KPMG

cutting through complexity

A new era in Corporate Reporting

Review of recent corporate reporting and de-cluttering trends in the ASX 200

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Contents

Foreword

A new era of corporate reporting has emerged – one where 'de-cluttered' financial and other reports are commonplace.

De-cluttered Annual Financial Reports provide more concise, clear and informative financial information to users. Encouraging this move, both the Australian Corporate Regulator (ASIC) and Standard Setter (AASB) publicly support organisations looking to de-clutter their financial reports.

With significantly more of the ASX 200 now de-cluttering their reports, organisations who are yet to consider it should consider the benefits they may be missing, and discuss opportunities with their advisors.

For those who have taken the first step, the challenge is now how to continue the journey to improving and maximising the value of corporate reporting, with the Remuneration Report being an obvious next target for improvement.

Duncan McLennan
National Managing Partner – Audit
KPMG Australia

Key findings

Reduced number of pages

105 (2014: 89) organisations reduced their total page numbers. The average Annual Financial Report is now 56 pages compared to 61 in 2014.

Reduced number of notes

104 (2014: 65) organisations reduced the number of notes. The average Annual Financial Report now has 31 notes compared to 35 in 2014.

Grouping notes

54 (2014: 18) organisations have grouped notes to the financial statements into more logical categories.

This report follows on from our 2014 publication *Cutting the clutter – Review of recent financial report de-cluttering trends in the ASX 200*. It is designed to show how Australian listed organisations are embracing ‘cutting the clutter’ in their financial reporting, future challenges, and as a starting point for improving the broader approach to corporate reporting. The report findings confirm that across the ASX 200, significantly more organisations have now performed some form of de-cluttering, and the extent of de-cluttering has increased significantly from the prior year. **It is clear that organisations that are intending on sticking with the ‘status quo’ and not undertaking report de-cluttering run the risk of being compared unfavourably to comparator organisations that have de-cluttered their Annual Financial Report.**

For years the Annual Financial Report was accepted as a flagship corporate report, but viewed by many organisations as a compliance document. Mandated by the ASX listing rules and the Corporations Act, their view was that its preparation tied up valuable resources in developing a document that most people did not find overly useful, given its complexity and volume. Consequently, organisations prepared investor presentations and analyst packs as corporate reporting supplements to help better explain business results for the year and prospects for the future, which are often released later than the Annual Financial Report.

Our review showed that Annual Financial Reports are:

- Now starting to be used to help better explain the ‘story’ of the organisation’s results for the year against its strategy
- Generally reducing in size and complexity as immaterial disclosure is being removed.

Statistics from our review of de-cluttering in Annual Financial Reports are shown in the diagrams to the left and on the next page.

During the past year, both the Australian Corporate Regulator and Standard Setter have publically encouraged and supported cutting the clutter efforts:

- **AASB** commented that this is an opportune time for directors and CFOs to take action to address disclosure overload in their financial reports, and also released amendments to AASB 101 *Presentation of Financial Statements* which align with what 'cutting the clutter' is trying to achieve
- **ASIC** noted that they believe it is important that organisations review the presentation of their financial reports to address concerns about complexity
- **ASX Corporate Governance Council's** 2014 amendments to Principle 4 came into effect reflecting the reality that financial reporting is only one part of the corporate reporting portfolio being used for capital market analysis and capital allocation decision-making.

Acknowledging that their Annual Report may not be addressing all information that analysts and investors require, organisations often release a variety of external reporting such as sustainability reports and investor briefing presentations. The list goes on.

Organisations are encouraged to go beyond cutting the clutter within their Annual Financial Report. The next steps for organisations in the process of producing more meaningful corporate reports, is to de-clutter the Remuneration Report, as well as the overall Corporate Reporting Portfolio and clarify the Corporate Reporting Strategy.

KPMG has supported a number of organisations to cut the clutter within their Annual Financial Reports and improve other areas of corporate reporting, with the aim of better telling their story to capital markets by explaining how they are creating value.

We hope this publication shows how de-cluttered financial reports are becoming the new norm.

Accounting policies

55 (2014: 33) organisations have included accounting policies within the associated notes.

Call out boxes

19 organisations have used call out boxes and/or section introductions to highlight useful information to stakeholders.

Use of graphs and tables

3 organisations have included graphs or images within the notes to their financial statements.

Refer to Appendix 1 for a description of the methodology used in compiling the report results.

Cutting the Clutter in Financial Reports

The three R's when de-cluttering

There are three R's to consider when cutting the clutter in financial reports.

Remove immaterial or irrelevant financial report disclosures that have built up over time.

Re-order and re-label accounting policies and detailed notes so that they better reflect the key financial measures and focus on areas of most relevant.

Re-write technical wording into plain English, whilst still fully complying with relevant accounting standard and regulatory requirements.

We observed the continuing trend of organisations cutting the clutter within their Annual Financial Reports utilising all three of the R's over the most recent reporting season. Our review of the most recent Annual Financial Reports of the ASX 200 organisations also indicated that de-cluttering the Annual Financial Report is a scalable activity with application by ASX 200 listed organisations varying from simply removing immaterial disclosures, to more extensive re-ordering and grouping of notes to link back into the organisation's strategy and inclusion of plain English explanations.

De-cluttering an organisation's financial report involves an investment of time from the organisation's finance team. However, from our experience directors and executives of organisations that have gone through the process thought that the finished product was well worth it.

"We have undertaken a refresh of our financial report so that the report is easier to understand, laid out in a more logical way and drives reporting efficiencies within Downer. We have removed immaterial disclosures, moved accounting policies next to the relevant note, simplified the wording into plain English, re-ordered and grouped notes together into key sections, and added supplementary explanations where relevant. This has resulted in an 18 percent reduction in the number of notes to the financial statements and a 23 percent reduction in the overall length of the financial report compared to last year. We hope that this has created a report that is more transparent and informative to readers."

Kevin Fletcher, Chief Financial Officer, Downer Group

Standard Setter and Regulator support

In the past, some organisations withheld from de-cluttering reports earlier as they were unsure what the Australian Accounting Standards Board (AASB) and Australian Securities and Investments Commission (ASIC) position was on this market trend. This concern was set aside earlier in 2015, when both parties provided public support for this initiative.

"Just because a standard contains a list of disclosures does not mean that an entity must always make each of these disclosures in the financial statements. Judgement is required to determine whether the relevant line item is material and also whether the specified disclosure is material…

…With the issue of these amendments (in reference to amendments in AASB 101) and given the supportive statements from the corporate regulator, ASIC, this is an opportune time for directors and CFOs to take action to address disclosure overload in their financial statements…

They can do this by eliminating immaterial information from their financial statements and by re-ordering their notes to the financial statements to draw focus towards the most important and relevant information in the financial statements."

Kris Peach, AASB Chair, *AASB Media Release – 2 February 2015*

"While some level of complexity in financial reports is necessary given the increasing complexity of businesses and the environment in which they operate, important information can be lost in unnecessary clutter…

…As you know many companies have sought to find a more cohesive order to the notes to their financial reports, use plain language and remove duplicate or immaterial disclosures. They have also sought to provide a better link and flow between the financial report and the operating and financial review.

…In our view, the time investment required to better present financial reports is well worthwhile in improving communication…

…We believe it is important that companies review the presentation of their financial reports to address concerns about complexity of financial reports. While there are challenges, I encourage you to start the journey and make the investment."

John Price, ASIC Commissioner, *Presentation at panel session at the G100 Congress 2015: An insightful look at the issues, challenges and solutions facing Australian business (Sydney, Australia) – 20 May 2015*

Comprises meaningful note groupings

Notes should be grouped into sections that correlate to the nature of the organisation's business and strategy.

Leaves out immaterial disclosures

Immaterial information can make it difficult for readers to determine what is important within the report.

Highlights important information

Using call out boxes and section introductions draw readers attention to important information.

What should a good de-cluttered Annual Financial Report look like?

A question we have been asked many times over the past couple of years is – how do you go about de-cluttering an Annual Financial Report?

Our review showed that for some organisations cutting the clutter is all about removing immaterial information. While this action ticks one of the three R's, remove, and helps readers by not including information that may distract from important disclosures, there is more that can be achieved. Only a few organisations have included graphs within their Annual Financial Report to date. However, those that have, demonstrate graphs can be a useful tool to communicate key results and messages to readers, rather than large amounts of text and /or tables with significant amounts of data.

The recent reporting season has seen organisations publish financial reports that embrace all three R's of cutting the clutter, using the Annual Financial Report as a method to communicate key financial information to stakeholders and to better support the Operating and Financial Review.

This publication highlights examples of organisations who have reduced and / or reconfigured content, using organisation specific examples in Appendix 2.

Refer to diagrams on pages 6 and 7 for examples of what features on a 'good de-cluttered' report.

Should only ASX listed organisations de-clutter their Annual Financial Reports?

One of the aims for many ASX organisations in preparing their Annual Financial Report is for the end product to more clearly and concisely highlight the financial results and position of the organisation to investors. So this begs the question, should only ASX organisations de-clutter their Annual Financial Reports?

The answer is no. There are many organisations with internal or external stakeholders that produce publically-available Annual Financial Reports including:

- Not-for-profit organisations who are competing for donations and grants and who also want to communicate how this funding is being utilised
- Organisations, such as member-owned health and superannuation funds, who want to communicate to their members the financial performance and position of the fund
- Government-owned entities providing essential services who want to communicate to stakeholders such as government and community bodies
- Private companies who produce Annual Financial Reports for creditors, customers and banks.

Contains easy to understand language

Information is only useful to readers if they can understand it. By simplifying language within the report, complex areas can be communicated more clearly.

Illuminates strategy and value

Organisations can utilise disclosures within their financial report to highlight key areas of value within the business and show how they are implementing their strategy.

Utilises tables, graphs and / or images

A picture says a 1000 words – Using tables, graphs or images can help organisations communicate information easier than significant amounts of text.

A new era in Corporate Reporting

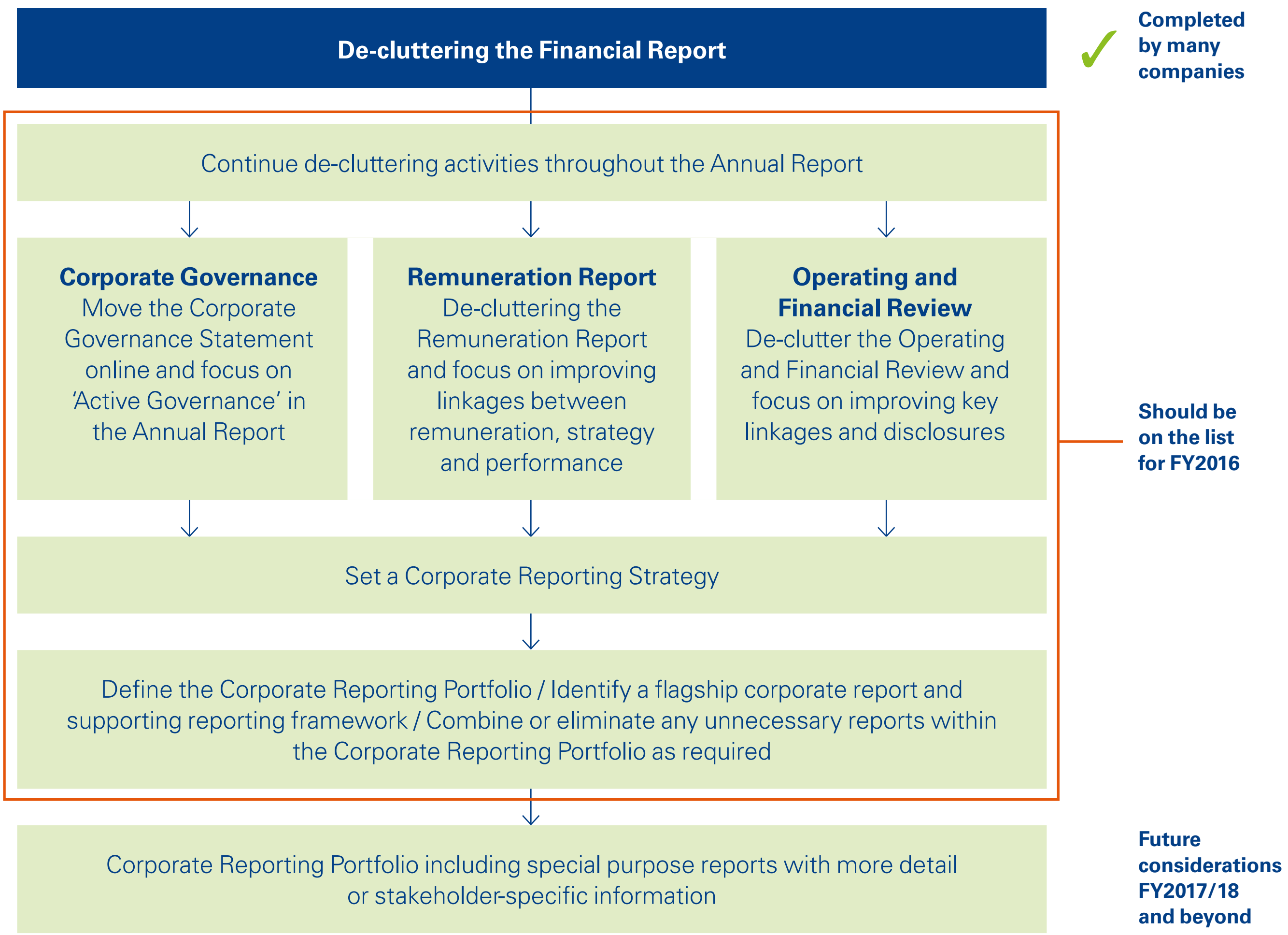
While de-cluttering the Annual Financial Report has gained significant momentum over the past 12 months, the discussion for many organisations has now extended to how to de-clutter and improve communication across the rest of the Annual Report, and the overall Corporate Reporting Portfolio. Competition for the investor dollar is alive and well, and it is important for organisations to stay up to date with industry practice to allow them to put their best foot forward in all corporate reports.

Organisations looking to continue their de-cluttering and improvement journey can apply de-cluttering principles to the Remuneration Report (which has ballooned in length over recent years), Operating and Financial Review and Corporate Governance Statement, and the broader Corporate Reporting Portfolio. However in order to maximise the benefits of de-cluttering, it should be done in conjunction with the establishment of a Corporate Reporting Strategy, including defining what reports do or will make up the broader Corporate Reporting Portfolio.

By understanding what information needs to be disclosed for both mandatory or voluntary purposes, and the acceptable forms and delivery methods available, organisations will be able to produce a Corporate Reporting Portfolio that best meets the needs of all users (regulators, investors, employees and other stakeholders). The end result brings reporting information in one place, with reference to more details elsewhere if needed.

Our 2015 survey shows that many organisations have already embraced the de-cluttering of their Annual Financial Report. Now is the time for organisations to consider the next step on their corporate reporting journey.

Key considerations for the FY2016 corporate reporting journey



De-cluttering the Annual Report – focus on Active Corporate Governance

The ASX Corporate Governance Council's Principles and Recommendations (the Recommendations) (3rd edition, effective 1 July 2014), provide organisations with the opportunity to include their Corporate Governance Statement on the company website, rather than in the Annual Report. The Recommendations state:

"Where these Principles and Recommendations refer to a listed entity disclosing information, it should be disclosed either in the entity's annual report or on its website.

The Council expects that many listed entities will take advantage of the opportunity to streamline their annual report afforded by this third edition by choosing to publish their governance disclosures, including their corporate governance statement under Listing Rule 4.10.3 on their website rather than in their annual report..."

This change gives organisations an opportunity to focus on governance disclosures in the Annual Report around 'active governance', the key areas of focus and activities undertaken by those charged with governance during the year, and changes to the governance framework arising during the year.

When de-cluttering the Corporate Governance Statement, organisations should consider if the governance section within the Annual Report contains sufficient discussion on how the governance framework operated in the year and what, if anything has changed. This allows the reader to continue to understand:

- The overall governance framework in place within the company
- Any significant changes in the framework from the prior year
- The key focus areas and activities of the board during the year.

A reference to where the detailed Corporate Governance Statement is included on the organisation's website should be included in the Annual Report.

While many June 2015 year end organisations are still in the process of releasing their 2015 Annual Reports, early indications show that a number of organisations are taking up this option.

De-cluttering and improving the Remuneration Report

The average length of the Remuneration Report for a company within the ASX 200 is 18 pages, and anecdotally, there appears to be very few organisations that have attempted to de-clutter this report to date.

Investors remain very interested in executive remuneration policies and practices. Directors are also keen to avoid the media attention of first (or second) strikes, while still maintaining compliance with regulatory compliance. Unfortunately, those mandatory disclosures can become the enemy of brevity if not approached in a coherent manner. This is especially important for organisations that choose to use supplemented mandatory disclosures with 'take home pay' disclosures, or where additional narrative has been included without considering the impact on existing disclosures.

Some organisations have the opportunity to utilise the three R's to de-clutter their Remuneration Reports, while still maintaining compliance, by focusing on:

- Who the key management personnel were for the period
- How the key management personnel are remunerated in the short and long term
- How remuneration is linked to company performance and value.

De-cluttering and improving the Operating and Financial Review

When ASIC released its Regulatory Guide 247 *Effective disclosure in an Operating and Financial Review* (RG 247) in March 2013 a number of organisations used this as a checklist to include additional disclosure which was not ASIC's intention. While their Operating and Financial Reviews (OFR) met the requirements of the Corporations Act, in some cases the way the guidance was implemented caused the OFR to become disjointed, repetitive and more focused on the guidance in RG247 and less about informing users of the value, risks and strategy of the company.

As the competition for capital continues to grow, some organisations have started to look at ways to de-clutter the OFR and tell their value creation story in a clearer, more concise and more connected way by 'quick win' actions such as:

- Defining materiality and removing information that is not material for investors
- Removing excess and/or repetitive information
- Aligning the financial performance and position discussion with the revised grouping of notes to the financial statements
- Using tables and images to help show the connections between organisational strategy, the associated risks, the company's mitigating activities and performance for the year
- Using visual explanations of the business model.

While the 'quick wins' above are an important step, for many organisations this will only be the start. In an era where often less than 20 percent of a company's market value is captured in its net assets on the balance sheet[1], the real challenge for organisations is to help investors understand the full value story. This includes prospects, beyond earnings, asset growth, and a focus on recognising their innovation and intellectual capital, customers, products, workforce, supply chain and other key drivers of value not reported in the financial statements.

1 Annual Study of Intangible Asset Market Value from Ocean Tomo, LLC. 3 April 2015

Could an Operating and Financial Review BETTER tell the value story?

One way to help improve investor understanding is to include a discussion of the company's key value creation drivers in the OFR, supported by relevant financial and non-financial key performance indicators (KPIs).

While historically many organisations have included significant discussions within their OFR on their financial performance and operating asset base, examples of value creation drivers that are not always being clearly communicated include:

Customer experience

A possible indicator of future sales / market share growth

Employees

Employees are the backbone of many organisations – the talent they can attract and retain is a potential indicator of future success

Business relationships

Strength and nature of business partnerships can be a potential indicator of future success

Natural factors

Investors, business partners and customers are taking into account whether organisations are environmentally conscious and using sustainable resources for themselves and their supply chain, as well as access to scarce resources

IP and brands

Where net profit is a measure of historic success, an organisation's ability to innovate, stay current and create brand loyalty is a potential indicator of future success

Social contributions

Investors, business partners and customers are taking into account whether organisations are socially conscious and maintaining their social license to operate

How can KPMG help?

KPMG is supporting organisations to improve their external reporting in a number of ways including:

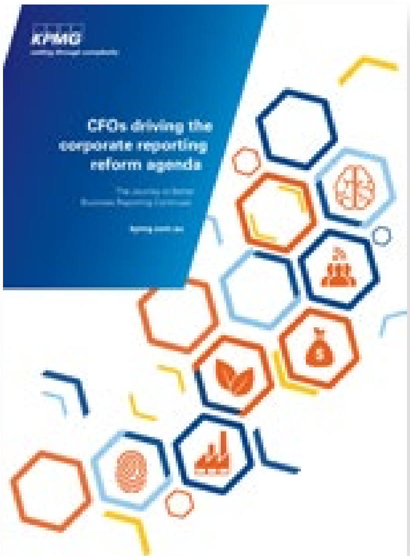
- Assistance in identifying 'quick wins' using our experience from working with organisations who have undertaken de-cluttering activities
- Facilitating workshops and discussions around application of the three R's, supporting organisation's to identify and implement de-cluttering opportunities
- Assessing current disclosures and benchmarking against other organisations across the Annual Report, i.e. Remuneration Report, OFR, Corporate Governance Statements, as well as across the full Corporate Reporting Portfolio (including websites)
- Providing thought leadership and examples of de-cluttered disclosures
- Coordinating and running Reporting Strategy Workshops
- Supporting defining, de-cluttering and enhancing Corporate Reporting Portfolios.

Further information

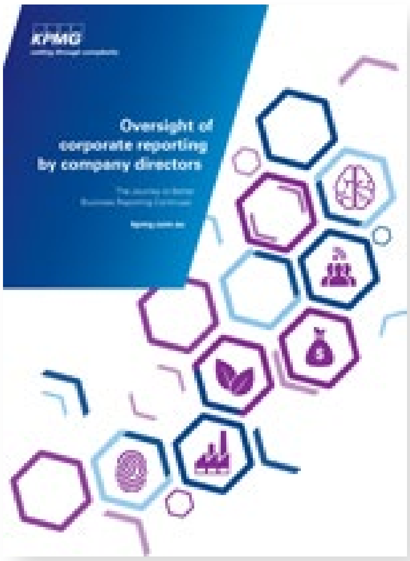
Better business reporting (BBR) follows the journey to improved communications with the capital market and the development of better business reporting frameworks and practices. Further information on recent developments in corporate reporting and the implications for CFOs, Directors and Investors can be found in the following KPMG publications.

kpmg.com/au/betterbusinessreporting

Better Business Reporting: What's your story?

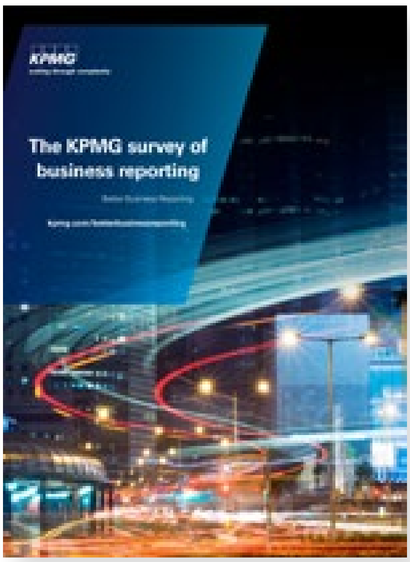


CFOs driving the corporate reporting agenda



Oversight of corporate reporting by company directors

Corporate reporting reform – better alignment with investor decision making



KPMG survey of business reporting (2014)

Cutting the clutter – Review of recent financial report de-cluttering trends in the ASX 200 (2014)

Appendix 1 – Review methodology

The ASX 200 financial reports examined and included within the current year results are those organisations listed as being within the ASX 200 as at 20 August 2015.

Where an organisation had not yet lodged a statutory financial report, the preliminary release (Appendix 4E) was reviewed where it contained the full financial statements. This has resulted in 191 of the ASX 200 being included as part of this report.

Where available, comparative data has been sourced from the 2014 KPMG publication, *Cutting the clutter – Review of recent financial report de-cluttering trends in the ASX 200*.

Appendix 2 – Examples of de-cluttered financial reports

The organisations below have demonstrated a number of the de-cluttering attributes within their recently released Annual Financial Reports and/or Appendix 4Es. All have:

Reduced the number of pages compared to their respective June 2014 report, except for GUD (refer to statistics below)

Grouped notes into sections that align to operational messages earlier in the Annual Report, and each section contains an introduction to explain the section's purpose and context

Disclosed accounting policies with the associated notes, using simplified language compared to the more boilerplate policies. Most utilise call out boxes to highlight information on material estimates and judgements as well within the respective notes.

Downer EDI Limited

15 pages shorter compared to the June 2014 report.

Refer to page 18 for Downer's innovative table of contents. Page 19 contains Downer's first page of Section D of their report, demonstrating Downer's use of section introductions and call out boxes.

Amcor Limited

32 pages shorter compared to the June 2014 report.

Refer to page 20 for Amcor's introduction to the report, which outlined what was new within the report and how materiality has been applied. Page 21 contains an example of Amcor's innovative use of graphs within their report.

Origin Energy Limited

28 pages shorter compared to the June 2014 report.

Refer to page 22 for Origin's use of succinct wording to outline the layout, content and key changes in the report.

Asciano Limited

6 pages shorter compared to the June 2014 report.

Refer to page 23 for an extract of Asciano's table of contents, demonstrating their use of sections to help guide readers through their financial report.

GUD Holdings Limited

7 pages longer compared to the June 2014 report.

Refer to page 24 for an extract of GUD's first page of Results for the Year section, demonstrating GUD's use of section introductions and how they can be utilised to provide insight to readers on how the Directors manage business operations.

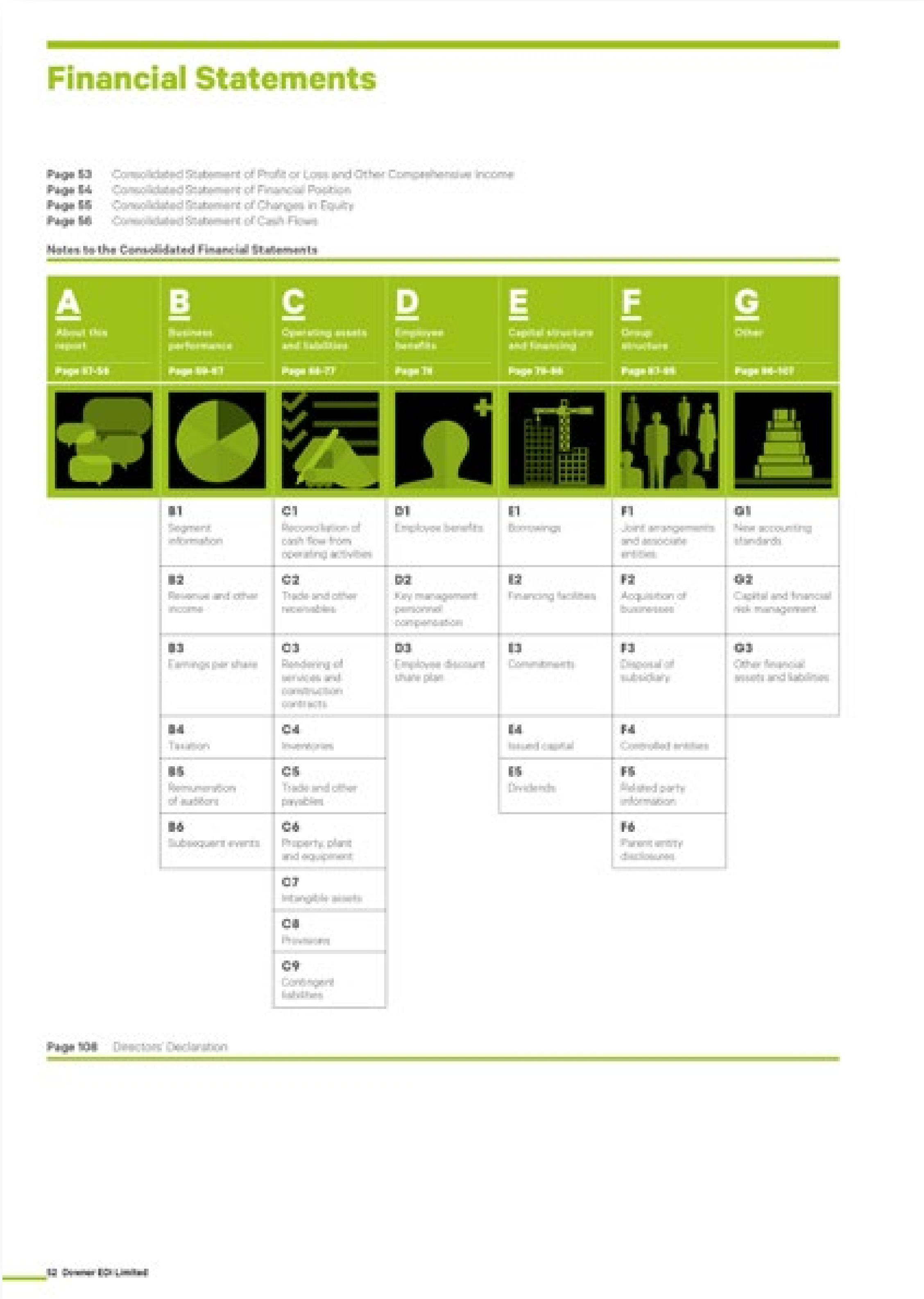
Transurban Holdings Limited

18 pages shorter compared to the June 2014 report.

Refer to page 25 for an extract of Transurban's Income taxes note which utilises a diagram to outline the tax consolidated group.

Downer EDI Limited

Re-label & Re-order / Rewrite / Remove



Financial Statements

Notes to the Consolidated Financial Statements

52 Downer EDI Limited

Source: Downer EDI Limited, Annual Report 2015, page 108

Downer EDI Limited

Re-label & Re-order / Rewrite / Remove

Notes to the consolidated financial statements – continued
for the year ended 30 June 2015

D
Employee benefits

This section provides a breakdown of the various programs Downer uses to reward and recognise employees and key executives, including Key Management Personnel (KMP). Downer believes that these programs reinforce the value of ownership and incentives and drive performance both individually and collectively to deliver better returns to shareholders.

D1. Employee benefits

	2015 $'m	2014 $'m
Employee benefits provision:		
Current	**228.1**	244.3
Non-Current	**29.5**	19.7
Total	**257.6**	264.0

Recognition and measurement

The employee benefits liability represents accrued wages and salaries, leave entitlements and other incentives recognised in respect of employees' services up to the end of the reporting period. These liabilities are measured at the amounts expected to be paid when they are settled and include related on-costs, such as workers compensation insurance, superannuation and payroll tax.

Key estimate and judgement: Annual leave and long service leave

Long-term employee benefits are measured at the present value of estimated future payments for the services provided by employees up to the end of the reporting period. This calculation requires judgement in determining the following key assumptions:

- Future increase in wages and salary rates;
- Future on-cost rates; and
- Expected settlement dates based on staff turnover history.

The liability is discounted using the Australian corporate bond rates which most closely match the terms to maturity of the entitlement.

	2015 $'m	2014 $'m
Employee benefits expense:		
- Defined contribution plans	**140.6**	135.7
- Share-based employee benefits expense	**1.5**	1.2
- Employee benefits	**2,441.6**	2,463.3
- Redundancy costs	**21.6**	29.1
Total	**2,605.3**	2,629.3

D2. Key management personnel compensation

	2015 $	2014 $
Short-term employee benefits	**12,776,321**	12,118,350
Post-employment benefits	**1,432,020**	1,302,590
Share-based payments	**932,294**	602,885
Total	**15,140,635**	14,023,825

Recognition and measurement

Equity settled transactions

Equity-settled share-based transactions are measured at fair value at the date of grant. The cost of the transactions is recognised in profit or loss and credited to equity. At each balance sheet date, the Group revises its estimates of the number of rights that are expected to vest. The expense recognised each year takes into account the most recent estimate.

The fair value at grant date is independently determined using an option pricing model and takes into account any market related performance conditions. Non-market vesting conditions are not considered when determining fair value, rather are included in assumptions about the number of rights that are expected to vest.

Cash settled transactions

The amount payable to employees in respect of cash-settled share-based payments is recognised as an expense with a corresponding increase in liabilities, over the period which the employees become unconditionally entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value, with any changes in the liability being recognised in profit or loss.

D3. Employee discount share plan

No shares were issued under the Employee Discount Share Plan during the years ended 30 June 2015 and 30 June 2014.

78 Downer EDI Limited

Source: Downer EDI Limited, Annual Report 2015, page 78

Amcor Limited

Re-label & Re-order / Rewrite / Remove

Amcor Limited and its controlled entities
Financial Report

30 June 2015

Introduction

This is the financial report of Amcor Ltd (the Company) and its subsidiaries (together referred to as 'the Group') and including the Group's interest in associates and jointly controlled entities.

Over the past year we have reviewed the content and structure of the financial report looking for opportunities to make them less complex and more relevant to users. This included:

- a thorough review of content to eliminate immaterial disclosures that may undermine the usefulness of the financial report by obscuring important information;
- reorganisation of the notes to the financial statements into sections to assist users in understanding the Group's performance; and
- using diagrams and graphs to improve the communication of certain important financial information.

The purpose of these changes is to provide users with a clearer understanding of what drives financial performance and financial position of the Group and linkage to the Group's strategy, whilst still complying with the provisions of the Corporations Act 2001.

What's new in this report

Change in structure

Note disclosures are split into 6 distinct sections to enable a better understanding of how the Group has performed.

We have included an introduction at the start of each section to explain its purpose and content. Accounting policies and critical accounting judgements applied to the preparation of the financial statements have been moved to where the related accounting balance or financial statement matter is discussed and we have refined wording of the policies to allow them to be easily understood by users of this report. To assist in identifying critical accounting judgements, we have highlighted them with the following symbol:

Information is only being included in the financial report to the extent it has been considered material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if, for example:

- the dollar amount is significant in size (quantitative factor)
- the dollar amount is significant by nature (qualitative factor)
- the Group's results cannot be understood without the specific disclosure (qualitative factor)
- it is critical to allow a user to understand the impact of significant changes in the Group's business during the period such as business acquisitions (qualitative factor)
- it relates to an aspect of the Group's operations that is important to its future performance.

Change in presentation currency

Amcor changed its reporting currency from Australian dollars to US dollars in the current financial year. The financial report for the year ended 30 June 2015 is the first full year financial report with results in US dollars. The change in presentation currency is a change in accounting policy which is accounted for retrospectively and therefore requires the presentation of a third statement of financial position. Information included in the financial report for the year ended 30 June 2014, previously reported in Australian Dollars has been restated into US dollars using the procedures outlined below:

- assets and liabilities were translated into US dollars at the closing foreign currency rates on the relevant balance sheet date;
- income and expenditure were translated at the average foreign currency rates prevailing for the relevant period;
- the cumulative exchange fluctuation reserves were set to nil at 1 July 2004, the date of transition to IFRS in Australia, and these reserves have been restated on the basis that the Group has reported in US dollars since that date. Share capital and the other reserves were translated at the historic rates prevailing at 1 July 2004, and subsequent rates prevailing on the date of each transaction; and
- all exchange rates were sourced from Reuters and applied to the Group's underlying financial records.

Source: Amcor Limited, Annual Financial Report for the year ended 30 June 2015, page 0

Amcor Limited

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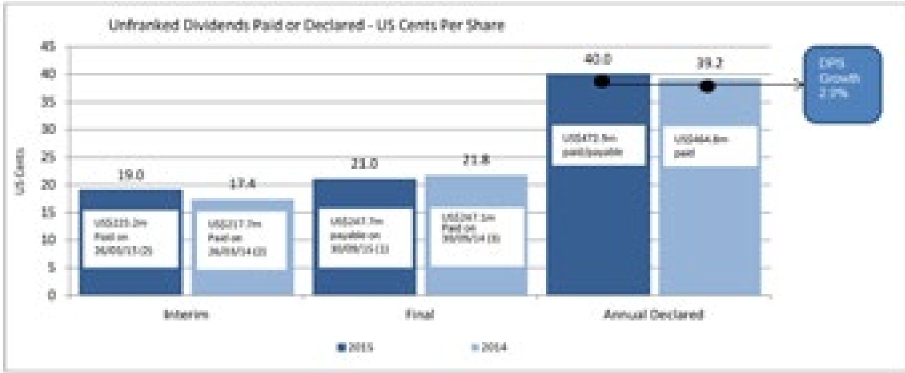
Amcor Limited and its controlled entities **30 June 2015**
Financial Report
Notes to the financial statements
Section 1: Key Performance Metrics

1.2 Dividends



[1] Estimated final dividend payable, subject to variations in number of shares up to record date. This dividend has not been recognised as a liability as at 30 June 2015 and will be recognised in subsequent consolidated financial statements.
[2] Declared and paid during the period.
[3] Estimated final 2014 dividend amount was US$263.1million, the difference to the actual amount is mainly foreign exchange related.
[4] Dividends proposed as at 30 June 2013 amounting to US$230.4 million (US 18.6 cents per share) were paid on 30 September 2013 and are not included in the 2014 numbers in the graph above.

Franking credits and Conduit Foreign Income Account

There are insufficient franking credits available for distribution from the franking account. For the dividend payable on 30 September 2015, 100% of the dividend to non-residents is sourced from the parent entity's Conduit Foreign Income Account (2014: 100%). As a result, 100% of the dividend paid to a non-resident will not be subject to Australian withholding tax.

Page 9

Source: Amcor Limited, Annual Financial Report for the year ended 30 June 2015, page 9

Origin Energy Limited

Re-label & Re-order / Rewrite / Remove

Origin Energy Limited and its Controlled Entities
Notes to the financial statements

Overview

In preparing the 2015 financial statements, Origin Energy Limited has made a number of changes in structure, layout and wording compared to prior periods in order to make the financial statements less complex and more relevant for stakeholders and other users.

Notes have been grouped into the following sections:

- Results for the year
- Operating assets and liabilities
- Capital, funding and risk management
- Taxation
- Group structure
- Other information

Each section sets out the accounting policies applied along with details of any key judgements and estimates made or information required to understand the note.

Origin Energy Limited (the Company) is a for profit company domiciled in Australia. The address of the Company's registered office is Level 45, Australia Square, 264-278 George Street, Sydney NSW 2000. The nature of the operations and principal activities of the Company and its controlled entities (referred to as 'the Group') are described in the Segment information.

The consolidated general purpose financial statements of the Group for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 20 August 2015.

The financial statements:

- Have been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards as issued by the International Accounting Standards Board;
- Have been prepared on a historical cost basis, except for derivative financial instruments and environmental scheme certificates that are carried at their fair value; and trade and other receivables that are initially recognised at fair value, and subsequently measured at amortised cost less accumulated impairment losses;
- Are presented in Australian dollars;
- Present reclassified comparative information where required for consistency with the current year's presentation;
- Adopt all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2015. Refer to note F11 for further details; and
- Do not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective, with the exception of *AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101* which has resulted in changes to the structure, layout and wording of the financial statements as described above.

Key judgements and estimates

In the process of applying the Group's accounting policies, a number of judgements and estimates have been made. Judgements and estimates which are material to the financial statements are found in the following notes:

- Income (note A2)
- Trade and other receivables (note B1)
- Exploration, evaluation and development assets (note B2)
- Property, plant and equipment (note B3)
- Intangible assets (note B4)
- Provisions (note B5)
- Fair value of financial assets and liabilities (note C4)
- Income tax expense (note D1)

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Source: Origin Energy Limited and Controlled Entities, Financial Statements 30 June 2015, page 8

Asciano Limited

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FOR THE YEAR ENDED 30 JUNE 2015

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Source: Asciano Limited, Full year financial report for the year ended 30 June 2015, page 32

GUD Holdings Limited

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GUD Holdings Limited and subsidiaries

Results for the Year

This section focuses on the Group's performance. Disclosures in this section include analyses of the Group's profit before tax by reference to the activities performed by the Group and analysis of key revenues and operating costs, segmental information, net finance costs and earnings per share.

Underlying earnings before interest, tax ("EBIT") and before exceptional items remain the Group's key profit indicators. This reflects how the business is managed and how the Directors assess the performance of the Group.

1. Revenue

Accounting policies

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of the revenue can be measured reliably. Revenue is measured net of returns and allowances, trade discounts and volume rebates.

Contract revenue

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of a contract can be estimated reliably, contract revenue is recognised in the income statement in proportion to the stage of completion of the contract. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to become recoverable.

Contract expenses are recognised as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

Dividend income

Dividend income is not part of finance income and is recognised when the right to receive payment is established.

Goods and services tax

Revenues are recognised net of the amount of goods and services tax (GST).

	2015 $'000	2014 $'000
Revenue		
Sale of goods	**611,515**	591,640
Total revenue	**611,515**	591,640
Other income		
Other	**1,159**	521
	1,159	521

2. Expenses

Accounting policies

Depreciation

Depreciation is charged to the income statement to reflect annual wear and tear and the reduced value of the asset over time. Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis over the estimated useful life of each asset to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives for current and prior periods used in the calculation of depreciation:

- Plant and equipment 3 to 12 years
- Equipment under finance lease 3 to 12 years

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Source: GUD Holdings Limited, Annual Financial Report for the year ended 30 June 2015, page 46

Transurban Holdings Limited

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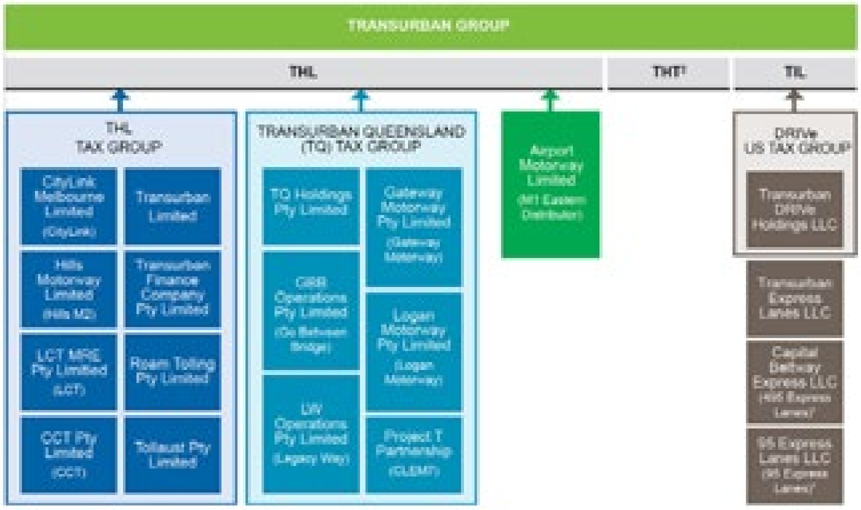
Transurban Holdings Limited
Notes to the consolidated financial statements
for the year ended 30 June 2015

B7 Income tax (continued)

Tax consolidation legislation (continued)

The tax consolidated groups within the Group are summarised as follows:



1 Entity is classified as a partnership for tax purposes
2 There are no tax groups under THT

THL tax consolidated group

The entities in the THL tax consolidated group entered into a tax sharing agreement ('TSA') effective from 29 April 2009.

The entities in the THL tax consolidated group have also entered into a tax funding agreement ('TFA') effective from 1 July 2008. Under the TFA the wholly-owned entities fully compensate THL for any current tax payable assumed and are compensated by THL for any current tax receivable and deferred tax assets relating to tax losses. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amount receivable/payable under the TFA is calculated at the end of the financial year for each wholly-owned entity. THL determined and communicates the amount payable/receivable to each wholly-owned entity along with the method of calculation and any other information deemed necessary.

Transurban Queensland tax consolidated group

The entities in the Transurban Queensland Holdings 1 Pty Ltd ('TQH1') tax consolidated group entered into a TSA effective from 2 July 2014. The entities in the TQH1 tax consolidated group have also entered into a TFA effective from 2 July 2014. Under the TFA the wholly-owned entities fully compensate TQH1 for any current tax payable assumed and are compensated by TQH1 for any current tax receivable and deferred tax assets relating to tax losses. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities financial statements.

The amount receivable/payable under the TFA is calculated at the end of the financial year for each wholly-owned entity. TQH1 determines and communicates the amount payable / receivable to each wholly-owned entity along with the method of calculation and any other information deemed necessary.

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Source: Transurban Holdings Limited and Controlled Entities, Annual report for the year ended 30 June 2015, page 69

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