
Non-current liabilities			Non-current liabilities	
Long service leave	301,446	254,556	Long service leave	301,446 254,556

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- If an entity treats a defined benefit multi-employer plan as a defined contribution plan then disclosure of that fact and the reason why it is being accounted for as a defined contribution plan, along with any available information about the plan's surplus or deficit and the implications, if any, for the entity shall be disclosed.

Note: there is no explicit requirement within AASB 1060 to provide a breakdown of the type of employee benefits included as a liability, however the sample **CaseWare Large Pty Ltd** has provided this analysis as it is considered useful to the users.

Issued capital

RDR financial statements (AASB 101)	Changes	Simplified Disclosure financial statements (AASB 1060.44f, 45-46)
<div style="display: flex; justify-content: space-between;"> 3,003,500 (2020: 3,003,500) Ordinary shares <u>3,259,673</u> 3,259,673 </div> <p>(a) Ordinary shares</p> <p>The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.</p> <p>The Company does not have authorised capital or par value in respect of its shares.</p>	No changes	<div style="display: flex; justify-content: space-between;"> 3,003,500 (2020: 3,003,500) Ordinary shares <u>3,259,673</u> 3,259,673 </div> <p>(a) Ordinary shares</p> <p>The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.</p> <p>The Company does not have authorised capital or par value in respect of its shares.</p>

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- The number of shares issued but not fully paid
- A reconciliation of the number of shares outstanding at the beginning and at the end of the period (current year only)
- Shares in the entity held by the entity or by its subsidiaries or associates
- Shares reserved for issue under options and contracts for the sale of shares, including the terms and amounts.

Note: these disclosures are the same as those currently required by RDR and therefore are not additional requirements,

Reserves

RDR financial statements (AASB 101)	Changes	Simplified Disclosure financial statements (AASB 1060.45b)
Financial asset reserve The financial asset reserve records movements in the fair value and gain or loss on disposal of financial assets designated as fair value through other comprehensive income	No changes	Financial asset reserve The financial asset reserve records movements in the fair value and gain or loss on disposal of financial assets designated as fair value through other comprehensive income

Contracted commitments

RDR financial statements	Changes	Simplified Disclosure financial statements (AASB 1060.135b, 138d)
<p>Contracted Commitments</p> <p>CaseWare Large SDS Pty Ltd has placed an order for additional plant and machinery to be delivered in November 202X. The cost of the equipment is \$125,000.</p>	No changes	<p>Contracted Commitments</p> <p>CaseWare Large SDS Pty Ltd has placed an order for additional plant and machinery to be delivered in November 202X. The cost of the equipment is \$125,000.</p>

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- The amount of contractual commitments for the acquisition of intangible assets.

Note: this disclosure is currently required by RDR and therefore is not an additional requirements.

Financial risk management

RDR financial statements (AASB 7)			Changes	Simplified Disclosure statements (AASB 1060.111 – 119)		
	\$	\$	No changes		\$	\$
Financial assets				Financial assets		
Held at amortised cost				Held at amortised cost		
Cash and cash equivalents	2,440,055	1,885,920		Cash and cash equivalents	2,440,055	1,885,920
Trade and other receivables	5,923,450	4,927,334		Trade and other receivables	5,923,450	4,927,334
Fair value through Other Comprehensive Income (OCI)				Fair value through Other Comprehensive Income (OCI)		
Equity securities - at fair value through OCI	823,456	585,412		Equity securities - at fair value through OCI	823,456	585,412
Total financial assets	9,186,961	7,398,666		Total financial assets	9,186,961	7,398,666
Financial liabilities				Financial liabilities		
Financial liabilities at amortised cost	2,025,212	1,895,318		Financial liabilities at amortised cost	2,025,212	1,895,318
Total financial liabilities	2,025,212	1,895,318		Total financial liabilities	2,025,212	1,895,318

Disclosure required under RDR no longer required under SDS not illustrated

- If the entity has designated a financial liability as at fair value through profit or loss in accordance with AASB 9.(4.2.2) and is required to present the effects of changes in that liability's credit risk on other comprehensive income then where a liability is derecognised during the period, disclose the amount (if any) presented in other comprehensive income that was realised at derecognition.
- If in the current or prior reporting periods, the entity has reclassified any financial assets in accordance with AASB 9(4.4.1) then disclose:
 - The date of reclassification
 - A detailed explanation of the change in business model and a qualitative description of its effect on the entity's financial statements and
 - The amount reclassified into and out of each category.
- If, since its last annual reporting date, an entity has reclassified financial assets out of the fair value through other comprehensive income category so that they are measured at amortised cost or out of the fair value through profit or loss category so that they are measured at amortised cost or fair value through other comprehensive income, then disclose:
 - The fair value of the financial assets at the end of the reporting period and

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- If an entity has transferred financial assets to another party in a transaction that does not qualify for derecognition, the following information is disclosed:
 - The nature of the assets
 - The nature of the risks and rewards of ownerships to which the entity remains exposed and
 - The carrying amounts of the asset and of any associated liabilities that the entity continues to recognise.

Note: some of the information required by AASB 1060.111-119 has been included in the relevant financial instrument notes, e.g. receivables.

- The fair value gain or loss that would have been recognised in profit or loss and other comprehensive income during the reporting period if the financial assets had not been reclassified.
- If an entity has issued an instrument that contains both a liability and an equity component and the instrument has multiple embedded derivatives whose values are interdependent, the existence of these features was disclosed.

Tax assets and liabilities

RDR financial statements					Changes	Simplified Disclosure statements				
					No changes					

Dividends

RDR financial statements (AASB 101)	Changes	Simplified Disclosure financial statements (AASB 1060.100-104)						
<p>Franked dividends declared or paid during the year were franked at the tax rate of 30%.</p> <p>The proposed final dividend for 202Y was declared after the end of the reporting period and therefore has not been provided for in the financial statements. There are no income tax consequences arising from this dividend at 30 June 202Y.</p>		<p>The proposed final dividend for 202Y was declared after the end of the reporting period and therefore has not been provided for in the financial statements. There are no income tax consequences arising from this dividend at 30 June 202Y.</p> <p>Franking account</p> <table> <tr> <td></td><td style="text-align: right;">\$</td><td style="text-align: right;">\$</td></tr> <tr> <td>The franking credits available for subsequent financial years at a tax rate of 30%</td><td style="text-align: right;">74,447</td><td style="text-align: right;">74,227</td></tr> </table> <p>The above available balance is based on the dividend franking account at year-end adjusted for:</p> <ul style="list-style-type: none"> (a) Franking credits that will arise from the payment of the current tax liabilities; (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end; (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year. <p>The impact on the franking credit of the dividends proposed after the end of the reporting period is to reduce it by \$ - (202X: \$ -).</p> <p>The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.</p>		\$	\$	The franking credits available for subsequent financial years at a tax rate of 30%	74,447	74,227
	\$	\$						
The franking credits available for subsequent financial years at a tax rate of 30%	74,447	74,227						

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- Where there are different classes of investors with different entitlements to imputation (franking) credit, disclosures about the nature of those entitlements for each class where this is relevant to an understanding of them is required.

Key management personnel disclosures

RDR financial statements	Changes	Simplified Disclosure financial statements (AASB 1060.193 – 196)
<p>The total remuneration paid to key management personnel of the Company is \$1,764,831 (202X: \$1,724,529).</p>	<p>No changes</p>	<p>The total remuneration paid to key management personnel of the Company is \$1,764,831 (202X: \$1,724,529).</p>

Auditors Remuneration

RDR financial statements	Changes	Simplified Disclosure financial statements (AASB 1060.98-99)																			
No equivalent disclosure	SD financial statements are required to disclose fees to each auditor or reviewer (including network firm) separately for audit / review and other services. The nature of other services should be disclosed.	<table><tr><td></td><td>\$</td><td>\$</td></tr><tr><td colspan="3">Remuneration of the auditor of the Company, ABC Auditors, for:</td></tr><tr><td>- auditing or reviewing the financial statements</td><td>109,373</td><td>106,923</td></tr><tr><td>- taxation services</td><td>12,769</td><td>12,843</td></tr><tr><td>Total</td><td>122,142</td><td>119,766</td></tr><tr><td colspan="3">Taxation services relate to tax compliance work, including preparation of the tax return.</td></tr></table>			\$	\$	Remuneration of the auditor of the Company, ABC Auditors, for:			- auditing or reviewing the financial statements	109,373	106,923	- taxation services	12,769	12,843	Total	122,142	119,766	Taxation services relate to tax compliance work, including preparation of the tax return.		
	\$	\$																			
Remuneration of the auditor of the Company, ABC Auditors, for:																					
- auditing or reviewing the financial statements	109,373	106,923																			
- taxation services	12,769	12,843																			
Total	122,142	119,766																			
Taxation services relate to tax compliance work, including preparation of the tax return.																					

Fair value measurement

RDR financial statements	Changes	Simplified Disclosure financial statements (AASB 1060.115, 132, 136c, 140c)							
No note since only requirement is to provide information and carrying amount of assets and liabilities held at fair value which has been included in the relevant note.	AASB 1060 requires the disclosure of the method of determining fair value and significant assumptions used for all assets and liabilities measured at fair value.	<div>The Company measures the following assets and liabilities at fair value on a recurring basis:</div> <table><tr><th>Asset / liability</th><th>Basis for determining value</th></tr><tr><td>Investment property</td><td><p>The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, long term vacancy rates and other costs not paid by the tenants. The expected net cash flows are discounted using a risk adjusted discount rate which considers the location and condition of the building and lease terms.</p><p>The key unobservable input to the valuation is the price per square metre.</p><p>The fair value of investment properties is determined by independent, qualified valuers on an annual basis who have experience in the location of the property. The Directors review the valuation reports and discuss significant movements with the valuers.</p><p>As at 30 June 202X the valuation of the investment property portfolio was performed by KL Valuers. There has been no change to the valuation process during the reporting period.</p><p>Assumptions Estimated rental value: \$340-\$450 per sq m Rental growth: 2.5% - 3.5% per annum Long term vacancy rates: 3.5% - 7.5% Discount rate: 8% - 9%</p></td></tr><tr><td>Financial assets Equity Securities at FVOCI</td><td></td><td><p>The shares are listed on the Australian Securities Exchange and the quoted price at the end of the reporting date is used to value the instruments.</p></td></tr></table>	Asset / liability	Basis for determining value	Investment property	<p>The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, long term vacancy rates and other costs not paid by the tenants. The expected net cash flows are discounted using a risk adjusted discount rate which considers the location and condition of the building and lease terms.</p> <p>The key unobservable input to the valuation is the price per square metre.</p> <p>The fair value of investment properties is determined by independent, qualified valuers on an annual basis who have experience in the location of the property. The Directors review the valuation reports and discuss significant movements with the valuers.</p> <p>As at 30 June 202X the valuation of the investment property portfolio was performed by KL Valuers. There has been no change to the valuation process during the reporting period.</p> <p>Assumptions Estimated rental value: \$340-\$450 per sq m Rental growth: 2.5% - 3.5% per annum Long term vacancy rates: 3.5% - 7.5% Discount rate: 8% - 9%</p>	Financial assets Equity Securities at FVOCI		<p>The shares are listed on the Australian Securities Exchange and the quoted price at the end of the reporting date is used to value the instruments.</p>
Asset / liability	Basis for determining value								
Investment property	<p>The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, long term vacancy rates and other costs not paid by the tenants. The expected net cash flows are discounted using a risk adjusted discount rate which considers the location and condition of the building and lease terms.</p> <p>The key unobservable input to the valuation is the price per square metre.</p> <p>The fair value of investment properties is determined by independent, qualified valuers on an annual basis who have experience in the location of the property. The Directors review the valuation reports and discuss significant movements with the valuers.</p> <p>As at 30 June 202X the valuation of the investment property portfolio was performed by KL Valuers. There has been no change to the valuation process during the reporting period.</p> <p>Assumptions Estimated rental value: \$340-\$450 per sq m Rental growth: 2.5% - 3.5% per annum Long term vacancy rates: 3.5% - 7.5% Discount rate: 8% - 9%</p>								
Financial assets Equity Securities at FVOCI		<p>The shares are listed on the Australian Securities Exchange and the quoted price at the end of the reporting date is used to value the instruments.</p>							

Contingencies

RDR financial statements (AASB 137)	Changes	Simplified Disclosure financial statements (AASB 1060.154-156)
In the opinion of the Directors, the Company did not have any contingencies at 30 June 202Y (30 June 202X: None).	No changes	In the opinion of the Directors, the Company did not have any contingencies at 30 June 202Y (30 June 202X: None).

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- Unless the possibility of any outflow of resources in settlement is remote, an entity shall disclose, for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and when practical:
 - an estimate of its financial effect, measured in accordance with AASB 137;
 - an indication of the uncertainties relating to the amount or timing or any outflow and
 - the possibility of any reimbursement.

If it is impracticable to make one or more of these disclosures, that fact should be disclosed.

- If an inflow of economic benefits is probable but not virtually certain, disclose a description of the nature of the contingent assets at the end of the reporting period and where, practicable, an estimate of their financial effect, measured using the principles of AASB 137.

If it is impracticable to make one or more of these disclosures, that fact should be disclosed.

Note: these disclosures are the same as those currently required by RDR and therefore are not additional requirements,

Related parties

RDR financial statements (AASB 124)	Changes	Simplified Disclosure financial statements (AASB 1060.192, 197 – 203)
<p>(a) The Company's main related parties are as follows:</p> <p>Key management personnel - refer to Note XX.</p> <p>Related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.</p> <p>(b) Transactions with related parties</p> <p>Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.</p> <p>CaseWare Large SDS Pty Ltd used the service3s of Locke Partners, a legal firm during the year.</p> <p>Anthony Locke is a Partner of the firm, All work performed was charged at commercial rates and was performed by a partner in a different division from Anthony. The amount charged during the year was \$150,000 and the balance owed at the year end was \$80,000.</p> <p>Round Advertising Ltd (a related entity to Andrew Ball) was engaged during the year to provide assistance with advertising and promotional campaigns. The amount charged by Round Advertising was \$421,000 and the balance owed at the end of the year was \$152,471.</p>	No changes	<p>(a) The Company's main related parties are as follows:</p> <p>Key management personnel - refer to Note XX.</p> <p>Related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.</p> <p>(b) Transactions with related parties</p> <p>Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.</p> <p>CaseWare Large SDS Pty Ltd used the service3s of Locke Partners, a legal firm during the year.</p> <p>Anthony Locke is a Partner of the firm, All work performed was charged at commercial rates and was performed by a partner in a different division from Anthony. The amount charged during the year was \$150,000 and the balance owed at the year end was \$80,000.</p> <p>Round Advertising Ltd (a related entity to Andrew Ball) was engaged during the year to provide assistance with advertising and promotional campaigns. The amount charged by Round Advertising was \$421,000 and the balance owed at the end of the year was \$152,471.</p>

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- Name of its parent and, if different, the ultimate controlling party should be disclosed and in addition, if neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, then also disclose the name of the next most senior parent than does so (if any).
- Disclose the following information in relation to related party transactions:
 - Whether related party balances are secured
 - Details of any guarantees given or received
 - Provision for uncollectable receivables relating to the amount of the outstanding balances
 - Expense recognised during the period in respect of bad or doubtful debts due from related parties.
- Related party transactions disclosures should be made separately for each of the following:
 - Entities with control, joint control or significant influence over the entity

- Entities over which the entity has control, joint control or significant influence
- Key management personnel of the entity or its parent (in aggregate) and
- Other related parties.

Note: these disclosures are the same as those currently required by RDR and therefore are not additional requirements,

Events occurring after the reporting date

RDR financial statements	Changes	Simplified Disclosure statements
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.	No changes	No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Disclosures required under SDS not illustrated in this note as not relevant to this sample entity:

- Disclose the following for each category of non-adjusting event after the end of the reporting period:
 - The nature of the event
 - An estimate of the financial effect or a statement that such an estimate cannot be made.

Note: these disclosures are the same as those currently required by RDR and therefore are not additional requirements,

Statutory information

RDR financial statements	Changes	Simplified Disclosure statements
	Address of registered office (or principal place of business, if different from registered office) is required	The registered office and principal place of business of the company is: CaseWare Large SDS Pty Ltd 101 High Street Melbourne Victoria 3000

AASB 1060 sections not illustrated

The following sections of AASB 1060 are not relevant to **Caseware Large Pty Ltd** and therefore disclosures have not been illustrated. Entity should refer to the paragraphs below if they have these balances or transactions.

AASB 1060 section	Paragraph numbers
Consolidated and separate financial statements	104 - 105
Disclosure of a change in accounting policy	106 – 108
Disclosure of a change in estimate	109
Disclosure of prior period errors	110
Other financial instrument issues – Hedging disclosures	120 - 122
Investments in Associates	125 – 128
Investments in Joint Ventures	129 - 131
Investment property at cost	134 - 135
Business combinations and goodwill	142 - 146
Lessor accounting – finance leases	147
Lessor accounting – operating	148
Provisions	153
Government grants of for-profit entities	160
Share-based payment	164 - 168
Impairment of assets	169 – 170
Defined benefit plans	173
Termination benefits	174 – 175
Foreign currency translation	179 – 182
Hyperinflation	183 - 184
Biological assets	204 – 205
Transition to Australian Accounting Standards – Simplified disclosures	206 - 213
Not-for-profit sections	
Not-for-profit lessees – leases with significantly below-market terms and conditions	151 – 152
Contributions	215
Restructure of administrative arrangements	216 – 218
Administered items	219 – 220
Land under roads	221
Budgetary reporting	222 – 225
Income of Not-for-Profit entities	226 - 229
Non-contractual income arising from statutory requirements	230 - 232
Transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity	233 – 237
Compliance with parliamentary appropriations and other related authorities for expenditure	238 – 241
Service concession arrangements: grantors that are public sector entities	242 -243