



Financial Reporting Specialists

Example Financial Report

FRS Listed Practical Interim Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	FRS Listed Practical Interim Limited
ABN:	12 345 678 901
Reporting period:	For the half-year ended 30 June 2022
Previous period:	For the half-year ended 30 June 2021

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	6.7% to	233,900
Profit from ordinary activities after tax attributable to the owners of FRS Listed Practical Interim Limited	up	93.3% to	15,413
Profit for the half-year attributable to the owners of FRS Listed Practical Interim Limited	up	93.3% to	15,413

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2021 paid on [date]	15.0	15.0

On [date] the directors declared an interim dividend for the year ending 31 December 2022 of 5 cents per ordinary share with a record date of [date] to be paid on [date].

Comments

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$15,413,000 (30 June 2021: \$7,972,000).

All three of the consolidated entity's divisions improved their profit results. The computer manufacturing division further increased its profit following the re-engineering of its processes, which has resulted in increased production and a reduction in product defects. The computer retailing division had a 6.7% increase in sales largely from higher value products. The computer distribution division benefited greatly from the final integration of the acquired CompCarrier business, which saw its existing administrative function better utilised.

The impact of the Coronavirus (COVID-19) pandemic up to 30 June 2022 has been financially positive for the consolidated entity. With both people working from home and students being home schooled, new equipment has been needed and the demand for the consolidated entity's computers has increased, resulting in increased sales.

Whilst less than 25% of sales are provided on credit, the consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay in the current environment. As a result, we have increased our allowance of expected credit losses as at 30 June 2022.

The financial position of the consolidated entity is strong with excellent liquidity and a large asset base, which is being fully utilised. With the predicted upturn in the economy and continued profitability of the consolidated entity, bank borrowings are expected to reduce significantly during the second half of the financial year ending 31 December 2022 from current cash on deposit and future earnings, without necessarily reducing dividend payments.

The computer industry is a fast moving industry and the rate of technological change is astronomical. The main risk for the consolidated entity, and therefore the focus of management, is inventory management. During the financial half-year the inventory module of the management information system was updated to provide 'real time' information on stock turn and the identification of slow moving inventory. This allows management to make special offers to customers to clear the inventory before it becomes completely obsolete.

FRS Listed Practical Interim Limited
Appendix 4D
Half-year report

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>149.32</u>	<u>151.55</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
Compdesign Partnership	35.00%	35.00%	2,308	2,053
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			2,308	2,053
Income tax on operating activities			692	616

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

8. Attachments

Details of attachments (if any):

The Interim Report of FRS Listed Practical Interim Limited for the half-year ended 30 June 2022 is attached.

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Appendix 4D
Half-year report

9. Signed

Signed _____

Daniel Example
Director
Sydney

Date: 24 August 2022

FRS Listed Practical Interim Limited

ABN 12 345 678 901

Interim Report - 30 June 2022

FRS Listed Practical Interim Limited
Directors' report
30 June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of FRS Listed Practical Interim Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2022.

Directors

The following persons were directors of FRS Listed Practical Interim Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Anthony Example
Brad Example
Christina Example
Daniel Example
Elizabeth Example (resigned on 20 August 2022)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Computer manufacturing
- Computer retailing
- Computer distribution

Review of operations

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$15,413,000 (30 June 2021: \$7,972,000).

All three of the consolidated entity's divisions improved their profit results. The computer manufacturing division further increased its profit following the re-engineering of its processes, which has resulted in increased production and a reduction in product defects. The computer retailing division had a 6.7% increase in sales largely from higher value products. The computer distribution division benefited greatly from the final integration of the acquired CompCarrier business, which saw its existing administrative function better utilised.

The impact of the Coronavirus (COVID-19) pandemic up to 30 June 2022 has been financially positive for the consolidated entity. With both people working from home and students being home schooled, new equipment has been needed and the demand for the consolidated entity's computers has increased, resulting in increased sales.

Whilst less than 25% of sales are provided on credit, the consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay in the current environment. As a result, we have increased our allowance of expected credit losses as at 30 June 2022.

The financial position of the consolidated entity is strong with excellent liquidity and a large asset base, which is being fully utilised. With the predicted upturn in the economy and continued profitability of the consolidated entity, bank borrowings are expected to reduce significantly during the second half of the financial year ending 31 December 2022 from current cash on deposit and future earnings, without necessarily reducing dividend payments.

The computer industry is a fast moving industry and the rate of technological change is astronomical. The main risk for the consolidated entity, and therefore the focus of management, is inventory management. During the financial half-year the inventory module of the management information system was updated to provide 'real time' information on stock turn and the identification of slow moving inventory. This allows management to make special offers to customers to clear the inventory before it becomes completely obsolete.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

FRS Listed Practical Interim Limited
Directors' report
30 June 2022

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Daniel Example
Director

24 August 2022
Sydney

FRS Listed Practical Interim Limited
Auditor's independence declaration

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FRS Listed Practical Interim Limited

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General information

The financial statements cover FRS Listed Practical Interim Limited as a consolidated entity consisting of FRS Listed Practical Interim Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is FRS Listed Practical Interim Limited's functional and presentation currency.

FRS Listed Practical Interim Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

10th Floor
Universal Administration Building
12 Highland Street
Sydney NSW 2000

Principal place of business

5th Floor
FRS Business Centre
247 Edward Street
Brisbane QLD 4000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 August 2022.

FRS Listed Practical Interim Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2022

	Note	Consolidated 30 Jun 2022 \$'000	30 Jun 2021 \$'000
Revenue	3	233,357	218,931
Share of profits of associates accounted for using the equity method	4	1,616	1,437
Other income	5	692	192
Interest revenue calculated using the effective interest method		543	272
Net gain on derecognition of financial assets at amortised cost		50	-
Expenses			
Changes in inventories		(660)	(782)
Raw materials and consumables used		(63,486)	(60,515)
Employee benefits expense		(112,431)	(109,130)
Depreciation and amortisation expense		(26,138)	(25,672)
Impairment of receivables		(256)	(262)
Other expenses		(2,242)	(2,561)
Finance costs	6	(9,465)	(10,907)
Profit before income tax expense		21,580	11,003
Income tax expense		(6,096)	(2,917)
Profit after income tax expense for the half-year		15,484	8,086
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		35	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Cash flow hedges transferred to profit or loss, net of tax		-	(2)
Cash flow hedges transferred to inventory in the statement of financial position, net of tax		(1)	(5)
Net change in the fair value of cash flow hedges taken to equity, net of tax		(3)	(12)
Foreign currency translation		(157)	(98)
Other comprehensive income for the half-year, net of tax		(126)	(117)
Total comprehensive income for the half-year		<u>15,358</u>	<u>7,969</u>
Profit for the half-year is attributable to:			
Non-controlling interest		71	114
Owners of FRS Listed Practical Interim Limited		15,413	7,972
		<u>15,484</u>	<u>8,086</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		71	114
Owners of FRS Listed Practical Interim Limited		15,287	7,855
		<u>15,358</u>	<u>7,969</u>

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

FRS Listed Practical Interim Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2022

	Cents	Cents
Basic earnings per share	10.49	5.66
Diluted earnings per share	10.49	5.66

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

FRS Listed Practical Interim Limited
Statement of financial position
As at 30 June 2022

	Note	Consolidated 30 Jun 2022 \$'000	31 Dec 2021 \$'000
Assets			
Current assets			
Cash and cash equivalents		26,136	22,258
Trade and other receivables		13,420	12,958
Contract assets		2,458	2,508
Inventories		39,525	40,185
Financial assets at fair value through profit or loss		360	-
Other		3,935	3,444
		<u>85,834</u>	<u>81,353</u>
Non-current assets classified as held for sale	7	6,000	-
Total current assets		<u>91,834</u>	<u>81,353</u>
Non-current assets			
Receivables		145	135
Investments accounted for using the equity method		34,192	32,576
Financial assets at fair value through other comprehensive income		170	-
Investment properties		46,900	46,900
Property, plant and equipment		117,139	125,067
Right-of-use assets		318,292	331,608
Intangibles		12,170	12,357
Deferred tax		14,490	12,974
Other		2,308	2,220
Total non-current assets		<u>545,806</u>	<u>563,837</u>
Total assets		<u>637,640</u>	<u>645,190</u>
Liabilities			
Current liabilities			
Trade and other payables		20,004	19,468
Contract liabilities		2,269	2,135
Borrowings		4,500	3,000
Lease liabilities		22,072	20,950
Derivative financial instruments		122	116
Income tax		6,701	4,497
Employee benefits		8,352	8,270
Provisions		3,494	3,362
Other		2,130	2,159
		<u>69,644</u>	<u>63,957</u>
Liabilities directly associated with assets classified as held for sale		4,000	-
Total current liabilities		<u>73,644</u>	<u>63,957</u>
Non-current liabilities			
Borrowings		19,000	19,000
Lease liabilities		310,978	322,031
Deferred tax		4,617	4,446
Employee benefits		11,149	10,975
Provisions		1,475	1,325
Total non-current liabilities		<u>347,219</u>	<u>357,777</u>
Total liabilities		<u>420,863</u>	<u>421,734</u>
Net assets		<u>216,777</u>	<u>223,456</u>

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

FRS Listed Practical Interim Limited
Statement of financial position
As at 30 June 2022

	Consolidated	
Note	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Equity		
Issued capital	182,953	182,953
Reserves	3,276	3,402
Retained profits	13,185	19,809
Equity attributable to the owners of FRS Listed Practical Interim Limited	<u>199,414</u>	<u>206,164</u>
Non-controlling interest	<u>17,363</u>	<u>17,292</u>
Total equity	<u><u>216,777</u></u>	<u><u>223,456</u></u>

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

FRS Listed Practical Interim Limited
Statement of changes in equity
For the half-year ended 30 June 2022

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 January 2021	182,678	3,625	15,636	17,107	219,046
Profit after income tax expense for the half-year	-	-	7,972	114	8,086
Other comprehensive income for the half-year, net of tax	-	(117)	-	-	(117)
Total comprehensive income for the half-year	-	(117)	7,972	114	7,969
<i>Transactions with owners in their capacity as owners:</i>					
Dividends paid (note 8)	-	-	(11,744)	-	(11,744)
Balance at 30 June 2021	<u>182,678</u>	<u>3,508</u>	<u>11,864</u>	<u>17,221</u>	<u>215,271</u>
Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 January 2022	182,953	3,402	19,809	17,292	223,456
Profit after income tax expense for the half-year	-	-	15,413	71	15,484
Other comprehensive income for the half-year, net of tax	-	(126)	-	-	(126)
Total comprehensive income for the half-year	-	(126)	15,413	71	15,358
<i>Transactions with owners in their capacity as owners:</i>					
Dividends paid (note 8)	-	-	(22,037)	-	(22,037)
Balance at 30 June 2022	<u>182,953</u>	<u>3,276</u>	<u>13,185</u>	<u>17,363</u>	<u>216,777</u>

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

FRS Listed Practical Interim Limited
Statement of cash flows
For the half-year ended 30 June 2022

	Consolidated	
Note	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	254,020	237,416
Payments to suppliers and employees (inclusive of GST)	(201,866)	(195,836)
	<u>52,154</u>	<u>41,580</u>
Interest received	543	272
Other revenue	2,123	1,691
Interest and other finance costs paid	(9,465)	(10,907)
Income taxes paid	(5,266)	(4,231)
	<u>40,089</u>	<u>28,405</u>
Cash flows from investing activities		
Payments for investments	(510)	-
Payments for property, plant and equipment	(8,072)	(1,524)
Proceeds from disposal of investments	80	-
Proceeds from disposal of property, plant and equipment	1,511	250
	<u>(6,991)</u>	<u>(1,274)</u>
Cash flows from financing activities		
Proceeds from borrowings	10,000	-
Dividends paid	(22,037)	(11,744)
Repayment of borrowings	(4,500)	(11,500)
Repayment of lease liabilities	(12,692)	(10,012)
	<u>(29,229)</u>	<u>(33,256)</u>
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	3,869	(6,125)
Cash and cash equivalents at the beginning of the financial half-year	22,258	10,371
Effects of exchange rate changes on cash and cash equivalents	9	5
	<u>26,136</u>	<u>4,251</u>
Cash and cash equivalents at the end of the financial half-year		

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Note 2. Operating segments

Identification of reportable operating segments

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

Other segments represent the investment property holdings and rental income of the consolidated entity.

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

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

Types of products and services

The principal products and services of each of these operating segments are as follows:

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

Intersegment transactions

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

Intersegment receivables, payables and loans

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

FRS Listed Practical Interim Limited
Notes to the financial statements
30 June 2022

Note 2. Operating segments (continued)

Operating segment information

Consolidated - 30 Jun 2022	Computer manufacturing \$'000	Computer retailing \$'000	Computer distribution \$'000	Other segments \$'000	Total \$'000
Revenue					
Sales to external customers	13,233	216,423	1,848	-	231,504
Intersegment sales	101,008	-	4,453	-	105,461
Total sales revenue	<u>114,241</u>	<u>216,423</u>	<u>6,301</u>	<u>-</u>	<u>336,965</u>
Other revenue	-	-	-	1,853	1,853
Total segment revenue	<u>114,241</u>	<u>216,423</u>	<u>6,301</u>	<u>1,853</u>	<u>338,818</u>
Intersegment eliminations					(105,461)
<i>Unallocated revenue:</i>					
Interest revenue					543
Total revenue					<u>233,900</u>
EBITDA					
	<u>8,393</u>	<u>46,381</u>	<u>1,804</u>	<u>62</u>	56,640
Depreciation and amortisation					(26,138)
Interest revenue					543
Finance costs					<u>(9,465)</u>
Profit before income tax expense					21,580
Income tax expense					<u>(6,096)</u>
Profit after income tax expense					<u>15,484</u>
Assets					
Segment assets	<u>155,823</u>	<u>433,909</u>	<u>21,405</u>	<u>-</u>	611,137
Intersegment eliminations					(15,568)
<i>Unallocated assets:</i>					
Cash and cash equivalents					18,551
Ordinary shares					530
Land and buildings					8,500
Deferred tax asset					<u>14,490</u>
Total assets					<u>637,640</u>
Liabilities					
Segment liabilities	<u>41,390</u>	<u>367,862</u>	<u>6,861</u>	<u>-</u>	416,113
Intersegment eliminations					(15,568)
<i>Unallocated liabilities:</i>					
Provision for income tax					6,701
Bank loans					9,000
Deferred tax liability					<u>4,617</u>
Total liabilities					<u>420,863</u>

FRS Listed Practical Interim Limited
Notes to the financial statements
30 June 2022

Note 2. Operating segments (continued)

Consolidated - 30 Jun 2021	Computer manufacturing \$'000	Computer retailing \$'000	Computer distribution \$'000	Other segments \$'000	Total \$'000
Revenue					
Sales to external customers	12,169	202,906	2,165	-	217,240
Intersegment sales	95,711	-	1,404	-	97,115
Total sales revenue	107,880	202,906	3,569	-	314,355
Other revenue	-	-	-	1,691	1,691
Total segment revenue	107,880	202,906	3,569	1,691	316,046
Intersegment eliminations					(97,115)
<i>Unallocated revenue:</i>					
Interest revenue					272
Total revenue					219,203
EBITDA					
Depreciation and amortisation	5,991	39,458	847	1,014	47,310
Interest revenue					(25,672)
Finance costs					272
					(10,907)
Profit before income tax expense					11,003
Income tax expense					(2,917)
Profit after income tax expense					8,086

Note 3. Revenue

	Consolidated	Consolidated
	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
<i>Revenue from contracts with customers</i>		
Sale of goods	229,656	215,075
Rendering of services	1,848	2,165
	<u>231,504</u>	<u>217,240</u>
<i>Other revenue</i>		
Rent from investment properties	1,812	1,655
Other revenue	41	36
	<u>1,853</u>	<u>1,691</u>
Revenue	<u><u>233,357</u></u>	<u><u>218,931</u></u>

FRS Listed Practical Interim Limited
Notes to the financial statements
30 June 2022

Note 3. Revenue (continued)

Disaggregation of revenue

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

	Computer manufacturing \$'000	Computer retailing \$'000	Computer distribution \$'000	Total \$'000
Consolidated - 30 Jun 2022				
<i>Major product lines</i>				
Laptops	6,699	179,980	1,646	188,325
Desktops	2,106	23,614	202	25,922
Components	4,428	12,829	-	17,257
	<u>13,233</u>	<u>216,423</u>	<u>1,848</u>	<u>231,504</u>
<i>Geographical regions</i>				
Australia	11,478	191,632	1,848	204,958
New Zealand	1,147	18,364	-	19,511
Rest of the World	608	6,427	-	7,035
	<u>13,233</u>	<u>216,423</u>	<u>1,848</u>	<u>231,504</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	13,233	216,423	-	229,656
Services transferred over time	-	-	1,848	1,848
	<u>13,233</u>	<u>216,423</u>	<u>1,848</u>	<u>231,504</u>
Consolidated - 30 Jun 2021				
<i>Major product lines</i>				
Laptops	6,057	165,426	1,878	173,361
Desktops	2,421	26,783	287	29,491
Components	3,691	10,697	-	14,388
	<u>12,169</u>	<u>202,906</u>	<u>2,165</u>	<u>217,240</u>
<i>Geographical regions</i>				
Australia	10,807	183,007	2,165	195,979
New Zealand	955	15,328	-	16,283
Rest of the World	407	4,571	-	4,978
	<u>12,169</u>	<u>202,906</u>	<u>2,165</u>	<u>217,240</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	12,169	202,906	-	215,075
Services transferred over time	-	-	2,165	2,165
	<u>12,169</u>	<u>202,906</u>	<u>2,165</u>	<u>217,240</u>

FRS Listed Practical Interim Limited
Notes to the financial statements
30 June 2022

Note 4. Share of profits of associates accounted for using the equity method

	Consolidated	
	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Share of profit - associates	1,616	1,437

Note 5. Other income

	Consolidated	
	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Net gain on disposal of property, plant and equipment	422	192
Government grants	50	-
Insurance recoveries	220	-
Other income	692	192

Note 6. Expenses

	Consolidated	
	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	142,226	138,991
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	942	1,489
Interest and finance charges paid/payable on lease liabilities	8,523	9,418
Finance costs expensed	9,465	10,907
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	9	4
<i>Leases</i>		
Variable lease payments	584	549
Short-term lease payments	51	64
Low-value assets lease payments	67	59
	702	672
<i>Superannuation expense</i>		
Defined contribution superannuation expense	9,044	8,814
<i>Write off of assets</i>		
Inventories	269	56

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Note 7. Current assets - non-current assets classified as held for sale

	Consolidated	
	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Land	6,000	-

The vacant land situated at 22 Smith Street, Parramatta NSW is currently for sale and is expected to be sold within five months from the reporting date through an auction process. The proposed development of a head office building on the site has been abandoned and the land is now surplus to requirements. The land is not allocated to an operating segment.

Note 8. Equity - dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Final dividend for the year ended 31 December 2021 (30 Jun 2021: 31 December 2020) of 15 cents (30 Jun 2021: 8 cents) per ordinary share	22,037	11,744

On [date] the directors declared an interim dividend for the year ending 31 December 2022 of 5 cents per ordinary share to be paid on [date], a total estimated distribution of \$7,346,000 based on the number of ordinary shares on issue as at [date]. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2022 financial statements and will be recognised in subsequent financial reports.

Note 9. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 30 Jun 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Ordinary shares at fair value through profit or loss	360	-	-	360
Ordinary shares at fair value through other comprehensive income	-	-	170	170
Investment properties	-	-	46,900	46,900
Land and buildings	-	-	58,500	58,500
Total assets	360	-	105,570	105,930
<i>Liabilities</i>				
Forward foreign exchange contracts	-	122	-	122
Total liabilities	-	122	-	122

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Note 9. Fair value measurement (continued)

Consolidated - 31 Dec 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Investment properties	-	-	46,900	46,900
Land and buildings	-	-	58,500	58,500
Total assets	-	-	105,400	105,400
<i>Liabilities</i>				
Forward foreign exchange contracts	-	116	-	116
Total liabilities	-	116	-	116

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

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

Unquoted investments have been valued using a discounted cash flow model.

The basis of the valuation of investment properties is fair value. The investment properties are revalued annually based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 31 December 2021 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated	Ordinary shares at fair value through OCI \$'000	Investment properties \$'000	Land and buildings \$'000	Total \$'000
Balance at 1 January 2022	-	46,900	58,500	105,400
Gains recognised in other comprehensive income	50	-	-	50
Additions	200	-	-	200
Disposals	(80)	-	-	(80)
Balance at 30 June 2022	170	46,900	58,500	105,570

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Note 9. Fair value measurement (continued)

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Ordinary shares at fair value through other comprehensive income	Growth rate	2.5% to 3.5% (3.0%)	0.25% change would increase/decrease fair value by \$5,000
	Discount rate	8.0% to 11.0% (9.5%)	1.00% change would increase/decrease fair value by \$14,000
Investment properties	Rental yield	7.5% to 9.0% (8.5%)	0.75% change would increase/decrease fair value by \$352,000
	Rental growth	1.25% to 2.0% (1.75%)	0.25% change would increase/decrease fair value by \$117,000
	Long-term vacancy rate	5.0% to 9.0% (7.5%)	0.75% change would increase/decrease fair value by \$276,000
	Discount rate	4.0% to 6.0% (5.25%)	0.5% change would increase/decrease fair value by \$57,000
Land and buildings	Rental yield	6.0% to 8.0% (7.5%)	0.75% change would increase/decrease fair value by \$440,000
	Discount rate	5.0% to 7.0% (6.25%)	0.5% change would increase/decrease fair value by \$61,000

Note 10. Contingent liabilities

During the financial half-year there was a work related accident involving a member of staff. Although the investigation is still in progress, the directors are of the opinion, based on independent legal advice, that the consolidated entity will not be found to be at fault and any potential compensation will be adequately covered by the consolidated entity's insurance policy. Accordingly, no provision has been provided within these financial statements.

The consolidated entity has given bank guarantees as at 30 June 2022 of \$3,105,000 (31 Dec 2021: \$2,844,000) to various landlords.

Note 11. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apart from the dividend declared as disclosed in note 8, no other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

FRS Listed Practical Interim Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Daniel Example
Director

24 August 2022
Sydney

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Independent auditor's review report to the members of FRS Listed Practical Interim Limited

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Independent auditor's review report to the members of FRS Listed Practical Interim Limited

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