

# **CW Group Holdings Ltd**

**ABN 83 635 851 839**

**Annual Report - 30 June 2024**

For personal use only

**CW Group Holdings Ltd**  
**Directors' report**  
**30 June 2024**

The directors present their report on the consolidated entity consisting of CW Group Holdings Ltd ("the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2024. Throughout the report, the consolidated entity is referred to as the Group.

**Significant changes in the state of affairs**

*Proposed Merger with Sigma Healthcare Limited*

In December 2023 the Group entered into a Merger Implementation Agreement (MIA) to merge with Sigma Healthcare Limited. The merger is subject to several approvals including shareholder and regulatory approvals. As at the date of signing of these financial statements the approvals have not yet been obtained.

*International Expansion*

During the year international expansion continued with new Chemist Warehouse stores opening in New Zealand, Ireland and China.

There were no other significant changes in the state of affairs of the Group during the financial year.

**Directors**

The following persons were directors of CW Group Holdings Limited during the financial year and up to the date of this report:

Mario Verrocchi  
Jack Gance  
Sam Gance  
Damien Gance  
Adrian Verrocchi  
Marcello Verrocchi  
Mario Tascone  
Mark Finocchiaro  
Sunil Narula

**Principal activities**

The principal activities of the Group consist of marketing, retailing, wholesaling and distributing pharmaceutical, healthcare and beauty products and the provision of support services to a network of franchised retail pharmacies.

**Dividends**

Dividends declared in each reporting period are summarised as follows:

	<b>Year ended</b> <b>30 June</b> <b>2024</b> <b>\$'000</b>	<b>Year ended</b> <b>30 June</b> <b>2023</b> <b>\$'000</b>
Dividends provided for or paid	217,701	264,058

**Review of operations**

The profit for the Group after providing for income tax and non-controlling interests amounted to \$541,013,000 (30 June 2023: profit of \$304,333,000).

**Events since the end of the financial year**

In August 2024 the Group completed the acquisition of 100% of the issued units of DPP Pharmaceuticals Unit Trust and 100% of the shares in DPP Pharmaceuticals Pty Ltd (DPP), a developer and seller of healthcare products for a consideration of \$47,900,000. This acquisition provides the Group with control of additional healthcare brands that will complement the offerings that the Group provides its customers. The Group is in the process of finalising acquisition accounting for this transaction.

On 20 September 2024, the Directors declared a dividend of \$148,946,416.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Environmental regulation**

The Group's operations are not regulated by any significant environmental regulation.

**Shares under performance rights**

Unissued ordinary shares of CW Group Holdings Ltd under performance rights at the date of this report are as follows:

<b>Grant date</b>	<b>Expiry date</b>	<b>Performance rights 30 June 2024</b>	<b>Performance rights 30 June 2023</b>
1 July 2022	1 July 2024	446,765	446,765

**Insurance of officers**

The Company indemnifies the directors and executives for any loss arising from any claim by reason of any wrongful act committed by them in their capacity as a director or executive (subject to certain exclusions as required by law). During the financial year, the Company has paid premiums in respect of contracts insuring the directors and executives against any liability of this nature. In accordance with normal commercial practices, under the terms of the insurance contracts the nature of the liabilities insured against, and the amount of the premiums paid, are confidential.

**Indemnity and insurance of auditor**

CW Group Holdings Ltd has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from CW Group Holdings Ltd's breach of their agreement. The indemnity stipulates that CW Group Holdings Ltd will meet the full amount of any such liabilities including a reasonable amount of legal costs.

**Proceedings on behalf of the Company**

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

**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.

**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.

This report is made in accordance with a resolution of directors.



Mario Verocchi  
Director



Jack Gance  
Director

24 September 2024  
Melbourne



## Auditor's Independence Declaration

As lead auditor for the audit of CW Group Holdings Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CW Group Holdings Ltd and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Daniel Rosenberg'.

Daniel Rosenberg  
Partner  
PricewaterhouseCoopers

Melbourne  
24 September 2024

**CW Group Holdings Ltd**  
**Contents**  
**30 June 2024**

Consolidated statement of profit or loss and other comprehensive income	5
Consolidated balance sheet	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9
Consolidated entity disclosure statement	47
Directors' declaration	49
Independent auditor's report to the members of CW Group Holdings Ltd	50

These financial statements are consolidated financial statements for the Group consisting of CW Group Holdings Ltd and its subsidiaries. A list of material subsidiaries is included in note 36.

CW Group Holdings Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

c/- Rispin Group  
Level 5 / 484 St Kilda Rd  
Melbourne VIC 3004

**Principal place of business**

6 Albert Street  
Preston VIC 3072

A description of the nature of the Group'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 September 2024. The directors have the power to amend and reissue the financial statements.

**CW Group Holdings Ltd**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

	Note	2024 \$'000	2023 \$'000
<b>Revenue</b>			
Revenue	5	3,294,402	3,090,669
Cost of sales		<u>(2,251,450)</u>	<u>(2,172,973)</u>
Gross profit		1,042,952	917,696
Share of profits of associates and joint ventures accounted for using the equity method		23,059	13,035
Other income	6	5,823	18,024
<b>Expenses</b>			
Warehousing and distribution expenses		(148,946)	(175,572)
Marketing and sales expenses		(88,259)	(77,288)
Administration and general expenses		(253,093)	(236,105)
Net finance costs	8	<u>(7,415)</u>	<u>(30,429)</u>
<b>Profit before income tax expense</b>		574,121	429,361
Income tax expense	9	<u>(34,464)</u>	<u>(126,897)</u>
<b>Profit after income tax expense for the year</b>		539,657	302,464
<b>Other comprehensive loss</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain / (loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax	13	920	(7,226)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	25	<u>(801)</u>	<u>981</u>
Other comprehensive income/(loss) for the year, net of tax		119	(6,245)
<b>Total comprehensive income for the year</b>		<u>539,776</u>	<u>296,219</u>
Profit/(loss) for the year is attributable to:			
Non-controlling interests	27	(1,356)	(1,869)
Owners of CW Group Holdings Ltd	26	<u>541,013</u>	<u>304,333</u>
		539,657	302,464
Total comprehensive income/(loss) for the year is attributable to:			
Non-controlling interests		(1,356)	(1,869)
Owners of CW Group Holdings Ltd		<u>541,132</u>	<u>298,088</u>
		539,776	296,219
Basic earnings per share		0.35	0.20
Diluted earnings per share		0.35	0.20

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

**CW Group Holdings Ltd**  
**Consolidated balance sheet**  
**As at 30 June 2024**

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	273,124	206,647
Trade and other receivables	11	695,012	408,594
Inventories	12	599,903	482,065
Financial assets at amortised cost	14	3,808	2,573
Lease receivables	15	118,628	107,854
Other current assets	16	26,144	25,304
<b>Total current assets</b>		<u>1,716,619</u>	<u>1,233,037</u>
<b>Non-current assets</b>			
Investments accounted for using the equity method	17	45,020	22,809
Financial assets at amortised cost	14	9,693	-
Financial assets at fair value through other comprehensive income	13	59,454	53,493
Financial assets at fair value through profit or loss		2,262	2,791
Property, plant and equipment	18	73,065	61,265
Right-of-use assets	19	113,020	112,926
Intangible assets		13,300	4,800
Deferred tax assets	9	87,332	56,576
Lease receivables	15	741,823	684,280
<b>Total non-current assets</b>		<u>1,144,969</u>	<u>998,940</u>
<b>Total assets</b>		<u>2,861,588</u>	<u>2,231,977</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	745,824	562,471
Other liabilities	21	29,493	40,061
Financial liabilities at amortised cost	14	32,776	37,301
Lease liabilities	22	131,325	121,497
Current tax liabilities	9	2,777	19,875
Provisions	23	25,897	20,788
<b>Total current liabilities</b>		<u>968,092</u>	<u>801,993</u>
<b>Non-current liabilities</b>			
Other liabilities	21	5,295	8,327
Financial liabilities at amortised cost	14	300,000	216,739
Lease liabilities	22	849,598	802,978
Provisions	23	21,712	22,227
<b>Total non-current liabilities</b>		<u>1,176,605</u>	<u>1,050,271</u>
<b>Total liabilities</b>		<u>2,144,697</u>	<u>1,852,264</u>
<b>Net assets</b>		<u>716,891</u>	<u>379,713</u>
<b>Equity</b>			
Issued capital	24	553,699	549,391
Reserves	25	(54,187)	(64,752)
Retained profits/(Accumulated losses)	26	222,906	(101,348)
Equity attributable to the owners of CW Group Holdings Ltd		<u>722,418</u>	<u>383,291</u>
Non-controlling interests	27	(5,527)	(3,578)
<b>Total equity</b>		<u>716,891</u>	<u>379,713</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes

**CW Group Holdings Ltd**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2024**

	Issued capital \$'000	Reserves \$'000	Retained profits / (Accumulated losses) \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 July 2022	549,391	(35,700)	(164,798)	(1,684)	347,209
Profit after income tax expense	-	-	304,333	(1,869)	302,464
Other comprehensive income/(loss), net of tax	-	(6,245)	-	-	(6,245)
Total comprehensive income	-	(6,245)	304,333	(1,869)	296,219
Transfer of gain/(loss) on disposal of equity investments at FV through OCI to retained profits, net of tax	-	(23,175)	23,175	-	-
<i>Transactions with owners in their capacity as owners:</i>					
Transactions with non-controlling interests (note 27)	-	-	-	300	300
Employee share schemes – value of employee service (note 42)	-	808	-	-	808
Common control transactions	-	(440)	-	-	(440)
Dividends provided for or paid (note 28)	-	-	(264,058)	(325)	(264,383)
Balance at 30 June 2023	549,391	(64,752)	(101,348)	(3,578)	379,713

	Issued capital \$'000	Reserves \$'000	Retained profits / (Accumulated losses) \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 July 2023	549,391	(64,752)	(101,348)	(3,578)	379,713
Profit after income tax expense	-	-	541,013	(1,356)	539,657
Other comprehensive income/(loss), net of tax	-	119	-	-	119
Total comprehensive income/(loss)	-	119	541,013	(1,356)	539,776
Transfer of gain/(loss) on disposal of equity investment at FV through OCI to retained profits, net of tax	-	(942)	942	-	-
<i>Transactions with owners in their capacity as owners:</i>					
Issuance of new shares (note 24)	4,308	-	-	-	4,308
Share based payments (note 42)	-	15,513	-	-	15,513
Acquisition of non-controlling interest	-	(4,125)	-	(183)	(4,308)
Dividends provided for or paid (note 28)	-	-	(217,701)	(410)	(218,111)
Balance at 30 June 2024	553,699	(54,187)	222,906	(5,527)	716,891

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

**CW Group Holdings Ltd**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2024**

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		3,291,324	3,453,679
Payments to suppliers and employees (inclusive of GST)		<u>(2,928,743)</u>	<u>(2,790,113)</u>
		362,581	663,566
Interest and other finance costs paid		(64,227)	(53,657)
Interest and other finance income received		56,812	23,228
Income taxes paid		<u>(81,989)</u>	<u>(188,452)</u>
Net cash from operating activities	40	<u>273,177</u>	<u>444,685</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(32,838)	(12,283)
Payments for financial assets at fair value through other comprehensive income		(2,874)	(21,009)
Acquisition of intangibles		(8,500)	-
Proceeds from sale of investments		3,974	60,066
Distribution from associates		121	-
Principal elements of lease receipts		<u>109,478</u>	<u>48,746</u>
Net cash earned from investing activities		<u>69,361</u>	<u>75,520</u>
<b>Cash flows from financing activities</b>			
Repayments of loans		(788,111)	(489,407)
Proceeds from loans		855,919	448,508
Principal elements of lease payments		(124,957)	(117,537)
Dividends paid to members of the company		(217,701)	(264,058)
Dividends paid to non-controlling interests		(410)	(325)
Transactions with non-controlling interests		<u>-</u>	<u>300</u>
Net cash used in financing activities		<u>(275,260)</u>	<u>(422,519)</u>
Net increase in cash and cash equivalents		67,278	97,686
Cash and cash equivalents at the beginning of the financial year		206,647	107,979
Effects of exchange rate changes on cash and cash equivalents		<u>(801)</u>	<u>982</u>
Cash and cash equivalents at the end of the financial year	10	<u>273,124</u>	<u>206,647</u>

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

## **Note 1. Significant changes in the reporting period**

### **Significant changes in the state of affairs**

#### *Proposed Merger with Sigma Healthcare Limited*

In December 2023 the Group entered into a Merger Implementation Agreement (MIA) to merge with Sigma Healthcare Limited. The merger is subject to several approvals including shareholder and regulatory approvals. As at the date of signing of these financial statements the approvals have not yet been obtained.

#### *International Expansion*

During the year international expansion continued with new Chemist Warehouse stores opening in New Zealand, Ireland and China.

## **Note 2. Material accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated. Comparatives have been adjusted where appropriate to enhance comparability.

Principal elements of lease receipts have been reclassified from cash flows from financing activities to cash flows from investing activities for the year ended 30 June 2023.

### **Basis of preparation**

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. CW Group Holdings Ltd is a for-profit entity for the purpose of preparing the financial statements.

#### *Compliance with IFRS*

The financial statements of the Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets at fair value through other comprehensive income.

#### *New and amended standards adopted by the Group*

The Group has applied relevant new accounting standards and interpretations the first time for the reporting period commencing 1 July 2023. These new standards and interpretations did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Group.

AASB 18 Presentation and Disclosure in Financial Statements, effective for annual reporting periods beginning after 1 January 2027 will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and subtotals in the statement of profit or loss, requiring the disclosure of management defined performance measures, and changing the grouping of information in the financial statements.

The Group has assessed the impact of these new standards and interpretations and does not expect any other standards to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## **Principles of consolidation and equity accounting**

### *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

**Note 2. Material accounting policies (continued)**

*Subsidiaries (continued)*

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, balance sheet and statement of changes in equity respectively.

*Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost in the consolidated statement of financial position.

*Joint Ventures*

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position

*Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from equity accounted investments are recognised as a reduction in the carrying value of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, until it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its equity accounted investments are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the Group.

*Changes in ownership interests*

The Group treats transaction with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interests results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the owners of CW Group Holdings Ltd.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate or joint venture are reduced but joint control or significant influence is retained, only a proportionate share of amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

*Common control entities*

Common control transactions include the combining of entities which are ultimately controlled by the same party (or parties) both before and after the transaction. Assets and liabilities acquired as part of the common control transactions are recorded at book value and no fair value adjustments are made.

For transactions in which combining entities are controlled by the same party or parties before and after the transaction and where that control is not transitory are referred to as common control transactions. The Group's accounting policy for the acquiring entity is to account for the transaction at book values on a prospective basis as reflected in the consolidated financial statements of the selling entity.

The excess of the cost of the transaction over the acquirer's proportionate share of the net assets value acquired in common control transactions, will be allocated to the merger reserve in equity.

## Note 2. Material accounting policies (continued)

### Foreign currency translation

#### *Functional and presentation currency*

Items included in the financial statements of each of the Group in the financial statements are presented in Australian dollars, which is CW Group Holdings Ltd's functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

#### *Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line items in the statement of profit or loss and other comprehensive income.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Financial assets at fair value through profit or loss (FVPL)*

Assets that do not meet the criteria for amortised cost or financial assets at fair value through other comprehensive income (FVOCI) are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income in the period in which it arises.

#### *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

For personal use only

**Note 2. Material accounting policies (continued)**

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Finance costs and income**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Interest cost/income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset/liability and allocating the interest income/cost over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the financial asset/liability to the net carrying amount of the financial asset/liability.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**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.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

*Provision for impairment of inventories*

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales history, the ageing of inventories and other factors that affect inventory obsolescence.

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Group also considers factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

*Classification of Leases*

The Group holds the head lease for the majority of franchise stores and sub-licenses these to franchisees.

Where the Group sub-licenses the location to franchisees under the same terms and conditions as the head lease and the lease payments are considered fixed, the sublease arrangement is classified as a finance lease.

*Consolidation assessment of franchisees*

In determining whether the franchisees require to be consolidated with the Group an assessment of control was made. It was determined that the Group does not have substantive power over the franchisees and therefore does not control them. Franchisees are therefore not consolidated with the Group.

*Right-of-use asset impairment*

The Group tests right of use assets for impairment to ensure they are not carried above their recoverable amounts where there is an indication that assets may be impaired (which is assessed at least at each reporting date).

*Revenue – Variable consideration*

Where contracts with customers includes variable consideration, the revenue's transaction price includes an estimate of the variable consideration based on the expected value (the sum of probability-weighted amounts) in a range of possible consideration amounts. The estimation of that variable consideration is based on available historical outcomes of the variability.

*Investments accounted for using the equity method*

The Group accounts for its investment in New Zealand entities that operate Chemist Warehouse stores as joint ventures. This is on the basis that the Group's contractual arrangements with these entities result in them meeting the definition of a joint venture.

**Note 4. Segment information**

*Description of segments*

Management has determined the operating segments reviewed and used by the Group's chief operating decision makers (CODM) to make strategic and operating decisions. The CODM consists of the board of directors. The Group operates in one operating segment, being the Wholesale and Retail Services segment. Within this segment, the Group provides marketing, wholesale, distribution, retailing and franchise support services to retail pharmacies.

*Geographical segments*

The Group operates in Australia, New Zealand, China and Ireland.

*Disaggregation of revenue by geographic region*

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Australia	3,005,482	2,849,136
International	288,920	241,533
	<u>3,294,402</u>	<u>3,090,669</u>

**Note 4. Segment information (continued)**

*Disaggregation of non-current assets by geographic region*

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Australia	168,601	162,538
International	30,784	16,453
	<u>199,385</u>	<u>178,991</u>

The disaggregation of non-current assets by geographic region excludes financial instruments and deferred tax assets.

*Information on Major Customers*

The Group does not rely on any one customer for a significant component of revenue.

*Accounting policy for operating segments*

Operating segments are reported in a manner consistent with the internal reporting to the CODM.

The board of CW Group Holdings Ltd assesses the financial performance and position of the Group and makes strategic decisions.

*Identification of operating segments*

The board, as CODM, monitors the operating results on a consolidated basis, and accordingly, the Group has concluded that it has one reportable segment.

**Note 5. Revenue**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Sales revenue</i>		
Sale of goods	2,424,772	2,257,625
Fees revenue	212,303	147,191
	<u>2,637,075</u>	<u>2,404,816</u>
<i>Services revenue</i>		
Franchise and related fees	168,316	82,310
Marketing, advertising and other	489,011	603,543
	<u>657,327</u>	<u>685,853</u>
Total revenue	<u>3,294,402</u>	<u>3,090,669</u>

Included in Sales revenue is consideration for leases with customers of \$NIL (2023: \$81,782,000).

For personal use only

**Note 5. Revenue (continued)**

*Accounting policy - revenue from contracts with customers*

**Sales revenue**

*Sale of goods -wholesale*

Revenue associated with the sale of goods is recognised when the performance obligation of the sale has been fulfilled and control of the goods has transferred to the customer, which occurs when the goods are delivered. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts and rebates. In recognising revenue from the sales of goods, the Group considers its historical experience with sales returns to determine if it is “highly probable” that a significant reversal of revenue will arise in the future. No significant element of financing is deemed present.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A number of contracts include lease and revenue components. The transaction price for these components is allocated to each performance obligation based on the stand-alone selling prices.

*Sale of goods – retail sales*

Revenue from the sale of goods is recognised when control of the goods has transferred to the customer. For goods purchased in-store, control of the goods transfers to the customer at the point of sale. For goods purchased online, control of the goods transfers to the customer upon delivery.

*Fees revenue*

For wholesale sales directly delivered by suppliers, the Group acts as an agent. The Group recognises revenue, which represents the consideration received from the customer, net of amounts payable to third parties, when its performance obligation is satisfied.

*Refund liability*

A refund liability and a right to the returned goods are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

**Services revenue**

Services revenue consists of commissions, franchise and related fees, marketing services, promotional and advertising revenue. Revenue from providing services is recognised in the accounting period in which the services are rendered.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

For personal use only

**Note 5. Revenue (continued)**

*Revenue recognised in relation to other liabilities*

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward other liabilities:

	<b>2024</b> <b>\$'000</b>	<b>2023</b> <b>\$'000</b>
<i>Revenue recognised that was included in the other liability balance at the beginning of the period</i>		
Sales revenue	2,232	44,691
Marketing, advertising and other	<u>32,673</u>	<u>29,006</u>
	<u><u>34,905</u></u>	<u><u>73,697</u></u>

**Note 6. Other income**

	<b>2024</b> <b>\$'000</b>	<b>2023</b> <b>\$'000</b>
Other income	<u>5,823</u>	<u>18,024</u>

**Note 7. Expenses**

	<b>2024</b> <b>\$'000</b>	<b>2023</b> <b>\$'000</b>
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Depreciation - property, plant and equipment	16,396	11,210
Depreciation - right-of-use assets	<u>18,875</u>	<u>84,300</u>
Total depreciation and amortisation	<u>35,271</u>	<u>95,510</u>
<i>Leases</i>		
Rent expense on variable and short-term leases	<u>5,723</u>	<u>10,653</u>
<i>Employee benefits expenses</i>		
Employee benefits expenses	197,948	174,777
Defined contribution superannuation expense	<u>15,308</u>	<u>12,555</u>
Total employee benefits expenses	<u>213,256</u>	<u>187,332</u>
<i>Share-based payments expense</i>		
Share-based payments expense	<u>15,513</u>	<u>808</u>

*Rental expenses on leases*

The expenses incurred are for short-term leases and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

These leases are not included in right-of-use assets or corresponding lease liabilities in accordance with AASB 16 *Leases*.

**Note 8. Finance income and expenses**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Finance income</i>		
Interest and finance charges on lease receivables	44,936	18,423
Other net finance income	11,876	4,805
	<u>56,812</u>	<u>23,228</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable for lease liabilities	(49,854)	(43,515)
Interest paid/payable for financial liabilities at amortised cost	(14,373)	(10,142)
	<u>(64,227)</u>	<u>(53,657)</u>
Net finance costs	<u>(7,415)</u>	<u>(30,429)</u>

**Note 9. Income tax**

This note provides an analysis of the Group's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Income tax expense</i>		
Current tax on profits for the year	172,377	132,101
Adjustment for current tax of prior periods	(108,879)	1,866
Total current tax expense	<u>63,498</u>	<u>133,967</u>
Increase in deferred tax assets	(2,609)	(7,070)
Adjustment for deferred tax of prior periods	(26,425)	-
Total deferred tax benefit	<u>(29,034)</u>	<u>(7,070)</u>
Aggregate income tax expense	<u>34,464</u>	<u>126,897</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	574,121	429,361
Tax at the statutory tax rate of 30%	172,236	128,808
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Sundry items	(3,019)	(5,076)
Difference in overseas tax rate	550	1,299
Adjustments for current and deferred tax of prior periods	<u>(135,303)</u>	<u>1,866</u>
Income tax expense	<u>34,464</u>	<u>126,897</u>

**Note 9. Income tax (continued)**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Employee benefits	7,699	6,371
Inventories	13,217	12,031
Other liabilities	13,734	14,362
Provision for Make good	11,929	10,642
Lease receivables	(258,875)	(198,543)
Lease liabilities	295,873	236,256
Right of use assets	(31,529)	(32,049)
Make good asset	(4,994)	(3,889)
Investments	5,912	6,306
Expenditure subject to 5 year write-off	29,136	1,041
Other	5,230	4,048
	<u>87,332</u>	<u>56,576</u>
Movements:		
Opening balance	56,576	33,670
Charged to profit or loss	29,025	7,070
Charged to equity	9	15,729
Tax loss utilised	-	(485)
Tax losses converted to deferred tax assets	1,722	592
	<u>87,332</u>	<u>56,576</u>
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current tax liabilities</i>		
Income tax payable	<u>2,777</u>	<u>19,875</u>

*Accounting policy for income tax*

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

CW Group Holdings Ltd (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

**Note 9. Income tax (continued)**

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Foreign entities are taxed individually within their respective tax jurisdictions.

During the year ended 30 June 2024, the Group reached an agreement with the ATO that an expense of \$445,292,000 recognised during the year ended 30 June 2021 is deductible over five years. The revised tax treatment has been considered a change in estimate and accordingly, the Group has recognised a total tax benefit of \$133,587,600 in the current period. As at 30 June 2024 there is a deferred tax asset balance relating to this agreement of \$26,717,521. Without the impact of this agreement with the ATO the effective tax rate for the year would have been 29%.

**Note 10. Cash and cash equivalents**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Cash at bank and on hand	273,124	206,647
	<u>273,124</u>	<u>206,647</u>

*Accounting policy for cash and cash equivalents*

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the balance sheet.

**Note 11. Trade and other receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Trade receivables	673,130	397,945
Other receivables	21,882	10,649
	<u>695,012</u>	<u>408,594</u>

*Fair values of trade receivables*

Due to the short-term nature of current receivables, their carrying amount is considered to be the same as their fair value.

The following table summarises the ageing of trade receivable balances, based on individual customer trading terms.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Current	643,025	350,534
0 - 30 days overdue	8,523	7,136
31 - 60 days overdue	8,095	12,194
61 - 90 days overdue	3,986	5,320
91 or more days overdue	9,501	22,761
	<u>673,130</u>	<u>397,945</u>

**Note 11. Trade and other receivables (continued)**

The expected loss rates are based on the payment profiles of sales over a period of 12-24 months up to the reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has historically incurred immaterial credit losses.

*Accounting policy for trade and other receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Note 12. Inventories**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Stock on hand	<u>599,903</u>	<u>482,065</u>

*Accounting policy for inventories*

Inventories are stated at the lower of cost and net realisable value. Cost are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

*Amounts recognised in profit or loss*

Inventories recognised as an expense during the year ended 30 June 2024 amounts to \$2,248,905,000 (2023: \$2,165,371,000). These were included in cost of sales in the consolidated statement of profit or loss.

Write-downs of inventories to net realisable value amounted to \$2,545,000 (2023: \$7,602,000). These were recognised as an expense during the year ended 30 June 2024 and included in cost of sales in the consolidated statement of profit or loss.

**Note 13. Financial assets at fair value through other comprehensive income**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Investments held at fair value through OCI	<u>59,454</u>	<u>53,493</u>

**Note 13. Financial assets at fair value through other comprehensive income (continued)**

*Classification of financial assets at fair value through other comprehensive income*

Financial assets at FVOCI comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

During the year ended 30 June 2024, the Group provided services to various listed entities in exchange for equity securities in the entities.

*Amounts recognised in profit or loss and other comprehensive income*

During the year, the following gains/(losses) were recognised in profit or loss and other comprehensive income:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Gains / (losses) on equity investments	920	(7,226)

*Fair value and risk exposure*

Information about the methods and assumptions used in determining fair value is provided in note 30.

All of the financial assets at FVOCI are denominated in Australian dollars.

**Note 14. Financial assets and liabilities at amortised cost**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Loans receivable	<u>3,808</u>	<u>2,573</u>
<i>Non-current assets</i>		
Loans receivable	<u>9,693</u>	<u>-</u>
<i>Current liabilities</i>		
Loans payable	<u>32,776</u>	<u>37,301</u>
<i>Non-current liabilities</i>		
Loans payable	<u>300,000</u>	<u>216,739</u>

For loans receivable and payable with related parties refer to note 35 for details.

The Group's policy is to recognise an allowance for expected credit losses (ECLs) for financial assets at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures the loss allowance for loans receivable at an amount equal to 12-month ECL if the credit risk on the financial instrument has not increased significantly since initial recognition.

12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group has performed this assessment at the reporting dates and concluded no allowance is required based on expected payments.

**Note 15. Lease receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Lease receivables	<u>118,628</u>	<u>107,854</u>
<i>Non-current assets</i>		
Lease receivables	<u>741,823</u>	<u>684,280</u>

The Group holds the head lease for the majority of franchise and other stores. The Group sub-licences the location to the franchisee under the same terms and conditions as the head lease. The Group recognises a lease liability together with an offsetting finance lease receivable for leases associated with franchise and other stores under sub-licensing arrangements lease payments under these sub-leases are fixed.

For subleases, where the lease payments are fully variable the Group accounts for the sub-lease as operating leases. For operating leases, the variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Commitments in relation to receivables are as follows:		
Within one year	118,477	145,787
Later than one year but not later than five years	597,013	465,285
Later than five years	364,413	280,181
<b>Minimum lease receivables</b>	<u>1,079,903</u>	<u>891,253</u>
Unearned interest income	<u>(219,452)</u>	<u>(99,119)</u>
<b>Total lease receivables</b>	<u>860,451</u>	<u>792,134</u>

**Note 16. Other current assets**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Prepayments	20,404	19,959
Other current assets	<u>5,740</u>	<u>5,345</u>
	<u>26,144</u>	<u>25,304</u>

**Note 17. Investments accounted for using the equity method**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Investments in associates	159	498
Investments in joint ventures	44,861	22,311
	<u>45,020</u>	<u>22,809</u>

Movements in investments in joint ventures for the period are set out below:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance at the start of the period	22,311	9,774
Profit for the period	22,550	12,537
Carrying amount at the end of the period	<u>44,861</u>	<u>22,311</u>

**Note 18. Property, plant and equipment**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Fittings, furniture and equipment - at cost	66,934	50,047
Less: Accumulated depreciation and impairment	(27,190)	(19,850)
	<u>39,744</u>	<u>30,197</u>
Motor vehicles - at cost	876	834
Less: Accumulated depreciation and impairment	(734)	(612)
	<u>142</u>	<u>222</u>
Computer equipment - at cost	20,854	17,905
Less: Accumulated depreciation	(16,328)	(13,088)
	<u>4,526</u>	<u>4,817</u>
Leasehold improvements - at cost	34,316	29,693
Less: Accumulated depreciation	(5,663)	(3,664)
	<u>28,653</u>	<u>26,029</u>
	<u>73,065</u>	<u>61,265</u>

For personal use only

**Note 18. Property, plant and equipment (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Fittings, furniture & equipment \$'000	Computer equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Total \$'000
Balance at 1 July 2022	27,152	5,345	238	10,864	43,599
Additions	8,820	2,248	38	17,786	28,892
Disposals	(4)	(12)	-	-	(16)
Depreciation expense	(5,771)	(2,764)	(54)	(2,621)	(11,210)
Balance at 30 June 2023	30,197	4,817	222	26,029	61,265
Additions	17,347	2,958	41	21,380	41,726
Transfers to finance lease receivables	-	-	-	(13,530)	(13,530)
Depreciation expense	(7,800)	(3,249)	(121)	(5,226)	(16,396)
Balance at 30 June 2024	<u>39,744</u>	<u>4,526</u>	<u>142</u>	<u>28,653</u>	<u>73,065</u>

*Accounting policy for property, plant and equipment*

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a diminishing value / straight line basis to allocate the cost of the assets over their expected useful lives, or in the case of leasehold improvements, the shorter lease term as follows:

Fixtures and fittings	5 - 10 years
Office and computer equipment	3 - 5 years
Motor vehicles	3 - 5 years
Leasehold improvements	5 - 10 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

**Note 19. Right-of-use assets**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Buildings	392,580	376,522
Less: Accumulated depreciation and impairment	<u>(288,579)</u>	<u>(272,793)</u>
	104,001	103,729
Equipment	17,119	14,400
Less: Accumulated depreciation	<u>(8,100)</u>	<u>(5,203)</u>
	9,019	9,197
	<u>113,020</u>	<u>112,926</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	<b>Buildings</b>	<b>Equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2022	731,411	6,928	738,339
Additions	45,144	2,849	47,993
Reclassification from right-of-use asset to lease receivable	(698,460)	-	(698,460)
Remeasurements	107,503	1,851	109,354
Depreciation expense	<u>(81,869)</u>	<u>(2,431)</u>	<u>(84,300)</u>
Balance at 30 June 2023	103,729	9,197	112,926
Additions	17,851	3,929	21,780
Remeasurements	(1,601)	(1,210)	(2,811)
Depreciation expense	<u>(15,978)</u>	<u>(2,897)</u>	<u>(18,875)</u>
Balance at 30 June 2024	<u>104,001</u>	<u>9,019</u>	<u>113,020</u>

*Accounting policy for right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

The Group leases various offices, warehouses, retail stores and equipment. Rental contracts are made for fixed periods of 12 months to 19 years but may have extension option as described in note 3.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Right-of-use assets that meet the definition of investment property are measured at cost.

**Note 19. Right-of-use assets (continued)**

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

*Impairment assessments*

The Group tests right of use assets for impairment to ensure they are not carried above their recoverable amounts where there is an indication that assets may be impaired (which is assessed at least at each reporting date).

These tests are performed by assessing the recoverable amount of each individual asset or, if this is not possible, the recoverable amount of the cash generating unit (CGU) to which the asset belongs. CGUs are the lowest levels at which assets are grouped and generate separately identifiable cash inflows and outflows.

The carrying values of the right-of-use assets are reviewed for impairment annually. If an indication of impairment exists, and where the carrying value of the asset exceeds the estimated recoverable amount, the assets or cash-generating units (CGU) are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs of disposal and value-in-use. Value-in-use refers to an asset's value based on the expected future cash flows arising from its continued use, discounted to present value using a post-tax discount rate that reflect current market assessments of the risks specific to the asset. The recoverable amount was estimated on an individual lease basis.

*Changes to leasing arrangements*

From 1 February 2023, the Group made certain changes to the sub-licensing arrangements with the franchisees. The Group accounted for this change as a lease modification under AASB 16 and reclassified majority of the right of use assets to lease receivables at the carrying amount of lease receivable on the date of modification.

Before modification, the lease payments were fully variable and the Group classified these sub-leases as operating leases. After the modification, the lease payments under these sub-leases are fixed resulting in the Group accounting for these leases as a finance lease.

**Note 20. Trade and other payables**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Trade payables	638,340	508,604
Accruals	107,484	53,867
	<u>745,824</u>	<u>562,471</u>

*Accounting policy for trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be same as their fair values, due to their short-term nature.

**Note 21. Other liabilities**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Customer liabilities	15,728	12,293
Other liabilities – supplier contracts	<u>13,765</u>	<u>27,768</u>
	<u>29,493</u>	<u>40,061</u>
<i>Non-current liabilities</i>		
Customer liabilities	2,876	3,074
Other liabilities – supplier contracts	<u>2,419</u>	<u>5,253</u>
	<u>5,295</u>	<u>8,327</u>

*Accounting policy for customer liabilities*

Customer liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

*Accounting policy for other liabilities- Supplier Contracts*

Other liabilities – Supplier Contracts represent the Group's obligation to transfer goods or services to a supplier and are recognised when the supplier pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or service to the supplier.

**Note 22. Lease liabilities**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Lease liability	<u>131,325</u>	<u>121,497</u>
<i>Non-current liabilities</i>		
Lease liability	<u>849,598</u>	<u>802,978</u>

*Accounting policy for lease liabilities*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset or lease receivable, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Note 22. Lease liabilities (continued)**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Reconciliation of lease liabilities		
Lease liabilities at beginning of the year	924,475	821,417
Lease remeasurements agreed during the year	60,902	120,599
Additional leases entered into during the year	120,503	99,359
Interest expense	49,854	43,535
Lease payments	<u>(174,811)</u>	<u>(160,435)</u>
Lease liabilities at end of the year	<u>980,923</u>	<u>924,475</u>

**Note 23. Provisions**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Employee benefit obligations	22,282	18,783
Make good provision	3,561	1,904
Provisions for returns or refunds	<u>54</u>	<u>101</u>
	<u>25,897</u>	<u>20,788</u>
<i>Non-current liabilities</i>		
Employee benefit obligations	2,024	1,503
Make good provision	<u>19,688</u>	<u>20,724</u>
	<u>21,712</u>	<u>22,227</u>

*Employee benefits*

Employee benefit obligations cover Group's liabilities for long service leave and annual leave are classified as either long-term benefits or short-term benefits.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where the employees have completed the required period of service and also for those employees who are entitled to pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

*Amounts not expected to be settled within the next 12 months*

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Employee benefits obligation expected to be settled after 12 months	<u>9,007</u>	<u>7,247</u>

*Make good provision*

The Group is required to restore some of the leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease and the useful life of the assets.

**Note 23. Provisions (continued)**

*Movements in make good provision*

Movements in the make good provision for each financial year are set out below:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the start of the year	22,628	34,476
Additional provisions recognised	2,701	4,515
Amounts used	<u>(2,080)</u>	<u>(16,363)</u>
Carrying amount at the end of the year	<u><u>23,249</u></u>	<u><u>22,628</u></u>

*Accounting policy for provisions*

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

*Accounting policy for employee benefits*

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

For personal use only

**Note 24. Issued capital**

	2024 No. of shares (thousands)	2023 No. of shares (thousands)	2024 \$'000	2023 \$'000
Ordinary shares - fully paid	1,557,400	1,553,282	553,699	549,391
<i>Movements in ordinary share capital</i>				
	2024 No. of shares (thousands)	2023 No. of shares (thousands)	2024 \$'000	2023 \$'000
<b>Details</b>				
Opening balance at beginning of financial year	1,553,282	1,553,282	549,391	549,391
Issue of shares	4,118	-	4,308	-
Balance at the end of the financial year	1,557,400	1,553,282	553,699	549,391

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Accounting policy for issued capital*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Note 25. Reserves**

	2024 \$'000	2023 \$'000
Financial assets at fair value through other comprehensive income reserve	(8,435)	(8,413)
Foreign currency translation reserve	(369)	432
Share-based payments reserve	17,938	2,425
Merger reserve	(63,321)	(59,196)
	<u>(54,187)</u>	<u>(64,752)</u>

*Financial assets at fair value through other comprehensive income reserve*

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the fair value through other comprehensive income reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

*Foreign currency translation reserve*

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

*Merger reserve*

Reserve created as a result of common control transactions at book value for accounting purposes with no fair value adjustments.

**Note 25. Reserves (continued)**

*Movements in reserves*

Movements in each class of reserve during the current and previous financial years are set out below:

	Financial assets at FVOCI \$'000	Foreign currency translation \$'000	Share-based payments \$'000	Merger \$'000	Total \$'000
Balance at 1 July 2022	21,988	(549)	1,617	(58,756)	(35,700)
Revaluations, net of tax	(7,226)	-	-	-	(7,226)
Transfer of reserves to retained profits, net of tax	(23,175)	-	-	-	(23,175)
Foreign currency translation	-	981	-	-	981
Share-based payments expenses	-	-	808	-	808
Common control transaction	-	-	-	(440)	(440)
Balance at 30 June 2023	(8,413)	432	2,425	(59,196)	(64,752)
Revaluations, net of tax	920	-	-	-	920
Transfer of reserves to retained profits, net of tax	(942)	-	-	-	(942)
Foreign currency translation	-	(801)	-	-	(801)
Share-based payments expenses	-	-	15,513	-	15,513
Acquisition of non-controlling interest	-	-	-	(4,125)	(4,125)
Balance at 30 June 2024	<u>(8,435)</u>	<u>(369)</u>	<u>17,938</u>	<u>(63,321)</u>	<u>(54,187)</u>

**Note 26. Retained profits/(accumulated losses)**

	2024 \$'000	2023 \$'000
Retained earnings at the beginning of the financial year	(101,348)	(164,798)
Profit after income tax expense for the year	541,013	304,333
Transfer of gain on disposal of equity investments at FV through OCI to retained profits, net of tax	942	23,175
Dividends provided for or paid (note 28)	(217,701)	(264,058)
Retained profits/(accumulated losses) at the end of the financial year	<u>222,906</u>	<u>(101,348)</u>

**Note 27. Non-controlling interests**

	2024 \$'000	2023 \$'000
Balance at beginning of the year	(3,578)	(1,684)
Share of loss for the year	(1,356)	(1,869)
Transactions with NCI	-	300
Acquisition of NCI	(183)	-
Dividends paid	(410)	(325)
	<u>(5,527)</u>	<u>(3,578)</u>

**Note 28. Dividends**

*Dividends*

Dividends provided for or paid during the financial year were as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividends provided for or paid	217,701	264,058

*Franking credits*

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Franking credits available for subsequent financial years based on a tax rate of 30% (2023: 30%)	161,640	213,362

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

*Accounting policy for dividends*

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at the reporting date.

**Note 29. Financial risk management**

**Financial risk management objectives**

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit or loss information has been included where relevant to add further context.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance reports to the Board on a monthly basis.

**Market risk**

*Foreign currency risk*

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

*Exposure*

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	<b>CNY</b>	<b>USD</b>	<b>NZD</b>	<b>GBP</b>	<b>EUR</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2024</b>					
Trade and other payables	-	(7,467)	(8,316)	(692)	(992)
Trade and other receivables	4,174	-	-	-	-
<b>2023</b>					
Trade and other payables	-	(914)	(1,231)	(336)	(6,942)
Trade and other receivables	3,947	-	-	-	-

**Note 29. Financial risk management (continued)**

***Credit risk***

Credit risk arises from cash and cash equivalents as well as credit exposures to wholesale and retail customers, including outstanding receivables.

***Risk management***

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group's trade receivables are subject to the expected credit loss model. Refer to note 11 for the Group's assessment of expected losses. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

***Liquidity risk***

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents).

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

***Financing arrangements***

The Group had access to the following borrowing facilities at the end of the reporting period:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Unsecured bank loan facilities:		
Amount used	-	-
Amount unused	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

The Group monitors compliance with its financial covenants on a monthly basis and reports compliance on a semi-annual basis to the banks. The Group has complied with all such requirements during the current year.

***Maturities of financial liabilities***

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**Note 29. Financial risk management (continued)**

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the balance sheet.

2024	1 year or less \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Non-derivatives</b>				
<i>Non-interest bearing</i>				
Trade payables	638,340	-	-	638,340
<i>Interest-bearing - fixed</i>				
Lease liability	124,026	615,815	379,379	1,119,220
Loans payable	32,776	-	302,386	335,162
Total non-derivatives	795,142	615,815	681,765	2,092,722
2023	1 year or less \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Non-derivatives</b>				
<i>Non-interest bearing</i>				
Trade payables	508,604	-	-	508,604
<i>Interest-bearing - fixed</i>				
Lease liability	165,836	534,778	336,202	1,036,816
Loans payable	37,301	-	218,423	255,724
Total non-derivatives	711,741	534,778	554,625	1,801,144

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Note 30. Fair value measurement**

*Fair value hierarchy*

The following tables detail the Group'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:** The fair value of financial instruments traded in active markets (such as publicly equity securities) is based on quoted market prices at the end of the reporting period. The quoted market priced used for financial assets held by the Group is the current price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise its use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case of unlisted equity securities.

2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Assets</b>				
Investments at fair value through other comprehensive income	40,588	-	18,866	59,454
Investments at fair value through profit or loss	472	-	1,790	2,262
Total assets	41,060	-	20,656	61,716

Note 30. Fair value measurement (continued)

2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Investments at fair value through other comprehensive income	34,076	-	19,417	53,493
Investments at fair value through profit or loss	1,000	-	1,791	2,791
Total assets	<u>35,076</u>	<u>-</u>	<u>21,208</u>	<u>56,284</u>

There were no transfers between levels during the financial year.

Level 3	Unlisted equity securities \$'000
<i>Assets</i>	
Opening balance at 1 July 2023	21,208
Acquisitions	1,500
Fair value loss	<u>(2,052)</u>
Closing balance at 30 June 2024	<u>20,656</u>

*Accounting policy for fair value measurement*

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

**Note 31. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the Group and by non-related audit firms:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Services provided by PricewaterhouseCoopers</i>		
Audit services	849,876	820,350
Other assurance services	9,000	9,000
	<u>858,876</u>	<u>829,350</u>
<i>Services provided by other accounting firms</i>		
Audit services	191,998	131,232
	<u>191,998</u>	<u>131,232</u>

**Note 32. Capital Management**

Capital of the Group is managed in order to safeguard the ability of the Group to continue as a going concern, to provide returns to shareholders, to provide benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

There are no externally imposed capital requirements.

For information on dividends refer to note 28.

**Note 33. Commitments**

The Group has the following contractual purchase commitments with its suppliers:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	3,000,000	856,643
One to five years	13,576,894	-
More than five years	-	-
	<u>16,576,894</u>	<u>856,643</u>

In August 2023, the Group entered into a contract with Sigma Healthcare for the supply of both Pharmaceutical Benefits Scheme (PBS) medicines and other products for a period of five years commencing on 1 July 2024. The purchase commitments under the contract have been included above.

In conjunction with entering into the MIA with Sigma Healthcare, both Sigma Healthcare and the Group agreed to defer the issuance of 126,947,040 Sigma shares agreed to be issued to the Group in conjunction with the supply contract. If the proposed merger completes, the issuance will not proceed. If the MIA is terminated, the Sigma shares will be issued to the Group.

**Guarantees**

The Group, together with a related party, has guaranteed the payment obligation to an external supplier of amounts owed by the store network to the supplier. The Group had 565 stores (2023: 545 stores) within the network that owed an average amount of \$735,820 per store (30 June 2023: \$706,023) to the supplier as at 30 June 2024. The Group does not expect the guarantee to be exercised in future periods.

The Group has guaranteed certain payment obligations to landlords of leased premises. As at 30 June 2024, the Group has a bank guarantee facility of \$35,000,000 (2023: \$35,000,000), of which \$34,145,808 (2023: \$31,752,143) is utilised.

For personal use only

**Note 34. Key management personnel disclosures**

*Directors*

The following persons were directors of CW Group Holdings Ltd during the financial year:

Mario Verrocchi  
 Jack Gance  
 Sam Gance  
 Damien Gance  
 Adrian Verrocchi  
 Marcello Verrocchi  
 Mario Tascone  
 Mark Finocchiaro  
 Sunil Narula

The directors have worked in an executive capacity during the year and have drawn no remuneration.

**Note 35. Related party transactions**

Transactions with related parties are disclosed in this note based on the recognition and measurement principles applied in the consolidated statement of profit or loss and other comprehensive income. Comparatives for the year ended 30 June 2023 have been updated to reflect this presentation to enhance comparability.

*Subsidiaries*

Interests in subsidiaries are set out in note 36.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 34.

*Entities exercising control over the Group*

CW Group Holdings Ltd represents the highest controlling entity upon which one entity has control.

*Entities subject to significant influence by the Group*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

The Group also transacts with the entities in the capacity of an Agent where costs incurred by the Group are reimbursed by the entities. These transactions are presented on a net basis.

Transactions with related parties disclosed below are based on normal commercial terms and conditions that would be available to third parties.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Transactions with associates</i>		
Sale of goods to entities	268	85
Purchases from entities	(6,349)	(2,577)
<i>Outstanding balances with associates</i>		
Trade receivables from entities	649	642
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Transactions with joint ventures</i>		
Sale of goods to entities	43,539	52,133
Rendering of services to entities	25,923	23,238
Leases income received from entities	14,262	10,476
<i>Outstanding balances with joint ventures</i>		
Trade receivables from entities	17,295	8,681
Lease receivables	75,145	79,145
Trade payables to entities	(4,701)	(2,874)
Loans payable to entities	(30,753)	(7,726)

**Note 35. Related party transactions (continued)**

*Entities over which the Key Management Personnel have control, joint control or significant influence*

Entities which the Key Management Personnel have control, joint control or significant influence over include:

- **East Yarra Friendly Society Pty Ltd ("EYFS"):** During the year the Group settled a number of related party loans. At 30 June 2024 the Group has an outstanding loan of \$300 million (30 June 2023: \$217 million) owing to EYFS. This loan accrues interest, is unsecured, and EYFS may demand payment by providing at least 15 months' notice, otherwise the loan matures in November 2031.
- **Franchise stores:** There are franchise stores which are operated and owned by Key Management Personnel of the Group (including any stores owned by EYFS) either wholly or in partnership with other parties. The terms of the franchise agreements with related party stores are on agreed terms and conditions.
- **Properties:** Properties owned by the Key Management Personnel and leased to the Group.
- **Other related parties:** Entities outside the Group over which Key Management Personnel have control, joint control or significant influence over.

The Group also transacts with the entities in the capacity of an Agent where costs incurred by the Group are reimbursed by the entities. These transactions are presented on a net basis.

Transactions with related parties disclosed below are based on normal commercial terms and conditions that would be available to third parties.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Transactions with entities which Key Management Personnel have control, joint control or significant influence over</i>		
Sales of goods to the entities	934,198	856,795
Rendering of services to the entities	61,674	24,625
Fees revenue	88,199	59,048
Lease income received from entities	78,697	69,224
Lease payments	(39,893)	(37,929)
Purchases from entities	(21,954)	(29,147)
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Outstanding balances with entities which Key Management Personnel have control, joint control or significant influence over</i>		
Trade receivables from entities	178,806	72,819
Trade payables to entities	(43,179)	(23,754)
Lease receivable	334,605	325,416
Lease liability	(222,343)	(226,417)
Make good provision	(2,800)	(2,875)
<i>Movement of loans and interest payable to related parties</i>		
Carrying amount at the start of the year	(246,037)	(296,660)
Loan repayments to related parties	291,517	121,537
Loan proceeds from related parties	(347,174)	(69,472)
Interest repayments to related parties	13,681	8,700
Interest incurred from related parties	(14,373)	(10,142)
Carrying amount at the end of the year	<u>(302,386)</u>	<u>(246,037)</u>

**Note 35. Related party transactions (continued)**

*Transactions on agreed terms and conditions*

During the period, the Group purchased trademarks for \$8,500,000 from related parties on agreed terms and conditions. All the rights attached or accrued to the Trademarks have passed to the Group.

*Close family members*

Close family members of the Key Management Personnel are related parties to the Group. Close family members include the Key Management Personnel's children, spouse and/or domestic partner.

Transactions with Close family members includes transactions with entities over which the Close family members have control or significant influence over.

The Group also transacts with the entities in the capacity of an Agent where costs incurred by the Group are reimbursed by the entities. These transactions are presented on a net basis.

Transactions with related parties disclosed below are based on normal commercial terms and conditions that would be available to third parties.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Transactions with close family members</i>		
Sales of goods to the entities	166,180	147,584
Rendering of services to the entities	12,598	5,890
Fees revenue	19,682	11,623
Lease income	13,212	11,016
Lease payments	(460)	(504)
Employee benefits	(525)	(489)
<i>Outstanding balances with close family members</i>		
Trade receivables from entities	37,952	16,430
Trade payables from entities	(9,268)	(2,680)
Lease receivable	59,354	55,915
<i>Guarantees with related parties</i>		
For details on guarantees see note 33.		

For personal use only

**Note 36. Interests in subsidiaries**

**Material Subsidiaries**

The Group's principal subsidiaries at 30 June 2024 are set out below. Unless otherwise stated, they have share capital / trust units consisting solely of ordinary shares / units that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
CW Retail Trust	Australia	100.0%	100.0%
CW Retail Pty Ltd	Australia	100.0%	100.0%
CW Retail Holdings Trust	Australia	100.0%	100.0%
CW Retail Holdings Pty Ltd	Australia	100.0%	100.0%
CW Management Trust	Australia	100.0%	100.0%
CW Management Pty Ltd	Australia	100.0%	100.0%
CW Media Trust	Australia	100.0%	100.0%
CW Media Pty Ltd	Australia	100.0%	100.0%
CW Leasing Services Trust	Australia	100.0%	100.0%
CW Leasing Services Pty Ltd	Australia	100.0%	100.0%
CW China Trust	Australia	100.0%	100.0%
CW China Pty Ltd	Australia	100.0%	100.0%
CW Retail Services Trust	Australia	100.0%	100.0%
CW Retail Services Pty Ltd	Australia	100.0%	100.0%
CW NZ Pharmacy Pty Ltd	Australia	100.0%	100.0%
CW Leasing NZ Unit Trust	Australia	100.0%	100.0%
CW Leasing NZ Pty Ltd	Australia	100.0%	100.0%
CW Treasury Services Pty Ltd	Australia	100.0%	100.0%
ePharmacy Holdings Pty Ltd	Australia	100.0%	100.0%
ePharmacy Group Pty Ltd	Australia	100.0%	100.0%
ePharmacy Unit Trust	Australia	100.0%	100.0%

Throughout the Group's international store network, the Group has controlling interest in 10 entities that operate Chemist Warehouse stores that are not individually material to the Group.

For personal use only

**Note 37. Interests in associates and joint ventures**

The Group does not have any individual material associates or joint ventures. Throughout the Group's international store network, the Group accounts for 50 entities that operate Chemist Warehouse stores as joint ventures.

**Note 38. Deed of cross guarantee**

CW Group Holdings Limited, CW Retail Pty Ltd, ePharmacy Holdings Pty Ltd and ePharmacy Group Pty Limited entered into a deed of cross guarantee during year ended 30 June 2021.

By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare the financial report and directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*. The effect of the deed is that each party guarantees the debts of the others.

**(a) Consolidated statement of profit or loss**

The above companies represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by CW Group Holdings Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss for the year ended 30 June 2024 of the closed group consisting of CW Group Holdings Limited, CW Retail Pty Ltd, ePharmacy Holdings Pty Ltd and ePharmacy Group Pty Limited.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Statement of profit or loss and other comprehensive income</b>		
Dividend income	235,901	284,675
Administration and general expenses	(2,487)	(1,217)
Net finance income	2,601	-
<b>Profit before income tax (expense)/benefit</b>	<b>236,015</b>	<b>283,458</b>
Income tax (expense)/benefit	1,811	(1,528)
<b>Profit after income tax (expense)/benefit</b>	<b>237,826</b>	<b>281,930</b>
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>237,826</b>	<b>281,930</b>

**(b) Consolidated balance sheet and summary of movements in consolidated retained earnings**

Set out below is a consolidated balance sheet and a summary of movements in consolidated retained earnings for the year ended 30 June 2024 of the closed group consisting of CW Group Holdings Limited, CW Retail Pty Ltd, ePharmacy Holdings Pty Ltd and ePharmacy Group Pty Limited.

For personal use only

**CW Group Holdings Ltd**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 38. Deed of cross guarantee (continued)**

<b>Balance sheet</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>		
Trade and other receivables	181,946	150,309
	<u>181,946</u>	<u>150,309</u>
<b>Non-current assets</b>		
Investments in subsidiaries	508,471	504,164
	<u>508,471</u>	<u>504,164</u>
<b>Total assets</b>	<u>690,417</u>	<u>654,473</u>
<b>Current liabilities</b>		
Trade and other payables	582	371
Financial liabilities at amortised cost	65,879	52,516
Current tax liabilities	801	19,978
	<u>67,262</u>	<u>72,865</u>
<b>Non-current liabilities</b>		
Deferred tax liability	1,601	-
	<u>1,601</u>	<u>-</u>
<b>Total liabilities</b>	<u>68,863</u>	<u>72,865</u>
<b>Net assets</b>	<u>621,554</u>	<u>581,608</u>
<b>Equity</b>		
Issued capital	553,711	549,403
Reserves	17,938	2,425
Retained earnings	49,905	29,780
	<u>621,554</u>	<u>581,608</u>

<b>Summary of movements in equity</b>	<b>Issued Capital \$'000</b>	<b>Reserves \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2022	549,403	1,617	11,908	562,928
Profit after tax	-	-	281,930	281,930
Dividends	-	-	(264,058)	(264,058)
Share based payments	-	808	-	808
Balance at 30 June 2023	<u>549,403</u>	<u>2,425</u>	<u>29,780</u>	<u>581,608</u>
Profit after tax	-	-	237,826	237,826
Issuance of new shares	4,308	-	-	4,308
Dividends	-	-	(217,701)	(217,701)
Share based payments	-	15,513	-	15,513
Balance at 30 June 2024	<u>553,711</u>	<u>17,938</u>	<u>49,905</u>	<u>621,554</u>

**Note 39. Events after the reporting period**

In August 2024 the Group completed the acquisition of 100% of the issued units of DPP Pharmaceuticals Unit Trust and 100% of the shares in DPP Pharmaceuticals Pty Ltd (DPP), a developer and seller of healthcare products for a consideration of \$47,900,000. This acquisition provides the Group with control of additional healthcare brands that will complement the offerings that the Group provides its customers. The Group is in the process of finalising acquisition accounting for this transaction.

On 20 September 2024, the Directors declared a dividend of \$148,946,416.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Note 40. Reconciliation of profit/(loss) after income tax to net cash from operating activities**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) after income tax expense for the year	539,657	302,464
Adjustments for:		
Depreciation and amortisation	35,271	95,510
Share of profits of associates and joint ventures accounted for using the equity method	(23,059)	(13,035)
Share-based payments	15,513	808
Profit on reclass from ROU asset to Finance Lease Receivable	-	(10,087)
Gain on Finance Lease Receivable additions	(3,830)	-
Fair value loss/(gains) on non-current financial assets at fair value through profit or loss	528	(2,402)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(294,321)	112,709
Decrease/(increase) in inventories	(117,838)	10,728
Increase in deferred tax assets	(30,756)	(19,809)
Decrease in current tax assets	-	1,632
Decrease in other operating assets	22,470	9,129
Increase in trade and other payables	156,267	76,059
Decrease in other liabilities	(13,600)	(61,182)
Decrease in provision for income tax	(17,098)	(44,549)
Increase/(decrease) in other provisions	3,973	(13,290)
Net cash from operating activities	<u>273,177</u>	<u>444,685</u>

**Note 41. Non-cash investing and financing activities**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Additions to the right-of-use assets	21,780	47,993
Investments received in exchange for services provided	1,500	14,723
	<u>23,280</u>	<u>62,716</u>

**Note 42. Share-based payments**

*Performance rights*

Performance rights have been granted to certain key executives in the financial period ended 30 June 2024 to provide incentives to deliver long terms shareholder returns.

The rights vest upon certain milestone events being met.

Rights are granted under the plan for no consideration and carry no dividend or voting rights.

Set out below are summaries of options granted under the plan:

	<b>Number of options</b>	
	<b>2024</b>	<b>2023</b>
Outstanding at the beginning of the financial year	446,765	446,765
Granted during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the financial year	<u>446,765</u>	<u>446,765</u>
Vested and exercisable at the end of the financial year	<u>-</u>	<u>-</u>

No options expired during the periods covered by the above tables.

<b>Grant date</b>	<b>Expiry date</b>	<b>Performance rights</b>	<b>Performance rights</b>
		<b>30 June 2024</b>	<b>30 June 2023</b>
1 July 2022	1 July 2024	<u>446,765</u>	<u>446,765</u>

The fair value of the performance rights was determined using the Monte Carlo simulation.

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Performance rights expense	808	808
Shares issued - employees	10,950	-
Shares issued - other	3,755	-
Total share-based expense	<u>15,513</u>	<u>808</u>

*Accounting policy for share-based payments*

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Monte Carlo simulation option pricing method that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

**Note 43. Parent entity financial information**

*Summary financial information*

The individual financial statements for the parent entity, CW Group Holdings Ltd, show the following aggregate amounts:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance sheet</b>		
Current assets	179,117	147,480
Total assets	<u>684,204</u>	<u>649,860</u>
Current liabilities	67,272	72,875
Total liabilities	<u>67,272</u>	<u>72,875</u>
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Shareholders equity		
Issued capital	553,699	549,391
Reserves	17,938	2,425
Retained earnings	<u>45,293</u>	<u>25,168</u>
Total equity	<u>616,930</u>	<u>576,984</u>
Profit for the period	237,826	281,932
Total comprehensive income	237,826	281,932

**Contingent liabilities**

The parent entity did not have any contingent liabilities as at 30 June 2024. (2023: nil)

**Determining the parent entity financial information**

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

*Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

For personal use only

**Note 44. Earnings per share**

*Basic/diluted earnings per share*

	<b>2024 cents</b>	<b>2023 cents</b>
Total basic/diluted earnings per share attributable to the ordinary equity holders of the Company	0.35	0.20

*Earnings used in calculating earnings per share*

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<i>Basic and diluted earnings per share</i>		
Profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	541,013	304,333
	<b>2024 No. (thousands)</b>	<b>2023 No. (thousands)</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,555,222	1,553,282
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>1,555,222</u>	<u>1,553,282</u>

*Information concerning the classification of securities*

Performance Rights granted to employees under the share plan are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the relevant performance hurdles have been met based on the Company's performance up to the conversion date, and to the extent to which they are dilutive.

*Accounting policy for earnings per share*

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of CW Group Holdings Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

For personal use only

**CW Group Holdings Ltd**  
**Consolidated entity disclosure statement**  
**As at 30 June 2024**

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
CW Group Holdings Ltd	Body Corporate	-	N/A	Australia	Australian	N/A
CW Retail Pty Ltd	Body Corporate	Trustee	100%	Australia	Australian	N/A
CW Retail Holdings Pty Ltd	Body Corporate	Trustee	100%	Australia	Australian	N/A
CW Management Pty Ltd	Body Corporate	Trustee	100%	Australia	Australian	N/A
CW Media Pty Ltd	Body Corporate	Trustee	100%	Australia	Australian	N/A
CW Leasing Services Pty Ltd	Body Corporate	Trustee	100%	Australia	Australian	N/A
CW China Pty Ltd	Body Corporate	Trustee	100%	Australia	Australian	N/A
CW Retail Services Pty Ltd	Body Corporate	Trustee	100%	Australia	Australian	N/A
CW NZ Pharmacy Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
CW Leasing NZ Pty Ltd	Body Corporate	Trustee	100%	Australia	Australian	N/A
CW Treasury Services Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
ePharmacy Holdings Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
ePharmacy Group Pty Limited	Body Corporate	-	100%	Australia	Australian	N/A
ePharmacy Internet Sales Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
Game-On Product Group Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
BSAP Solutions Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
CW IP Pty Ltd	Body Corporate	Trustee	100%	Australia	Australian	N/A
Socialized Pty Ltd	Body Corporate	Trustee	100%	Australia	Australian	N/A
Market Reach Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
Bondi Perfume Company Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
CW Hospital Services Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
CW Macau Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
CW Retail Asia Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
Wagner Pharmaceuticals Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
Instant Consult Pty Ltd	Body Corporate	-	60%	Australia	Australian	N/A
Optometrist Warehouse Pty Ltd	Body Corporate	-	70%	Australia	Australian	N/A
Stratosphere Media Agency Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
CW Account Services Pty Ltd	Body Corporate	-	100%	Australia	Australian	N/A
CW Retail Trust	Trust	-	N/A	N/A	Australian	N/A
CW Retail Holdings Trust	Trust	-	N/A	N/A	Australian	N/A
CW Management Trust	Trust	-	N/A	N/A	Australian	N/A
CW Media Trust	Trust	-	N/A	N/A	Australian	N/A
CW Leasing Services Trust	Trust	-	N/A	N/A	Australian	N/A
CW China Trust	Trust	-	N/A	N/A	Australian	N/A
CW Retail Services Trust	Trust	-	N/A	N/A	Australian	N/A
CW Leasing NZ Unit Trust	Trust	-	N/A	N/A	Australian	N/A
CW IP Unit Trust	Trust	-	N/A	N/A	Australian	N/A
ePharmacy Unit Trust	Trust	-	N/A	N/A	Australian	N/A
The Trustee for Socialized Unit Trust	Trust	-	N/A	N/A	Australian	N/A
Chemist Warehouse Limited	Body Corporate	-	100%	New Zealand	Foreign	New Zealand
CW Retail Services (NZ) Pty Ltd	Body Corporate	-	100%	New Zealand	Foreign	New Zealand
Chemist Warehouse Ireland Limited	Body Corporate	-	100%	Ireland	Foreign	Ireland
CWIRE Retail Holdings Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 1 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 2 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 3 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 4 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland

For personal use only

**CW Group Holdings Ltd**  
**Consolidated entity disclosure statement**  
**As at 30 June 2024**

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
CWIRE Retail 5 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 6 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 7 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 8 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 9 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 10 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 11 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 12 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 13 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 14 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 15 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 16 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 17 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 18 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 19 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 20 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 21 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 22 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 23 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 24 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 25 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 26 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 27 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 28 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 29 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland
CWIRE Retail 30 Limited	Body Corporate	-	70%	Ireland	Foreign	Ireland

For personal use only

**CW Group Holdings Ltd**  
**Directors' declaration**  
**30 June 2024**

In the directors' opinion:

- (a) the attached financial statements and notes comply with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- (b) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note to the financial statements;
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (d) the consolidated entity disclosure statement is true and correct; and
- (e) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 38 to the financial statements.

This declaration is made in accordance with a resolution of the directors.

On behalf of the directors



Mario Verrocchi  
Director

24 September 2024  
Melbourne



Jack Gance  
Director

For personal use only



## Independent auditor's report

To the members of CW Group Holdings Ltd

---

### Our opinion

In our opinion:

The accompanying financial report of CW Group Holdings Ltd (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *What we have audited*

The financial report comprises:

- the consolidated balance sheet as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

---

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



---

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

### Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

---

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Daniel Rosenberg' in a cursive script.

Daniel Rosenberg  
Partner

Melbourne  
24 September 2024

For personal use only