



Financial Reporting Software Application Product Disclosure Statement (PDS)

Introduction

The Product Disclosure Statement ('PDS') is intended to provide the buyer(s) of the IFRS SYSTEM Financial Reporting Application (referred to hereafter as the 'Application' or as 'IFRS SYSTEM'), with sufficient information to allow the buyer(s) to make an informed decision as to the suitability and appropriateness of the IFRS SYSTEM before purchasing the product.

The Product Disclosure Statement is structured to address the following:

- Inclusions (what you get) - pages 1 to 7
- Approach (the way we like to do business) - pages 8 and 9
- Requirements (the operating environment you will need) - page 9
- Frequently asked questions (FAQ's) - pages 10 and 11
- A small sample of IFRS SYSTEM customers - page 12

Inclusions

Jurisdictions

The IFRS SYSTEM is suitable for use in all English language jurisdictions in which International Financial Reporting Standards are permitted or required. The Silver licence can be used to produce financial statements in each of the following English language jurisdictions:

- Anguilla
- Antigua and Barbuda
- Australia
- Bahamas
- Bangladesh
- Barbados
- Belize
- Bermuda
- Bhutan
- Botswana
- Brunei
- Canada
- Cayman Islands
- Dominica
- Fiji
- Ghana
- Grenada
- Guyana
- Hong Kong
- India
- Ireland
- Jamaica
- Kenya
- Lesotho
- Maldives
- Mauritius
- Montserrat
- New Zealand
- Nigeria
- Pakistan
- Philippines
- Rwanda
- Sierra Leone
- Singapore
- South Africa
- St Kits and Nevis
- St Vincent and the Grenadines
- Swaziland
- Tanzania
- Trinidad and Tobago
- Uganda
- United Kingdom
- United States
- Zambia
- Zimbabwe

Reports

We offer the IFRS SYSTEM as four different versions with the difference being the report types produced by the respective version as per the following tables:

<p>IFRS SYSTEM - Platinum</p> <p>Platinum includes the following Report Types:</p> <ul style="list-style-type: none"> Listed Public Annual Listed Public Interim Unlisted Public Annual General Purpose Unlisted Public Annual RDR General Purpose Unlisted Public Annual Special Purpose Unlisted Public Interim Company Limited By Guarantee General Purpose Company Limited By Guarantee RDR General Purpose Company Limited By Guarantee Special Purpose Proprietary Annual General Purpose Proprietary Annual RDR General Purpose Proprietary Annual Special Purpose Incorporated Association General Purpose Incorporated Association RDR General Purpose Incorporated Association Special Purpose Government - Agency Government - Department New Zealand General Purpose New Zealand RDR General Purpose New Zealand Differential Reporting New Zealand Branch Differential Reporting United Kingdom FRS 101 United Kingdom FRS 102 International Financial Reporting Standards (IFRS) International Financial Reporting Standards (IFRS SME) Management Reporting 	<p>IFRS SYSTEM - Gold</p> <p>Gold includes the following Report Types:</p> <ul style="list-style-type: none"> Company Limited By Guarantee General Purpose Company Limited By Guarantee RDR General Purpose Company Limited By Guarantee Special Purpose Proprietary Annual General Purpose Proprietary Annual RDR General Purpose Proprietary Annual Special Purpose Incorporated Association General Purpose Incorporated Association RDR General Purpose Incorporated Association Special Purpose New Zealand General Purpose New Zealand RDR General Purpose New Zealand Differential Reporting New Zealand Branch Differential Reporting United Kingdom FRS 101 United Kingdom FRS 102 International Financial Reporting Standards (IFRS) International Financial Reporting Standards (IFRS SME) Management Reporting
<p>IFRS SYSTEM - Silver</p> <p>Silver includes the following Report Types:</p> <ul style="list-style-type: none"> International Financial Reporting Standards (IFRS) International Financial Reporting Standards (IFRS SME) Management Reporting 	<p>IFRS SYSTEM - Bronze</p> <p>Bronze includes the following Report Type:</p> <ul style="list-style-type: none"> Management Reporting

The Financial Reporting Application includes the following sections:

- Appendix 4D/4E *
- Cover
- Corporate directory
- Directors' report (incorporating the remuneration report)
- Directors' responsibilities statement
- Financial report contents
- Statement of comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements
- Directors' declaration
- Shareholder information *

* Available in the Platinum version only as this content is relevant for Listed Public Company's only

Any additional sections can be prepared in Microsoft Word and imported into the IFRS SYSTEM. For example: Chairman's report, Chief Executive Officer's report, Operating and Financial Review, Corporate Governance Statement.

Pages are reserved within the report as a marker for the addition of the auditor's independence declaration and independent auditor's report, which is usually provided by your external auditor on completion of their audit or review.

Directors' report (incorporating the remuneration report)

Introduction

Directors

Committee members ¹

Spare section A

Objectives ¹Strategy for achieving the objectives ¹

Principal activities

Foreign branches ³Performance measures ¹

Spare section B

Dividends

Review of operations

Significant changes in the state of affairs

Matters subsequent to the end of the financial year

Likely developments and expected results of operations ^{1,3}Research and development ³Financial instruments ³

Spare section C

Environmental regulation ^{1,5}Social contribution ^{1,5}Charitable and political donations ³Disabled employees ³Employee involvement ³Information on directors ¹Company secretary ¹

Meetings of directors

Retirement, election and continuation in office of directors ¹

Remuneration report (audited)

Principles used to determine the nature and amount of remuneration

Details of remuneration

Service agreements

Share-based compensation

Additional information

Additional disclosures relating to key management personnel

Remuneration report (conclusion)

Loans to directors and executives ¹Shares under option ¹Shares under performance rights ¹Shares under retention rights ¹Shares issued on the exercise of options ¹Shares issued on the exercise of performance rights ¹Shares issued on the exercise of retention rights ¹

Spare section D

Indemnity of directors ³Indemnity and insurance of officers ^{1,5}Indemnity and insurance of auditor ^{1,5}

*Directors' report (incorporating the remuneration report) (continued)*Contributions on winding up ¹Proceedings on behalf of the company ¹Non-audit services ¹Officers of the company who are former partners of [firm] ¹Rounding of amounts ¹Auditor's independence declaration ¹Disclosure of information to the auditors ³

Auditor

Spare section E

Contents ²

Signing

¹ Australia only (Platinum and Gold)² New Zealand only (Platinum and Gold)³ United Kingdom only (Platinum and Gold)⁴ Government only (Platinum)⁵ IFRS generic purposes only (Silver)⁶ Not available in IFRS generic purposes (Silver)

Notes to the Financial Statements

The IFRS SYSTEM includes the following 149 notes as part of the 'Notes to the Financial Statements' section:

General information

Spare introductory note A

Significant accounting policies

Critical accounting judgements, estimates and assumptions

Spare introductory note B

Budget vs actual comparison

Restatement of comparatives

Operating segments

Revenue

Share of profits of associates accounted for using the equity method

Other income

Spare revenue A

Spare revenue B

Spare revenue C

Spare revenue D

Spare revenue E

Spare revenue F

Spare revenue G

Spare revenue H

Spare revenue I

Spare revenue J

Spare expenses A

Spare expenses B

Spare expenses C

Spare expenses D

Spare expenses E

Spare expenses F

Spare expenses G

Spare expenses H

Spare expenses I

Spare expenses J

Spare revenue/expenses note A

Expenses

Average number of employees and employee benefits expense ³

Directors' remuneration ³

Spare revenue/expenses note B

Spare revenue after operating profit A

Spare expenses after operating profit A

Spare revenue after operating profit B

Spare expenses after operating profit B

Spare revenue after operating profit C

Spare expenses after operating profit C

Spare revenue after operating profit D

Spare expenses after operating profit D

Spare revenue after operating profit E

Spare expenses after operating profit E

Income tax expense

Spare revenue/expenses note C

Discontinued operations

Spare revenue/expenses note D

Notes to the Financial Statements (continued)

Current assets - cash and cash equivalents
Current assets - trade and other receivables
Current assets - inventories
Current assets - financial assets at fair value through profit or loss
Current assets - available-for-sale financial assets
Current assets - held-to-maturity investments
Current assets - derivative financial instruments
Current assets - income tax refund due
Current assets - biological
Current assets - spare Y
Current assets - spare Z
Current assets - other
Current assets - non-current assets classified as held for sale
Current assets - assets of disposal groups classified as held for sale
Non-current assets - receivables
Non-current assets - inventories
Non-current assets - investments accounted for using the equity method
Non-current assets - available-for-sale financial assets
Non-current assets - held-to-maturity investments
Non-current assets - derivative financial instruments
Non-current assets - other financial assets
Non-current assets - investment properties
Non-current assets - property, plant and equipment
Non-current assets - intangibles
Non-current assets - exploration and evaluation
Non-current assets - mining
Non-current assets - biological
Non-current assets - deferred tax
Non-current assets - retirement benefit obligations
Non-current assets - spare Y
Non-current assets - spare Z
Non-current assets - other
Current liabilities - trade and other payables
Current liabilities - borrowings
Current liabilities - financial guarantee contracts
Current liabilities - derivative financial instruments
Current liabilities - income tax
Current liabilities - employee benefits
Current liabilities - provisions
Current liabilities - spare Y
Current liabilities - spare Z
Current liabilities - other
Current liabilities - liabilities directly associated with assets classified as held for sale
Non-current liabilities - payables
Non-current liabilities - borrowings
Non-current liabilities - financial guarantee contracts
Non-current liabilities - derivative financial instruments
Non-current liabilities - deferred tax
Non-current liabilities - employee benefits
Non-current liabilities - provisions
Non-current liabilities - retirement benefit obligations
Non-current liabilities - spare Y
Non-current liabilities - spare Z
Non-current liabilities - other

Notes to the Financial Statements (continued)

Equity - issued capital
Equity - spare Y
Equity - spare Z
Equity - reserves
Equity - retained profits
Equity - non-controlling interest
Equity - dividends
Imputation credit account ²
Spare note A
Derivative financial instruments
Financial instruments
Fair value measurement
Spare note B
Key management personnel disclosures
Remuneration of auditors ⁶
Spare note C
Contingent assets
Contingent liabilities
Commitments
Related party transactions
Spare note D
Parent entity information ¹
Business combinations
Interests in subsidiaries
Interests in associates
Interests in joint ventures
Interests in joint operations
Investments held
Trust transactions and balances ⁴
Arrangements for the provision of public infrastructure by other entities ⁴
Collocation arrangements ⁴
Administered transactions and balances ⁴
Deed of cross guarantee ¹
Economic dependency
Events after the reporting period
Spare note E
Reconciliation of profit after income tax to net cash from operating activities ¹
Non-cash investing and financing activities
Spare note F
Earnings per share
Share-based payments
Spare note G
Spare note H
Spare note I
Spare note J

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⁴ Government only (Platinum)
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The IFRS SYSTEM does not provide you with the option of combining current and non-current notes, as it is one note per statement of financial position item.

The IFRS SYSTEM Approach

Refund policy

We believe that you will be satisfied with the IFRS SYSTEM, however, we do offer a 120 day 'no strings' refund.

End User Licence Agreement (EULA)

The End User Licence Agreement (EULA) acts as the 'terms and conditions' and you accept this agreement at the time of payment. You can download the EULA here:

http://files.ifrssystem.com/user/IFRSSYSTEM_EULA.pdf

No reverse engineering

The EULA expressly forbids any reverse engineering as follows: 'The Licensee shall not reverse assemble or reverse compile or directly or indirectly allow or cause a third party to reverse assemble or reverse compile the whole or any part of the Application.'

Online User Guide

The key information in contained in this Product Disclosure Statement, however for detailed information you should refer to the Online User Guide:

<http://files.ifrssystem.com/userguide/>

Review your financial reporting process

The Application is used as part of a process. In the Online User Guide we provide a process for you to consider, under the section 'Overview - IFRS SYSTEM Financial Reporting Process'. In any case, you should review prior year financial reporting procedures, extraction of Trial Balances, calculation and compilation of disclosures, segregation of duties and formulate a process.

IFRS SYSTEM Standard

IFRS SYSTEM has developed and maintained its own interpretation of the relevant source literature; being the International Financial Reporting Standards ('IFRS'), as well as the following regional adaptations:

- Australia: Complies with Corporations Act 2001 and its regulations, ASX, ASIC and AASB.
- New Zealand: Complies with Companies Act 1993 and its regulations, NZ-IFRS, NZASB and XRB.
- United Kingdom: Complies with Companies Act 2006 and its regulations, FRS 101 and FRS 102.

This interpretation is compliant but it may differ in format and content from your own or your auditor's interpretation. Illustrations of the IFRS SYSTEM Standard can be found in the online samples of its publication Pinnacle Financial Statements and on our website via 'Software > Download sample outputs'.

Customisation

We do not offer customisations to our Application. We do, however, listen and if a particular circumstance warrants an addition to our master content we will act on this. Our Application has been used to prepare thousands of compliant reports and there should be more than enough content to satisfy your financial reporting requirements.

Confidentiality

From time to time we may need to log into your database to investigate or understand a scenario. The content of any such information, any letters, emails and financial documents (in whatever form) remains confidential. Also, all information transmitted, conveyed or implied remains confidential. This is in line with our confidentiality policy.

Technical support

As part of your licence(s), limited technical support is provided on support@ifrssystem.com and 1300 728 438 or 020 3287 0102 within the United Kingdom. You can expect a timely response between the hours of 8:00am and 6:00pm Monday to Friday, Sydney, Australia Time. Intermittent support is provided outside of these hours. In the cases of technical accounting assistance, such as complicated reverse acquisitions or discontinued activities, support is limited to one hour per issue and then additional charges are agreed upfront. Refer to 'Frequently asked questions' below for more information on support.

Application and content updates

Application and content upgrades are scheduled for at six monthly intervals. Where circumstances require it, upgrades may be deployed earlier than scheduled. You do not need to install anything to access these updates.

Pay fair

We have kept the licencing of our products straightforward for your convenience, particularly when you upgrade or as a single user you use multiple machines. That said, we ask that you 'pay fair', as like any industry, if we do not get paid, future products and development suffers and everyone, including you, misses out.

Acceptance

In each instance of using the IFRS SYSTEM, you acknowledge that you have read and accept:

- The contents of this Product Disclosure Statement, including the 'Requirements' section below
- The End User Licence Agreement (EULA)

Thank you

Thank you for considering IFRS SYSTEM. We are here to help, so should you have any questions please do not hesitate to contact us by emailing support@ifrssystem.com or phoning 1300 728 438 or 020 3287 0102 within the United Kingdom.

System requirements

Software required

To operate

Web browser (Google Chrome is recommended)

To open outputs

Microsoft Excel 2007 or later (or equivalent) *

Microsoft Word 2007 or later (or equivalent) *

PDF Reader (recommended: Adobe Acrobat Standard or similar PDF Writer)

* Outputs may open using earlier versions, but there are expected to be issues with using these outputs.

Frequently asked questions (FAQ's)

A full list of FAQ's is available in Online User Guide via these two links:

<http://files.ifrssystem.com/userguide/faq.html>
<http://files.ifrssystem.com/userguide/faqit.html>

What is included in support and what is outside of support's scope?

Support covers product support and technical support (limited, as IFRS SYSTEM is a product provider). The investigative 'Five Ws and one H' comes into play on support.

The preference is to supply the following via email:

- who (your entity name-report title-period)
- what (a description of your issue)
- where (on what screen, if not obvious)
- how (attach any examples, such as such as input files or output files)

Product support (in most cases, to answer your queries, you will be provided extracts from the Online User Guide and links to the videos as we maintain exhaustive documentation online):

- who is authorised to do things (such as your internal Administrators can maintain users)
- what a particular feature does
- when you should use a particular feature
- where an option or button is
- why something is not working (it could be a variety of things, such as user related or a bug given the particular scenario)
- how you achieve something you have seen from IFRS SYSTEM, in say Pinnacle Financial Statements illustrative examples

As noted in 'System requirements' above, Google Chrome is the recommended web browser.

Technical support (limited):

- who is subject to a particular disclosure item
- why IFRS SYSTEM discloses in a certain way (which is always to adhere to the source literature and we will provide an explanation together with the same hyperlinked references on the right-hand-side on the screen)
- how you would tackle a technical issue

In the cases of technical accounting assistance, such as complicated reverse acquisitions or discontinued activities, support is limited to one hour per issue and then additional charges are agreed upfront

IFRS SYSTEM is a product provider, not a service provider. As such, the following are examples of services not provided (outside of support's scope):

- for new users, scoping of last year's report to fit in the IFRS SYSTEM (remember, it will not be the same as last year, but different can be better)
- pure 'number crunching' (for instance balancing opening retained earnings and inter-company eliminations on consolidation - remember, small differences are rounded in the 'Chart of Accounts' screen)
- preparation of your report, including inputting and maintenance of your data
- technical review of your report

What training is required?

New users should devote (up to) 4 hours to a familiarisation session for the IFRS SYSTEM, as outlined in 'Online videos and recommended reading' section of the Online User Guide. After you complete this session, spend some time starting to set-up one of your own reports (create an entity, create a new report, import a Trial Balance and generally trying features out). After all of the users in your organisation have completed the familiarisation session, an optional online training session can be requested by emailing support@ifrssystem.com. This session will run for approximately 2 hours and will cover specific user questions, set-up tips and tricks and a general overview of IFRS SYSTEM, to ensure that you are maximising the use of the application.

How many users can access a report at the same time?

As long as they are a registered user under your organisation's log-in, all of your users can access a report at the same time.

What technology does IFRS SYSTEM use?

IFRS SYSTEM is a web based application. It is developed in the ASP.Net Framework, utilises the MS SQL database and is hosted by Amazon Web Services. You log-in at your nominated region:

- <https://au.ifrssystem.com> (data stored in Sydney, Australia)
- <https://sg.ifrssystem.com> (data stored in Singapore)
- <https://uk.ifrssystem.com> (data stored in Dublin, Ireland)

Can I have my own local installation?

IFRS SYSTEM is a purely web based application. Given its technicalities, regular updates, need for a specific environment and speed requirements, you cannot have your own local installation.

What security is provided?

In summary, security is two-fold:

- Web browser: input and interaction via the web browser is secured through Hypertext Transfer Protocol Secure (HTTPS) with a G2 rating (which is very high, for instance the same rating as internet banking). IFRS SYSTEM has a 128-bit encryption of data passing between your computer and the server.
- Storage of data: your data is stored within a data warehouse at Amazon Web Services who provide, in their words, 'World-Class Protection' and an overview can be found here: <http://aws.amazon.com/security/>

We recommend a strong password, using a combination of mixed case letters, numbers and symbols, to avoid any unauthorised access to your account.

What implementation is required?

As the IFRS SYSTEM is a web based application, there is no implementation to install the application. Upon receipt of the order (usually via <http://ifrssystem.com/> but you can also arrange purchasing the application by emailing enquiries@ifrssystem.com), the named user(s) will receive emails containing log in credentials and information to get you started.

Can I take a back-up of the database?

Clause 16.5 of the End User License Agreement (EULA) covers the data and the responsibility on yourself to store inputs and outputs. You can download the EULA here:
http://files.ifrssystem.com/user/IFRSSYSTEM_EULA.pdf

The bit in the middle, the IFRS SYSTEM database, is backed-up every day at 2,00am (local time - there are several locations around the world) by IFRS SYSTEM and is useless without the application. All outputs provide you with the data you have entered.

This is 'our' back-up and not intended to restore ad-hoc reports for users. In the case you want to revert to an earlier version of your report, as you progress you can take copies of each draft of your report via the 'Duplicate report' button in the Reports list screen.

What happens to my data if I do not renew my subscription?

You will have access to IFRS SYSTEM for the courtesy period of 14 days after your expiry date. Whilst you still have access, you should ensure you have a copy of all outputs (for instance your Annual Report in Word and Audit Trails in Excel). As you need the IFRS SYSTEM application to run the IFRS SYSTEM database, you will not be provided a copy of the IFRS SYSTEM database. All outputs provide you with the data you have entered.

Your data will be stored for 6 months to allow for unintentional lapses of subscriptions. After 6 months, all data will be deleted without a backup available.

For non-renewal, you can delete your data by deleting all of your reports before the expiry of your subscription, should you wish for your data to be deleted sooner.

A small sample of IFRS SYSTEM customers

Listed Public

- Alliance Resources Limited
- Altium Limited
- APN Outdoor Group Limited
- Freedom Foods Group Limited
- Gale Pacific Limited
- Greencross Limited
- Helloworld Limited
- IOOF Holdings Limited
- Mineral Resources Limited
- Nick Scali Limited
- Novogen Limited
- OrotonGroup Limited
- PS&C Limited
- SDI Limited
- Specialty Fashion Group Limited
- Vocus Communications Limited

Unlisted Public

- Aon Corporation Australia Limited
- Inchcape Australia Limited
- Lonsec Limited
- Lysaght Peoplecare Limited

Large Private

- Aspen Medical Pty Limited
- Berg Engineering Pty Limited
- Bickfords Australia Holdings Pty Limited
- Cavill Power Products Pty Limited
- Cover-More Insurance Services Pty Limited
- Imagetec Solutions Australia Pty Limited
- Landmark Pty Limited
- Merck Sharp & Dohme Pty Limited
- Paspaley Pearling Company Pty Limited
- Redpath Australia Pty Limited
- Unisys Australia Pty Limited
- Vesuvius Australia Pty Limited
- Viatek Holdings Pty Limited

Government

- Forestry Corporation of NSW
- Gold Corporation (Perth Mint)
- Queensland Health
- State Transit Authority of NSW

Professional Services Firms

- BDO
- Financial Reporting Specialists
- Lleydin Freyer
- Sothertons
- William Buck

We do not expect our customers to act as referees for us and, consequently, we do not offer customer site references. This is why we offer a 120 day 'no strings' refund, as noted in the 'Refund policy' section above.