AASB/NZASB Staff Issues Paper
Application of the RDR Decision-Making Framework

Purpose

1. The purpose of this paper is to illustrate the potential impact of applying the Boards' RDR decision-making framework on the disclosures required by Tier 2 entities when applying.

   (a) AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers*;

   (b) AASB 136/NZ IAS 36 *Impairment of Assets*; and

   (c) AASB 101/NZ IAS 1 *Presentation of Financial Statements*.

Introduction

2. To help the Board progress its project, staff was directed to identify the disclosures required for Tier 1 entities in three standards and reduce them by applying the Boards' tentative RDR decision-making framework to identify the disclosures required by Tier 2 entities.

3. The staff analysis has used two different approaches to presenting the disclosure requirements that Tier 2 entities would be required to make.[1]

   (a) Approach 1: Shade the disclosures that are not required to be made by Tier 2 entities (i.e., the current approach used in Australia to present the Tier 2 disclosure requirements).

   (b) Approach 2: Identify the disclosures required by Tier 2 entities in an Appendix to the relevant Standard for that particular topic/type of transaction (e.g., the Tier 2 disclosure requirements for AASB 15 *Revenue from Contracts with Customers*) would be included as an appendix to AASB 15).

4. The results of the staff analysis for each standard using the two communication approaches are included in the appendices A – C1to this paper.

Question for Board members	
Q1	Do Board members agree with the analysis outlined in the appendices to this paper?

[1] Agenda Paper 4.4 addresses the approach to be taken to presenting the Tier 2 disclosure requirements and outlines three options to be considered by Board members.

Appendix A

Appendix A - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 1 *****Only disclosure & presentation paragraphs are included in this table***** ***Presentation paragraphs are in BLUE font***	
Disclosure concessions under proposed principles (shaded)	**Staff Analysis**
Complete set of financial statements **10** **A complete set of financial statements comprises:** **(a)** **a statement of financial position as at the end of the period;** **(b)** **a statement of profit or loss and other comprehensive income for the period;** **(c)** **a statement of changes in equity for the period;** **(d)** **a statement of cash flows for the period;** **(e)** **notes, comprising significant accounting policies and other explanatory information;** **(ea)** **comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and** **(f)** **a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A–40D.** **An entity may use titles for the statements other than those used in this Standard. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.**	Paragraph 10 subparagraphs (a) – (e) relate to disclosure of financial performance, financial position and cash flows. .Therefore paragraph 10 subparagraphs (a) – (e) are retained for Tier 2 entities. However, subparagraph (f) does not meet user needs and is therefore excluded for Tier 2 entities. [Note: similar requirements are outlined in AASB 108/NZ IAS 8 and therefore the third statement required by AASB 101/NZ IAS 1 is not necessary to understand the entity's operations as represented by the financial statements.]
10A **An entity may present a single statement of profit or loss and other comprehensive income, with profit or loss and other comprehensive income presented in two sections. The sections shall be presented together, with the profit or loss section presented first followed directly by the other comprehensive income section. An entity may present the profit or loss section in a separate statement of profit or loss. If so, the separate statement of profit or loss shall immediately precede the statement presenting comprehensive income, which shall begin with profit or loss.**	Paragraph 10A outlines the options available to entities when presenting the profit or loss statement and other comprehensive income statement. No disclosure requirements to analyse.
11 **An entity shall present with equal prominence all of the financial statements in a complete set of financial statements.**	Paragraph 11 provides guidance on presentation of financial statements. No disclosure requirements to analyse.
13 Many entities present, outside the financial statements, a financial review by management that describes and explains the main features of the entity's financial performance and financial position, and the principal uncertainties it faces. Such a report may include a review of: (a) the main factors and influences determining financial performance, including changes in the environment in which the entity operates, the entity's response to those	Paragraph 13 provides general information regarding information presented outside the financial statements. No disclosure requirements to analyse.

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changes and their effect, and the entity's policy for investment to maintain and enhance financial performance, including its dividend policy; (b) the entity's sources of funding and its targeted ratio of liabilities to equity; and (c) the entity's resources not recognised in the statement of financial position in accordance with Australian Accounting Standards.	
14 Many entities also present, outside the financial statements, reports and statements such as environmental reports and value added statements, particularly in industries in which environmental factors are significant and when employees are regarded as an important user group. Reports and statements presented outside financial statements are outside the scope of Australian Accounting Standards.	Paragraph 14 provides general information regarding information presented outside the financial statements. No disclosure requirements to analyse.
General features	
Fair presentation and compliance with Standards **15 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the Framework. The application of Australian Accounting Standards, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.**	Paragraph 15 provides general information about the financial statements regarding fair presentation and compliance with standards. No disclosure requirements to analyse.
16 An entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with IFRSs unless they comply with all the requirements of IFRSs.	Paragraph 16 is not relevant to an entity applying the RDR framework. Paragraph 16 has been shaded to indicate a Tier 2 entity applying the RDR framework does not need to consider this requirement.
17 In virtually all circumstances, an entity achieves a fair presentation by compliance with applicable Australian Accounting Standards. A fair presentation also requires an entity: (a) to select and apply accounting policies in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. AASB 108 sets out a hierarchy of authoritative guidance that management considers in the absence of an Australian Accounting Standard that specifically applies to an item. (b) to present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information. (c) to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial	Explanatory paragraph outlining how an entity achieves fair presentation with applicable Australian Accounting Standards. No disclosure requirements to analyse.

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performance.	
20 When an entity departs from a requirement of an Australian Accounting Standard in accordance with paragraph 19, it shall disclose: **(a) that management has concluded that the financial statements present fairly the entity's financial position, financial performance and cash flows;** **(b) that it has complied with applicable Australian Accounting Standards, except that it has departed from a particular requirement to achieve a fair presentation;** **(c) the title of the Australian Accounting Standard from which the entity has departed, the nature of the departure, including the treatment that the Australian Accounting Standard would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in the *Framework*, and the treatment adopted; and** **(d) for each period presented, the financial effect of the departure on each item in the financial statements that would have been reported in complying with the requirement.**	On the basis of paragraph Aus19.1(c)[2], an entity applying the RDR framework cannot depart from an Accounting Standard. Therefore, paragraphs 20-22 are not relevant to an entity applying the RDR framework. Paragraphs 20-22 have been shaded to indicate a Tier 2 entity applying the RDR framework does not need to consider these requirements.
21 When an entity has departed from a requirement of an Australian Accounting Standard in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph 20(c) and (d).	
22 Paragraph 21 applies, for example, when an entity departed in a prior period from a requirement in an Australian Accounting Standard for the measurement of assets or liabilities and that departure affects the measurement of changes in assets and liabilities recognised in the current period's financial statements.	
23 In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard would be so misleading that it would conflict with the objective of financial statements set out in the *Framework*, but the relevant regulatory framework prohibits	The "relevant regulatory framework" referred to in paragraph 23 includes the RDR framework.

2 Aus19.1 **In relation to paragraph 19, the following shall not depart from a requirement in an Australian Accounting Standard:**
(a) …
(c) entities applying Australian Accounting Standards – Reduced Disclosure Requirements.

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departure from the requirement, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing: **(a) the title of the Australian Accounting Standard in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in the *Framework*; and** **(b) for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.**	Paragraph 23 meets user needs in relation to SDA's (a) the nature of transactions or event; (b) accounting policy; (c) significant accounting estimates and judgements specific to a transaction or event; and (d) associated key risks specific to a transaction or event. Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be rebutted as making users aware of potentially misleading information is significant to ensure a user's understanding of an entity's operations. Therefore, paragraph 23 is retained for Tier 2 entities.
Going concern 25 **When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.**	Paragraph 25 meets user needs in relation to liquidity and solvency. Benefits exceed the costs of disclosure. Therefore, paragraph 25 is retained for Tier 2 entities.
Materiality and aggregation 29 **An entity shall present separately each material class of similar items. An entity shall present separately items of a dissimilar nature or function unless they are immaterial.**	Paragraph 29 does not meet user needs and is therefore excluded for Tier 2 entities.
31 Some Australian Accounting Standards specify information that is required to be included in the financial statements, which include the notes. An entity need not provide a specific disclosure required by an Australian Accounting Standard if the information resulting from that disclosure is not material. This is the case even if the Australian Accounting Standard contains a list of specific requirements or describes them as minimum requirements. An entity shall also consider whether to provide additional disclosures when compliance	Paragraph 31 provides guidance applying the materiality requirements of the Standards. Therefore, paragraph 31 is retained for Tier 2 entities.

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	with the specific requirements in Australian Accounting Standards is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.	
Offsetting		
35	In addition, an entity presents on a net basis gains and losses arising from a group of similar transactions, for example, foreign exchange gains and losses or gains and losses arising on financial instruments held for trading. However, an entity presents such gains and losses separately if they are material.	The first sentence of paragraph 35 meets user needs in relation to SDA (a) the nature of transactions or event. Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be rebutted as the disclosure of gains and losses will ensure a user's understanding of an entity's operations. Therefore, the first sentence of paragraph 35 is retained for Tier 2 entities. However, the second sentence does not meet user needs and is therefore excluded for Tier 2 entities.

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<tr><td>
36</td><td>Frequency of reporting
An entity shall present a complete set of financial statements (including comparative information) at least annually. When an entity changes the end of its reporting period and presents financial statements for a period longer or shorter than one year, an entity shall disclose, in addition to the period covered by the financial statements:
(a) the reason for using a longer or shorter period, and
(b) the fact that amounts presented in the financial statements are not entirely comparable.</td><td>Paragraph 36 relates to disclosure of financial performance, financial position and cash flows. Therefore, paragraph 36 is retained for Tier 2 entities.</td></tr>
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38</td><td>Comparative information
Minimum comparative information
Except when Australian Accounting Standards permit or require otherwise, an entity shall present comparative information in respect of the preceding period for all amounts reported in the current period’s financial statements. An entity shall include comparative information for narrative and descriptive information if it is relevant to understanding the current period’s financial statements.</td><td rowspan="2">Paragraphs 38-38A relate to disclosure of financial performance, financial position and cash flows. Therefore, paragraphs 38-38A are retained for Tier 2 entities.</td></tr>
<tr><td>38A</td><td>An entity shall present, as a minimum, two statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity, and related notes.</td></tr>
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38C</td><td>Additional comparative information
An entity may present comparative information in addition to the minimum comparative financial statements required by Australian Accounting Standards, as long as that information is prepared in accordance with Australian Accounting Standards. This comparative information may consist of one or more statements referred to in paragraph 10, but need not comprise a complete set of financial statements. When this is the case, the entity shall present related note information for those additional statements.</td><td rowspan="2">Paragraphs 38C-38D are optional disclosures. No analysis has been performed.</td></tr>
<tr><td>38D</td><td>For example, an entity may present a third statement of profit or loss and other comprehensive income (thereby presenting the current period, the preceding period and one additional comparative period). However, the entity is not required to present a third statement of financial position, a third statement of cash flows or a third statement of changes in equity (ie an additional financial statement comparative). The entity is required to present, in the notes to the</td></tr>
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financial statements, the comparative information related to that additional statement of profit or loss and other comprehensive income.	
Change in accounting policy, retrospective restatement or reclassification **40A An entity shall present a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements required in paragraph 38A if:** **(a) it applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements; and** **(b) the retrospective application, retrospective restatement or the reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period.**	Paragraphs 40A-40D does not meet user needs and are therefore excluded for Tier 2 entities. [Note: similar requirements are outlined in AASB 108/NZ IAS 8 and therefore the third statement required by AASB 101/NZ IAS 1 is not necessary to understand the entity's operations as represented by the financial statements.]
40B In the circumstances described in paragraph 40A, an entity shall present three statements of financial position as at: (a) the end of the current period; (b) the end of the preceding period; and (c) the beginning of the preceding period.	
40C When an entity is required to present an additional statement of financial position in accordance with paragraph 40A, it must disclose the information required by paragraphs 41–44 and AASB 108. However, it need not present the related notes to the opening statement of financial position as at the beginning of the preceding period.	
40D The date of that opening statement of financial position shall be as at the beginning of the preceding period regardless of whether an entity's financial statements present comparative information for earlier periods (as permitted in paragraph 38C).	

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41 **If an entity changes the presentation or classification of items in its financial statements, it shall reclassify comparative amounts unless reclassification is impracticable. When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding period):**

(a) **the nature of the reclassification;**

(b) **the amount of each item or class of items that is reclassified; and**

(c) **the reason for the reclassification.**

42 **When it is impracticable to reclassify comparative amounts, an entity shall disclose:**

(a) **the reason for not reclassifying the amounts, and**

(b) **the nature of the adjustments that would have been made if the amounts had been reclassified.**

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The first sentence of paragraph 41 does not contain disclosure requirements. No disclosure requirements to analyse.

The second sentence of paragraph 41 and subparagraphs (a)-(c) and paragraph 42 meets user needs in relation to SDA (c) significant accounting estimates and judgements specific to a transaction or event.

However, the costs of making the disclosures required by paragraphs 41 and 42 exceed the benefits. Therefore, the second sentence of paragraph 41 and subparagraphs (a)-(c) and paragraph 42 are excluded for Tier 2 entities.

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Statement of financial position

Information to be presented in the statement of financial position

54 **The statement of financial position shall include line items that present the following amounts:**

(a) **property, plant and equipment;**

(b) **investment property;**

(c) **intangible assets;**

(d) **financial assets (excluding amounts shown under (e), (h) and (i));**

(e) **investments accounted for using the equity method;**

(f) **biological assets within the scope of AASB 141 *Agriculture*;**

(g) **inventories;**

(h) **trade and other receivables;**

(i) **cash and cash equivalents;**

(j) **the total of assets classified as held for sale and assets included in disposal groups classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;**

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Paragraph 54 addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.

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(k) trade and other payables; **(l) provisions;** **(m) financial liabilities (excluding amounts shown under (k) and (l));** **(n) liabilities and assets for current tax, as defined in AASB 112 *Income Taxes*;** **(o) deferred tax liabilities and deferred tax assets, as defined in AASB 112;** **(p) liabilities included in disposal groups classified as held for sale in accordance with AASB 5;** **(q) non-controlling interests, presented within equity; and** **(r) issued capital and reserves attributable to owners of the parent.**	
55 **An entity shall present additional line items (including by disaggregating the line items listed in paragraph 54), headings and subtotals in the statement of financial position when such presentation is relevant to an understanding of the entity's financial position.**	Paragraph 55, with the exception of the bracketed requirement, meets user needs in relation to SDA (a) nature of transaction and event. Benefits of the disclosure requirements in paragraph 55, with the exception of the bracketed requirement, exceed the costs. The presumption that costs exceed benefits should be rebutted as presenting additional line items will ensure a user's understanding of an entity's operations. Therefore, paragraph 55, with the exception of the bracketed requirement, is retained for Tier 2 entities. The costs of the disclosure requirement in brackets within paragraph 55 exceed the benefits. Therefore, the bracketed requirement within paragraph 55 is excluded for Tier 2 entities.
55A When an entity presents subtotals in accordance with paragraph 55, those subtotals shall: (a) be comprised of line items made up of amounts recognised and measured in accordance with Australian Accounting Standards; (b) be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable;	Paragraph 55A provides guidance regarding the application of paragraph 55 to the presentation of subtotals. Therefore, paragraph 55A is retained for Tier 2 entities.

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(c) be consistent from period to period, in accordance with paragraph 45; and (d) not be displayed with more prominence than the subtotals and totals required in Australian Accounting Standards for the statement of financial position.	
56 When an entity presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position, it shall not classify deferred tax assets (liabilities) as current assets (liabilities).	Paragraph 56 addresses presentation of assets and liabilities in the financial statements. No disclosure to analyse.
Current/non-current distinction	
60 An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position in accordance with paragraphs 66–76 except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, an entity shall present all assets and liabilities in order of liquidity.	Paragraph 60 provides guidance regarding presentation of assets and liabilities as current or non-current. No disclosures to analyse.
61 Whichever method of presentation is adopted, an entity shall disclose the amount expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be recovered or settled: **(a) no more than twelve months after the reporting period, and** **(b) more than twelve months after the reporting period.**	Paragraph 61 meets user needs in relation to current liquidity and solvency. However, given other liquidity and solvency disclosure requirements in the Standard that are retained for Tier 2 entities, the costs to make the disclosures required by paragraph 61 exceed the benefits. Therefore, paragraph 61 is excluded for Tier 2 entities.
Information to be presented either in the statement of financial position or in the notes **77 An entity shall disclose, either in the statement of financial position or in the notes, further subclassifications of the line items presented, classified in a manner appropriate to the entity's operations.**	Paragraphs 77-78 do not meet user needs and are therefore excluded for Tier 2 entities.
78 The detail provided in subclassifications depends on the requirements of Australian Accounting Standards and on the size, nature and function of the amounts involved. An entity also uses the factors set out in paragraph 58 to decide the basis of subclassification. The disclosures vary for each item, for example: (a) items of property, plant and equipment are disaggregated into classes in accordance with AASB 116; (b) receivables are disaggregated into amounts receivable	

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from trade customers, receivables from related parties, prepayments and other amounts; (c) inventories are disaggregated, in accordance with AASB 102 *Inventories*, into classifications such as merchandise, production supplies, materials, work in progress and finished goods; (d) provisions are disaggregated into provisions for employee benefits and other items; and (e) equity capital and reserves are disaggregated into various classes, such as paid-in capital, share premium and reserves.	
79 An entity shall disclose the following, either in the statement of financial position or the statement of changes in equity, or in the notes: **(a) for each class of share capital:** **(i) the number of shares authorised;** **(ii) the number of shares issued and fully paid, and issued but not fully paid;** **(iii) par value per share, or that the shares have no par value;** **(iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;** **(v) the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital;** **(vi) shares in the entity held by the entity or by its subsidiaries or associates; and** **(vii) shares reserved for issue under options and contracts for the sale of shares, including terms and amounts; and** **(b) a description of the nature and purpose of each reserve within equity.**	Paragraph 79(a) does not meet user needs and is therefore excluded for Tier 2 entities. Paragraph 79(b) meets user needs in relation to SDA (a) nature of transaction or event. Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be rebutted as information about the nature and purpose of an entity's reserves will ensure a user's understanding of an entity's operations. Therefore, paragraph 79(b) is retained for Tier 2 entities.
80 An entity without share capital, such as a partnership or trust, shall disclose information equivalent to that required by paragraph 79(a), showing changes during the period in each category of equity interest, and the rights, preferences and restrictions attaching to each category of equity interest.	Paragraph 80 does not meet user needs and is therefore excluded for Tier 2 entities.

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80A If an entity has reclassified **(a) a puttable financial instrument classified as an equity instrument, or** **(b) an instrument that imposes on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and is classified as an equity instrument** **between financial liabilities and equity, it shall disclose the amount reclassified into and out of each category (financial liabilities or equity), and the timing and reason for that reclassification.**	Paragraph 80A does not meet user needs and is therefore excluded for Tier 2 entities.
81A The statement of profit or loss and other comprehensive income (statement of comprehensive income) shall present, in addition to the profit or loss and other comprehensive income sections: **(a) profit or loss;** **(b) total other comprehensive income;** **(c) comprehensive income for the period, being the total of profit or loss and other comprehensive income.** **If an entity presents a separate statement of profit or loss it does not present the profit or loss section in the statement presenting comprehensive income.**	Paragraph 81A addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.
81B An entity shall present the following items, in addition to the profit or loss and other comprehensive income sections, as allocation of profit or loss and other comprehensive income for the period: **(a) profit or loss for the period attributable to:** **(i) non-controlling interests, and** **(ii) owners of the parent.** **(b) comprehensive income for the period attributable to:** **(i) non-controlling interests, and** **(ii) owners of the parent.** **If an entity presents profit or loss in a separate statement it shall present (a) in that statement.**	Paragraph 81B addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.
Information to be presented in the profit or loss section or the statement of profit or loss **82 In addition to items required by other Australian Accounting Standards, the profit or loss section or the statement of profit or**	Paragraph 82 addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.

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loss shall include line items that present the following amounts for the period: **(a) revenue, presenting separately interest revenue calculated using the effective interest method;** **(aa) gains and losses arising from the derecognition of financial assets measured at amortised cost;** **(b) finance costs;** **(ba) impairment losses (including reversals of impairment losses or impairment gains) determined in accordance with Section 5.5 of AASB 9;** **(c) share of the profit or loss of associates and joint ventures accounted for using the equity method;** **(ca) if a financial asset is reclassified out of the amortised cost measurement category so that it is measured at fair value through profit or loss, any gain or loss arising from a difference between the previous amortised cost of the financial asset and its fair value at the reclassification date (as defined in AASB 9);** **(cb) if a financial asset is reclassified out of the fair value through other comprehensive income measurement category so that it is measured at fair value through profit or loss, any cumulative gain or loss previously recognised in other comprehensive income that is reclassified to profit or loss;** **(d) tax expense;** **(e)** [deleted] **(ea) a single amount for the total of discontinued operations (see AASB 5).** **(f)–(i)** [deleted]	

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<tr><td>Information to be presented in the other comprehensive income section
82A The other comprehensive income section shall present line items for the amounts for the period of:
(a) items of other comprehensive income (excluding amounts in paragraph (b)), classified by nature and grouped into those that, in accordance with other Australian Accounting Standards:
(i) will not be reclassified subsequently to profit or loss; and
(ii) will be reclassified subsequently to profit or loss when specific conditions are met.
(b) the share of the other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that, in accordance with other Australian Accounting Standards:
(i) will not be reclassified subsequently to profit or loss; and
(ii) will be reclassified subsequently to profit or loss when specific conditions are met.</td><td>Paragraph 82A addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.</td></tr>
<tr><td>Statement of profit or loss and other comprehensive income</td><td></td></tr>
<tr><td>85 An entity shall present additional line items (including by disaggregating the line items listed in paragraph 82), headings and subtotals in the statement(s) presenting profit or loss and other comprehensive income when such presentation is relevant to an understanding of the entity’s financial performance.</td><td>Paragraph 85, with the exception of the bracketed requirement, meets user needs in relation to SDA (a) nature of transaction and event.
Benefits of the disclosure requirements in paragraph 85, with the exception of the bracketed requirement, exceed the costs. The presumption that costs exceed benefits should be rebutted as presenting additional line items will ensure a user’s understanding of an entity’s operations. Therefore, paragraph 85, with the exception of the bracketed requirement, is retained for Tier 2 entities.
The costs of the disclosure requirement in brackets within paragraph 85 exceed the benefits.</td></tr>
</table>

Appendix A - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 1

*****Only disclosure & presentation paragraphs are included in this table*****

Presentation paragraphs are in BLUE font

Disclosure concessions under proposed principles (shaded)	Staff Analysis
	Therefore, the bracketed requirement within paragraph 85 is excluded for Tier 2 entities.
85A When an entity presents subtotals in accordance with paragraph 85, those subtotals shall: (a) be comprised of line items made up of amounts recognised and measured in accordance with Australian Accounting Standards; (b) be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable; (c) be consistent from period to period, in accordance with paragraph 45; and (d) not be displayed with more prominence than the subtotals and totals required in Australian Accounting Standards for the statement(s) presenting profit or loss and other comprehensive income.	Paragraph 85A provides guidance regarding the application of paragraph 85 to the presentation of subtotals. Therefore, paragraph 85A is retained for Tier 2 entities.
85B An entity shall present the line items in the statement(s) presenting profit or loss and other comprehensive income that reconcile any subtotals presented in accordance with paragraph 85 with the subtotals or totals required in Australian Accounting Standards for such statement(s).	Paragraph 85B does not meet user needs and is therefore excluded for Tier 2 entities.
87 An entity shall not present any items of income or expense as extraordinary items, in the statement(s) presenting profit or loss and other comprehensive income or in the notes.	Paragraph 87 addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.
Profit or loss for the period **88 An entity shall recognise all items of income and expense in a period in profit or loss unless an Australian Accounting Standard requires or permits otherwise.**	Paragraph 88 addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.
89 Some Australian Accounting Standards specify circumstances when an entity recognises particular items outside profit or loss in the current period. AASB 108 specifies two such circumstances: the correction of errors and the effect of changes in accounting policies. Other Australian Accounting Standards require or permit components of other comprehensive income that meet the *Framework*'s[3] definition of income or expense to be excluded from profit or loss (see paragraph 7).	Paragraph 89 addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.

3 The *Framework for the Preparation and Presentation of Financial Statements* was amended by the AASB in December 2013.

Appendix A - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 1

*****Only disclosure & presentation paragraphs are included in this table*****

Presentation paragraphs are in BLUE font

Disclosure concessions under proposed principles (shaded)	Staff Analysis
Other comprehensive income for the period **90** **An entity shall disclose the amount of income tax relating to each item of other comprehensive income, including reclassification adjustments, either in the statement of profit or loss and other comprehensive income or in the notes.**	Paragraphs 90-91 meet user needs in relation to SDA (a) nature of transaction and event. Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be rebutted as presenting the amount of tax related to each item of comprehensive income will ensure a user's understanding of an entity's operations. Therefore, paragraphs 90-91 are retained for Tier 2 entities.
91 An entity may present items of other comprehensive income either: (a) net of related tax effects, or (b) before related tax effects with one amount shown for the aggregate amount of income tax relating to those items. If an entity elects alternative (b), it shall allocate the tax between the items that might be reclassified subsequently to the profit or loss section and those that will not be reclassified subsequently to the profit or loss section.	
92 **An entity shall disclose reclassification adjustments relating to components of other comprehensive income.**	Paragraph 92 meet user needs in relation to SDA (a) nature of transaction and event. Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be rebutted as information reclassification adjustments relating to components of other comprehensive income will ensure a user's understanding of an entity's operations. Therefore, paragraph 92 is retained for Tier 2 entities.
94 An entity may present reclassification adjustments in the statement(s) of profit or loss and other comprehensive income or in the notes. An entity presenting reclassification adjustments in the notes presents the items of other comprehensive income after any related reclassification adjustments.	Paragraph 94 addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.
Information to be presented in the statement(s) of profit or loss and other comprehensive income or in the notes **97** **When items of income or expense are material, an entity shall disclose their nature and amount separately.**	Paragraph 97 meet user needs in relation to SDA's (a) nature of transaction and event. Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be rebutted as information about material items of income or expense will ensure a user's understanding of an entity's operations. Therefore, paragraph 97 is retained for Tier 2

Appendix A - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 1

*****Only disclosure & presentation paragraphs are included in this table*****

Presentation paragraphs are in BLUE font

Disclosure concessions under proposed principles (shaded)		**Staff Analysis**
		entities.
98	Circumstances that would give rise to the separate disclosure of items of income and expense include: (a) write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs; (b) restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring; (c) disposals of items of property, plant and equipment; (d) disposals of investments; (e) discontinued operations; (f) litigation settlements; and (g) other reversals of provisions.	Paragraph 98 provides guidance regarding the application of paragraph 97. Therefore, paragraph 98 is retained for Tier 2 entities.
99	**An entity shall present an analysis of expenses recognised in profit or loss using a classification based on either their nature or their function within the entity, whichever provides information that is reliable and more relevant.**	Paragraph 99 addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.
100	Entities are encouraged to present the analysis in paragraph 99 in the statement(s) presenting profit or loss and other comprehensive income.	Paragraph 100 provides guidance regarding paragraph 99. No disclosure requirements to analyse.
104	**An entity classifying expenses by function shall disclose additional information on the nature of expenses, including depreciation and amortisation expense and employee benefits expense.**	Paragraph 104 meets user needs in relation to SDA's (a) nature of transaction and event. However, the costs of making the disclosure required by paragraph 104 exceed the benefits. Therefore, paragraph 104 is excluded for Tier 2 entities.

<table>
<tr><td colspan="2">

Appendix A - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 1

*****Only disclosure & presentation paragraphs are included in this table*****

Presentation paragraphs are in BLUE font

</td></tr>
<tr><td>Disclosure concessions under proposed principles (shaded)</td><td>Staff Analysis</td></tr>
<tr><td>

Statement of changes in equity

Information to be presented in the statement of changes in equity

106 An entity shall present a statement of changes in equity as required by paragraph 10. The statement of changes in equity includes the following information:

(a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests;

(b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108; and

(c) [deleted]

(d) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately (as a minimum) disclosing changes resulting from:

(i) profit or loss;

(ii) other comprehensive income; and

(iii) transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.

</td><td>Paragraph 106 addresses presentation requirements and not disclosure requirements. No disclosure requirements to analyse.</td></tr>
<tr><td>

Information to be presented in the statement of changes in equity or in the notes

106A For each component of equity an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item (see paragraph 106(d)(ii)).

</td><td>Paragraph 106A does not meet user needs and is therefore excluded for Tier 2 entities.</td></tr>
<tr><td>

107 An entity shall present, either in the statement of changes in equity or in the notes, the amount of dividends recognised as distributions to owners during the period, and the related amount of dividends per share.

</td><td>Paragraph 107, with the exception of the requirement to disclose the amount of dividends per share, meets user needs in relation to SDA (a) nature of transaction and event.

Benefits of the disclosure requirements in paragraph 107, with the exception of the disclosure of the amounts of dividends per share, exceed the costs. The presumption that costs exceed benefits should be</td></tr>
</table>

Appendix A - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 1 *****Only disclosure & presentation paragraphs are included in this table***** ***Presentation paragraphs are in BLUE font***	
Disclosure concessions under proposed principles (shaded)	**Staff Analysis**
	rebutted as information about dividends will ensure a user's understanding of an entity's operations. Therefore, paragraph 107, with the exception of the disclosure of the amounts of dividends per share, is retained for Tier 2 entities. The costs of the disclosure of the amount of dividends per share exceed the benefits. Therefore, this disclosure requirement within paragraph 107 is excluded for Tier 2 entities.
Statement of cash flows 111 Cash flow information provides users of financial statements with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilise those cash flows. AASB 107 sets out requirements for the presentation and disclosure of cash flow information.	Paragraph 111 is an explanatory paragraph regarding the statement of cash flows. No disclosure requirements to analyse.
Disclosure of accounting policies **117 An entity shall disclose its significant accounting policies comprising:** **(a) the measurement basis (or bases) used in preparing the financial statements; and** **(b) the other accounting policies used that are relevant to an understanding of the financial statements.**	Paragraph 117 meet user needs in relation to SDA's (a) nature of transaction and event; and (b) accounting policy on when to recognise and how to measure. Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be rebutted on the basis of ensuring appropriate disclosures of the measurement basis used in relation to CDA's (a) commitments and contingencies; (b) impairment; (c) related parties; or (d) subsequent events. Therefore, paragraph 117 is retained for Tier 2 entities.
122 An entity shall disclose, along with its significant accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph 125), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.	Paragraph 122 meets user needs in relation to SDA's (c) significant estimates and judgements and (d) associated key risks specific to a transaction or event. Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be

<table>
<tr><td colspan="2">Appendix A - RDR under proposed principles – AASB 101/NZ IAS 1 Presentation of Financial Statements communicated using Approach 1
Only disclosure & presentation paragraphs are included in this table
Presentation paragraphs are in BLUE font</td></tr>
<tr><td>Disclosure concessions under proposed principles (shaded)</td><td>Staff Analysis</td></tr>
<tr><td></td><td>rebutted on the basis of ensuring appropriate disclosures of the significant accounting policies and judgements disclosed in relation to CDA's (a) commitments and contingencies; (b) impairment; (c) related parties; or (d) subsequent events. Therefore, paragraph 122 is retained for Tier 2 entities.</td></tr>
<tr><td>Sources of estimation uncertainty

125 An entity shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of:

(a) their nature, and

(b) their carrying amount as at the end of the reporting period.</td><td>Paragraph 125 meets user needs in relation to SDA's (c) significant estimates and judgements and (d) associated key risks specific to a transaction or event.

Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be rebutted on the basis of ensuring appropriate disclosure of the assumptions and estimations in relation to the CDA's (a) commitments and contingencies; (b) impairment; and (d) subsequent events. Therefore, paragraph 125 is retained for Tier 2 entities.</td></tr>
<tr><td>Capital

134 An entity shall disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.</td><td rowspan="2">Paragraphs 134-136 do not meet user needs and are therefore excluded for Tier 2 entities.</td></tr>
<tr><td>135 To comply with paragraph 134, the entity discloses the following:

(a) qualitative information about its objectives, policies and processes for managing capital, including:

(i) a description of what it manages as capital;

(ii) when an entity is subject to externally imposed capital requirements, the nature of those requirements and how those requirements are incorporated into the management of capital; and

(iii) how it is meeting its objectives for managing capital.

(b) summary quantitative data about what it manages as capital. Some entities regard some financial liabilities (eg</td></tr>
</table>

<table>
<tr><th colspan="2">Appendix A - RDR under proposed principles – AASB 101/NZ IAS 1 Presentation of Financial Statements communicated using Approach 1
Only disclosure & presentation paragraphs are included in this table
Presentation paragraphs are in BLUE font</th></tr>
<tr><th>Disclosure concessions under proposed principles (shaded)</th><th>Staff Analysis</th></tr>
<tr><td>some forms of subordinated debt) as part of capital. Other entities regard capital as excluding some components of equity (eg components arising from cash flow hedges).

(c) any changes in (a) and (b) from the previous period.

(d) whether during the period it complied with any externally imposed capital requirements to which it is subject.

(e) when the entity has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

The entity bases these disclosures on the information provided internally to key management personnel.</td><td rowspan="2"></td></tr>
<tr><td>136 An entity may manage capital in a number of ways and be subject to a number of different capital requirements. For example, a conglomerate may include entities that undertake insurance activities and banking activities and those entities may operate in several jurisdictions. When an aggregate disclosure of capital requirements and how capital is managed would not provide useful information or distorts a financial statement user' understanding of an entity's capital resources, the entity shall disclose separate information for each capital requirement to which the entity is subject.</td></tr>
<tr><td>Puttable financial instruments classified as equity

136A For puttable financial instruments classified as equity instruments, an entity shall disclose (to the extent not disclosed elsewhere):

(a) summary quantitative data about the amount classified as equity;

(b) its objectives, policies and processes for managing its obligation to repurchase or redeem the instruments when required to do so by the instrument holders, including any changes from the previous period;

(c) the expected cash outflow on redemption or repurchase of that class of financial instruments; and

(d) information about how the expected cash outflow on redemption or repurchase was determined.</td><td>Paragraph 136A does not meet user needs and is therefore excluded for Tier 2 entities.</td></tr>
<tr><td>Other disclosures

137 An entity shall disclose in the notes:

(a) the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to owners during the</td><td>Paragraph 137meets user needs in relation to SDA (a) nature of transaction and event.

Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be</td></tr>
</table>

Appendix A - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 1

*****Only disclosure & presentation paragraphs are included in this table*****

Presentation paragraphs are in BLUE font

Disclosure concessions under proposed principles (shaded)	Staff Analysis
period, and the related amount per share; and **(b) the amount of any cumulative preference dividends not recognised.**	rebutted as information about dividends will ensure a user's understanding of an entity's operations. Therefore, paragraph 137 is retained for Tier 2 entities.
138 **An entity shall disclose the following, if not disclosed elsewhere in information published with the financial statements:** **(a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office);** **(b) a description of the nature of the entity's operations and its principal activities;** **(c) the name of the parent and the ultimate parent of the group; and** **(d) if it is a limited life entity, information regarding the length of its life.**	Paragraph 138 meets user needs. Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be rebutted as the information required by paragraph 138 provides context to ensure a user's understanding of an entity and the entity's operations. Therefore, paragraph 138 is retained for Tier 2 entities.

Appendix A1

Appendix A1 - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 2

Disclosures Retained for Tier 2 Entities

Complete set of financial statements

10 **A complete set of financial statements comprises:**

(a) a statement of financial position as at the end of the period;

(b) a statement of profit or loss and other comprehensive income for the period;

(c) a statement of changes in equity for the period;

(d) a statement of cash flows for the period;

(e) notes, comprising significant accounting policies and other explanatory information;

(ea) comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and

…

An entity may use titles for the statements other than those used in this Standard. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.

23 **In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard would be so misleading that it would conflict with the objective of financial statements set out in the *Framework*, but the relevant regulatory framework prohibits departure from the requirement, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing:**

(a) the title of the Australian Accounting Standard in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in the Framework; and

(b) for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.

Going concern

25 **When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.**

Materiality and aggregation

31 Some Australian Accounting Standards specify information that is required to be included in the financial statements, which include the notes. An entity need not provide a specific disclosure required by an Australian Accounting Standard if the information resulting from that disclosure is not material. This is the case even if the Australian Accounting Standard contains a list of specific requirements or describes them as minimum requirements. An entity shall also consider whether to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Appendix A1 - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 2

Disclosures Retained for Tier 2 Entities

Offsetting

35 In addition, an entity presents on a net basis gains and losses arising from a group of similar transactions, for example, foreign exchange gains and losses or gains and losses arising on financial instruments held for trading.

Frequency of reporting

36 An entity shall present a complete set of financial statements (including comparative information) at least annually. When an entity changes the end of its reporting period and presents financial statements for a period longer or shorter than one year, an entity shall disclose, in addition to the period covered by the financial statements:

(a) the reason for using a longer or shorter period, and

(b) the fact that amounts presented in the financial statements are not entirely comparable.

Comparative information

Minimum comparative information

38 Except when Australian Accounting Standards permit or require otherwise, an entity shall present comparative information in respect of the preceding period for all amounts reported in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information if it is relevant to understanding the current period's financial statements.

38A An entity shall present, as a minimum, two statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity, and related notes.

Additional comparative information

38C An entity may present comparative information in addition to the minimum comparative financial statements required by Australian Accounting Standards, as long as that information is prepared in accordance with Australian Accounting Standards. This comparative information may consist of one or more statements referred to in paragraph 10, but need not comprise a complete set of financial statements. When this is the case, the entity shall present related note information for those additional statements.

38D For example, an entity may present a third statement of profit or loss and other comprehensive income (thereby presenting the current period, the preceding period and one additional comparative period). However, the entity is not required to present a third statement of financial position, a third statement of cash flows or a third statement of changes in equity (ie an additional financial statement comparative). The entity is required to present, in the notes to the financial statements, the comparative information related to that additional statement of profit or loss and other comprehensive income.

Change in accounting policy, retrospective restatement or reclassification

41 If an entity changes the presentation or classification of items in its financial statements, it shall reclassify comparative amounts unless reclassification is impracticable.

Statement of financial position

Information to be presented in the statement of financial position

55 An entity shall present additional line items …, headings and subtotals in the statement of financial position when such presentation is relevant to an understanding of the entity's financial position.

55A When an entity presents subtotals in accordance with paragraph 55, those subtotals shall:

(a) be comprised of line items made up of amounts recognised and measured in accordance with Australian Accounting Standards;

(b) be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable;

(c) be consistent from period to period, in accordance with paragraph 45; and

Appendix A1 - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 2

Disclosures Retained for Tier 2 Entities

(d) not be displayed with more prominence than the subtotals and totals required in Australian Accounting Standards for the statement of financial position.

Information to be presented either in the statement of financial position or in the notes

79 **An entity shall disclose the following, either in the statement of financial position or the statement of changes in equity, or in the notes:**

(a) …

(b) a description of the nature and purpose of each reserve within equity.

Statement of profit or loss and other comprehensive income

85 **An entity shall present additional line items …, headings and subtotals in the statement(s) presenting profit or loss and other comprehensive income when such presentation is relevant to an understanding of the entity's financial performance.**

85A When an entity presents subtotals in accordance with paragraph 85, those subtotals shall:

(a) be comprised of line items made up of amounts recognised and measured in accordance with Australian Accounting Standards;

(b) be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable;

(c) be consistent from period to period, in accordance with paragraph 45; and

(d) not be displayed with more prominence than the subtotals and totals required in Australian Accounting Standards for the statement(s) presenting profit or loss and other comprehensive income.

Other comprehensive income for the period

90 **An entity shall disclose the amount of income tax relating to each item of other comprehensive income, including reclassification adjustments, either in the statement of profit or loss and other comprehensive income or in the notes.**

91 An entity may present items of other comprehensive income either:

(a) net of related tax effects, or

(b) before related tax effects with one amount shown for the aggregate amount of income tax relating to those items.

If an entity elects alternative (b), it shall allocate the tax between the items that might be reclassified subsequently to the profit or loss section and those that will not be reclassified subsequently to the profit or loss section.

92 **An entity shall disclose reclassification adjustments relating to components of other comprehensive income.**

Information to be presented in the statement of changes in equity or in the notes

107 **An entity shall present, either in the statement of changes in equity or in the notes, the amount of dividends recognised as distributions to owners during the period …**

Disclosure of accounting policies

117 **An entity shall disclose its significant accounting policies comprising:**

(a) the measurement basis (or bases) used in preparing the financial statements; and

(b) the other accounting policies used that are relevant to an understanding of the financial statements.

Appendix A1 - RDR under proposed principles – AASB 101/NZ IAS 1 *Presentation of Financial Statements* communicated using Approach 2

Disclosures Retained for Tier 2 Entities

122 An entity shall disclose, along with its significant accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph 125), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Sources of estimation uncertainty

125 An entity shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of:

(a) their nature, and

(b) their carrying amount as at the end of the reporting period.

Other disclosures

137 An entity shall disclose in the notes:

(a) the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to owners during the period, and the related amount per share; and

(b) the amount of any cumulative preference dividends not recognised.

138 An entity shall disclose the following, if not disclosed elsewhere in information published with the financial statements:

(a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office);

(b) a description of the nature of the entity's operations and its principal activities;

(c) the name of the parent and the ultimate parent of the group; and

(d) if it is a limited life entity, information regarding the length of its life.

Appendix B

Appendix B - RDR under proposed principles – AASB 136/NZ IAS 36 *Impairment of Assets* communicated using Approach 1

*****Only disclosure paragraphs are included in this table*****

Disclosure concessions under proposed principles (shaded)	Staff analysis
Disclosure **126 An entity shall disclose the following for each class of assets:** **(a) the amount of impairment losses recognised in profit or loss during the period and the line item(s) of the statement of comprehensive income in which those impairment losses are included.** **(b) the amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) of the statement of comprehensive income in which those impairment losses are reversed.** **(c) the amount of impairment losses on revalued assets recognised in other comprehensive income during the period.** **(d) the amount of reversals of impairment losses on revalued assets recognised in other comprehensive income during the period.**	Paragraph 126, with the exception of the requirement to disclose the line item(s) in the statement of comprehensive income which include the impairment losses or the reversals of impairment losses, meets user needs in relation to CDA (b) impairment. Benefits of the disclosure requirements in paragraph 126, with the exception of the disclosure of the line item(s) in the statement of comprehensive income which include impairment losses and reversals of impairment losses, exceed costs. Therefore the paragraph is retained for Tier 2 entities. The costs of the disclosure of the line item(s) in the statement of comprehensive income which include impairment losses and reversals of impairment losses exceed the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore these disclosure requirements within paragraph 126(a) and (b) are excluded for Tier 2 entities.
128 The information required in paragraph 126 may be presented with other information disclosed for the class of assets. For example, this information may be included in a reconciliation of the carrying amount of property, plant and equipment, at the beginning and end of the period, as required by AASB 116/NZ IAS 16.	Explanatory paragraph regarding presentation of the information required in paragraph 126. No disclosure requirements to analyse.
129 An entity that reports segment information in accordance with AASB 8/NZ IFRS 8 shall disclose the following for each reportable segment: **(a) the amount of impairment losses recognised in profit or loss and in other comprehensive income during the period.** **(b) the amount of reversals of impairment losses recognised in profit or loss and in other comprehensive income during the period.**	Paragraph 129 is not relevant to an entity applying the RDR framework. Paragraph 129 has been shaded to indicate that a Tier 2 entity applying the RDR framework does not need to consider these requirements.
130 An entity shall disclose the following for an individual asset (including goodwill) or a cash-generating unit, for which an impairment loss has been recognised or reversed during the period: **(a) the events and circumstances that led to the recognition or reversal of the impairment loss.**	Paragraph 130(a) meets user needs in relation to CDA (b) impairment. Benefits of the disclosure requirements in paragraph 130(a) exceed the costs. Therefore paragraph 130(a) is retained for Tier 2 entities.

<table>
<tr><th colspan="2">Appendix B - RDR under proposed principles – AASB 136/NZ IAS 36 Impairment of Assets communicated using Approach 1
Only disclosure paragraphs are included in this table</th></tr>
<tr><th>Disclosure concessions under proposed principles (shaded)</th><th>Staff analysis</th></tr>
<tr><td>(b) the amount of the impairment loss recognised or reversed.
(c) for an individual asset:
(i) the nature of the asset; and
(ii) if the entity reports segment information in accordance with AASB 8/NZ IFRS 8, the reportable segment to which the asset belongs.
(d) for a cash-generating unit:
(i) a description of the cash-generating unit (such as whether it is a product line, a plant, a business operation, a geographical area, or a reportable segment as defined in AASB 8/NZ IFRS 8);
(ii) the amount of the impairment loss recognised or reversed by class of assets and, if the entity reports segment information in accordance with AASB 8/NZ IFRS 8, by reportable segment; and
(iii) if the aggregation of assets for identifying the cash-generating unit has changed since the previous estimate of the cash-generating unit's recoverable amount (if any), a description of the current and former way of aggregating assets and the reasons for changing the way the cash-generating unit is identified.</td><td>Paragraphs 130(b)–(d) meet user needs in relation to CDA (b) impairment. However, the costs of making the disclosures required by paragraph 130(b)-(d) exceed the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, paragraphs 130(b)–(d) are excluded for Tier 2 entities.</td></tr>
<tr><td>(e) the recoverable amount of the asset (cash-generating unit) and whether the recoverable amount of the asset (cash-generating unit) is its fair value less costs of disposal or its value in use.</td><td>Paragraph 126(e) meets user needs in relation to current liquidity and solvency of the entity. Benefits of the disclosure requirement in paragraph 126(e) exceed the costs. Therefore, paragraph 126(e) is retained for Tier 2 entities.</td></tr>
</table>

Appendix B - RDR under proposed principles – AASB 136/NZ IAS 36 *Impairment of Assets* communicated using Approach 1 *****Only disclosure paragraphs are included in this table*****	
Disclosure concessions under proposed principles (shaded)	**Staff analysis**
(f) if the recoverable amount is fair value less costs of disposal, the entity shall disclose the following information: **(i) the level of the fair value hierarchy (see AASB 13/NZ IFRS 13) within which the fair value measurement of the asset (cash-generating unit) is categorised in its entirety (without taking into account whether the 'costs of disposal' are observable);** **(ii) for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) used to measure fair value less costs of disposal. If there has been a change in valuation technique, the entity shall disclose that change and the reason(s) for making it; and** **(iii) for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, each key assumption on which management has based its determination of fair value less costs of disposal. Key assumptions are those to which the asset's (cash-generating unit's) recoverable amount is most sensitive. The entity shall also disclose the discount rate(s) used in the current measurement and previous measurement if fair value less costs of disposal is measured using a present value technique.** **(g) if recoverable amount is value in use, the discount rate(s) used in the current estimate and previous estimate (if any) of value in use.**	Paragraphs 130(f) and (g) meet user needs in relation to CDA (b) impairment. However, the costs of making the disclosures required by paragraphs 130(f) and (g) exceed the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, paragraphs 130(f) and (g) are excluded for Tier 2 entities.
131 An entity shall disclose the following information for the aggregate impairment losses and the aggregate reversals of impairment losses recognised during the period for which no information is disclosed in accordance with paragraph 130: **(a) the main classes of assets affected by impairment losses and the main classes of assets affected by reversals of impairment losses.** **(b) the main events and circumstances that led to the recognition of these impairment losses and reversals of impairment losses.**	Paragraph 131 meets user needs in relation to CDA (b) impairment. However, the costs of making the disclosures required by paragraph 131 exceed the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, paragraph 131 is excluded for Tier 2 entities.

Appendix B - RDR under proposed principles – AASB 136/NZ IAS 36 *Impairment of Assets* communicated using Approach 1 *****Only disclosure paragraphs are included in this table*****	
Disclosure concessions under proposed principles (shaded)	**Staff analysis**
132 An entity is encouraged to disclose assumptions used to determine the recoverable amount of assets (cash-generating units) during the period. However, paragraph 134 requires an entity to disclose information about the estimates used to measure the recoverable amount of a cash-generating unit when goodwill or an intangible asset with an indefinite useful life is included in the carrying amount of that unit.	Paragraph 132 does not meet user needs and is therefore excluded for Tier 2 entities.
133 If, in accordance with paragraph 84, any portion of the goodwill acquired in a business combination during the period has not been allocated to a cash-generating unit (group of units) at the end of the reporting period, the amount of the unallocated goodwill shall be disclosed together with the reasons why that amount remains unallocated.	Paragraph 133 does not meet user needs and is therefore excluded for Tier 2 entities.
Estimates used to measure recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives	
134 An entity shall disclose the information required by (a)–(f) for each cash-generating unit (group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (group of units) is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives: **(a) the carrying amount of goodwill allocated to the unit (group of units)** **(b) the carrying amount of intangible assets with indefinite useful lives allocated to the unit (group of units).** **(c) the basis on which the unit's (group of units') recoverable amount has been determined (ie value in use or fair value less costs of disposal).** **(d) if the unit's (group of units') recoverable amount is based on value in use:** **(i) each key assumption on which management has based its cash flow projections for the period covered by the most recent budgets/forecasts. Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive.**	Paragraph 134 meets user needs in relation to CDA (b) impairment. However, the costs of making the disclosures required by paragraph 134 exceed the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, paragraph 134 is excluded for Tier 2 entities.

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Appendix B - RDR under proposed principles – AASB 136/NZ IAS 36 *Impairment of Assets* communicated using Approach 1

*****Only disclosure paragraphs are included in this table*****

</th></tr>
<tr><th>Disclosure concessions under proposed principles (shaded)</th><th>Staff analysis</th></tr>
<tr><td>

(ii) a description of management's approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.

(iii) the period over which management has projected cash flows based on financial budgets/forecasts approved by management and, when a period greater than five years is used for a cash-generating unit (group of units), an explanation of why that longer period is justified.

(iv) the growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts, and the justification for using any growth rate that exceeds the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market to which the unit (group of units) is dedicated.

(v) the discount rate(s) applied to the cash flow projections.

(e) if the unit's (group of units') recoverable amount is based on fair value less costs of disposal, the valuation technique(s) used to measure fair value less costs of disposal. An entity is not required to provide the disclosures required by AASB 13/NZ IFRS 13. If fair value less costs of disposal is not measured using a quoted price for an identical unit (group of units), an entity shall disclose the following information:

(i) each key assumption on which management has based its determination of fair value less costs of disposal. Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive.

(ii) a description of management's approach to determining the value (or values) assigned to each key assumption, whether those values reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or

</td><td></td></tr>
</table>

Appendix B - RDR under proposed principles – AASB 136/NZ IAS 36 *Impairment of Assets* communicated using Approach 1 *****Only disclosure paragraphs are included in this table*****	
Disclosure concessions under proposed principles (shaded)	**Staff analysis**
external sources of information.	
(iiA) the level of the fair value hierarchy (see AASB 13/NZ IFRS 13) within which the fair value measurement is categorised in its entirety (without giving regard to the observability of 'costs of disposal'). **(iiB) if there has been a change in valuation technique, the change and the reason(s) for making it.** **If fair value less costs of disposal is measured using discounted cash flow projections, an entity shall disclose the following information:** **(iii) the period over which management has projected cash flows.** **(iv) the growth rate used to extrapolate cash flow projections.** **(v) the discount rate(s) applied to the cash flow projections.** **(f) if a reasonably possible change in a key assumption on which management has based its determination of the unit's (group of units') recoverable amount would cause the unit's (group of units') carrying amount to exceed its recoverable amount:** **(i) the amount by which the unit's (group of units') recoverable amount exceeds its carrying amount.** **(ii) the value assigned to the key assumption.** **(iii) the amount by which the value assigned to the key assumption must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the unit's (group of units') recoverable amount to be equal to its carrying amount.**	

<table>
<tr><td colspan="2">Appendix B - RDR under proposed principles – AASB 136/NZ IAS 36 Impairment of Assets communicated using Approach 1
Only disclosure paragraphs are included in this table</td></tr>
<tr><td>Disclosure concessions under proposed principles (shaded)</td><td>Staff analysis</td></tr>
<tr><td>135 If some or all of the carrying amount of goodwill or intangible assets with indefinite useful lives is allocated across multiple cash-generating units (groups of units), and the amount so allocated to each unit (group of units) is not significant in comparison with the entity’s total carrying amount of goodwill or intangible assets with indefinite useful lives, that fact shall be disclosed, together with the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to those units (groups of units). In addition, if the recoverable amounts of any of those units (groups of units) are based on the same key assumption(s) and the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to them is significant in comparison with the entity’s total carrying amount of goodwill or intangible assets with indefinite useful lives, an entity shall disclose that fact, together with:

(a) the aggregate carrying amount of goodwill allocated to those units (groups of units).

(b) the aggregate carrying amount of intangible assets with indefinite useful lives allocated to those units (groups of units).

(c) a description of the key assumption(s).

(d) a description of management’s approach to determining the value(s) assigned to the key assumption(s), whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.

(e) if a reasonably possible change in the key assumption(s) would cause the aggregate of the units’ (groups of units’) carrying amounts to exceed the aggregate of their recoverable amounts:

(i) the amount by which the aggregate of the units’ (groups of units’) recoverable amounts exceeds the aggregate of their carrying amounts.

(ii) the value(s) assigned to the key assumption(s).

(iii) the amount by which the value(s) assigned to the key assumption(s) must change, after incorporating any consequential effects of the change on the other variables used to measure recoverable amount, in order for the aggregate of the units’ (groups of units’) recoverable amounts to be equal to the aggregate of their carrying amounts.</td><td>Paragraph 135 meets user needs in relation to CDA (b) impairment.

However, the costs of making the disclosures required by paragraph 135 exceed the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, paragraph 135 is excluded for Tier 2 entities.</td></tr>
</table>

Appendix B - RDR under proposed principles – AASB 136/NZ IAS 36 *Impairment of Assets* communicated using Approach 1 *****Only disclosure paragraphs are included in this table*****	
Disclosure concessions under proposed principles (shaded)	**Staff analysis**
136 The most recent detailed calculation made in a preceding period of the recoverable amount of a cash-generating unit (group of units) may, in accordance with paragraph 24 or 99, be carried forward and used in the impairment test for that unit (group of units) in the current period provided specified criteria are met. When this is the case, the information for that unit (group of units) that is incorporated into the disclosures required by paragraphs 134 and 135 relate to the carried forward calculation of recoverable amount.	Explanatory paragraph in relation to the disclosures required by paragraphs 134 and 135, which are excluded for Tier 2 entities. Therefore, paragraph 136 is excluded for Tier 2 entities.

Appendix B1

Appendix B1 - RDR under proposed principles – AASB 136/NZ IAS 36 *Impairment of Assets* communicated using Approach 2

Disclosures Retained for Tier 2 Entities

126 An entity shall disclose the following for each class of assets:

(a) the amount of impairment losses recognised in profit or loss during the period …

(b) the amount of reversals of impairment losses recognised in profit or loss during the period …

(c) the amount of impairment losses on revalued assets recognised in other comprehensive income during the period.

(d) the amount of reversals of impairment losses on revalued assets recognised in other comprehensive income during the period.

130 An entity shall disclose the following for an individual asset (including goodwill) or a cash-generating unit, for which an impairment loss has been recognised or reversed during the period:

(a) the events and circumstances that led to the recognition or reversal of the impairment loss.

…

(e) the recoverable amount of the asset (cash-generating unit) and whether the recoverable amount of the asset (cash-generating unit) is its fair value less costs of disposal or its value in use.

Appendix C

<table>
<tr><th colspan="2">Appendix C - RDR under proposed principles – AASB 15/NZ IFRS 15 Revenue from Contracts with Customers communicated using Approach 1
Disclosure paragraphs with no disclosure requirements are highlighted in GREEN</th></tr>
<tr><td>Disclosure concessions under proposed principles (shaded)</td><td>Staff Analysis</td></tr>
<tr><td>Disclosure</td><td></td></tr>
<tr><td>110 The objective of the disclosure requirements is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To achieve that objective, an entity shall disclose qualitative and quantitative information about all of the following:
(a) its contracts with customers (see paragraphs 113–122);
(b) the significant judgements, and changes in the judgements, made in applying this Standard to those contracts (see paragraphs 123–126); and
(c) any assets recognised from the costs to obtain or fulfil a contract with a customer in accordance with paragraph 91 or 95 (see paragraphs 127–128).</td><td>Paragraph 110 identifies the objectives of the disclosure requirements in the Standard. No disclosure requirements to analyse.</td></tr>
<tr><td>111 An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.</td><td>Explanatory material regarding the level of detail necessary to meet the disclosure objective. No disclosure requirements to analyse.</td></tr>
<tr><td>Contracts with customers
113 An entity shall disclose all of the following amounts for the reporting period unless those amounts are presented separately in the statement of comprehensive income in accordance with other Standards:
(a) revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue; and
(b) any impairment losses recognised (in accordance with AASB 9/NZ IFRS 9) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts.</td><td>Paragraph 113(a) meets user needs in relation to SDA (a) the nature of transactions or event.
Paragraph 113(b) meets user needs in relation to CDA(b) impairment.
Benefits exceed the costs of disclosure. Therefore, paragraph 113 is retained for Tier 2 entities.</td></tr>
<tr><td>Disaggregation of revenue
114 An entity shall disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. An entity shall apply the guidance in paragraphs B87–B89 when selecting the categories to use to disaggregate revenue.</td><td>Paragraph 114 does not meet user needs and is therefore excluded for Tier 2 entities.</td></tr>
<tr><td>115 In addition, an entity shall disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated</td><td>The paragraph 115 reference to AASB 8/NZ IFRS 8 is not relevant to an entity applying the RDR framework. Paragraph 115 does not meet user needs and is</td></tr>
</table>

Appendix C - RDR under proposed principles – AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers* communicated using Approach 1

Disclosure paragraphs with no disclosure requirements are highlighted in GREEN

Disclosure concessions under proposed principles (shaded)	Staff Analysis
revenue (in accordance with paragraph 114) and revenue information that is disclosed for each reportable segment, if the entity applies AASB 8/NZ IFRS 8 *Operating Segments*.	therefore excluded for Tier 2 entities. Therefore, paragraph 115 is excluded for Tier 2 entities.
Contract balances 116 An entity shall disclose all of the following: (a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed; (b) revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and (c) revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price).	Paragraph 116(a) meets user needs in relation the current liquidity and solvency of the entity. Paragraph 116(b) and (c) meets user needs in relation to SDA (a) the nature of transactions or event. Benefits exceed the costs of disclosure. The presumption that costs exceed benefits should be rebutted as information about revenue recognised will ensure a user's understanding of an entity's operations. Therefore, paragraph 116 is retained for Tier 2 entities**.**
117 An entity shall explain how the timing of satisfaction of its performance obligations (see paragraph 119(a)) relates to the typical timing of payment (see paragraph 119(b)) and the effect that those factors have on the contract asset and the contract liability balances. The explanation provided may use qualitative information.	Paragraph 117 meets user needs in relation to current liquidity and solvency of the entity. However, the cost of making the disclosure required by paragraph 117 exceeds the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, paragraph 117 is excluded for Tier 2 entities.
118 An entity shall provide an explanation of the significant changes in the contract asset and the contract liability balances during the reporting period. The explanation shall include qualitative and quantitative information. Examples of changes in the entity's balances of contract assets and contract liabilities include any of the following: (a) changes due to business combinations; (b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification; (c) impairment of a contract asset; (d) a change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable); and (e) a change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability).	Paragraph 118 meets user needs in relation to current liquidity and solvency of the entity and subparagraph (c) addresses CDA (b) impairment. However, the cost of making the disclosure required by paragraph 118 exceeds the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, paragraph 118 is excluded for Tier 2 entities.
Performance obligations 119 An entity shall disclose information about its performance obligations in contracts with customers, including a description of all of the following: (a) when the entity typically satisfies its performance	Paragraph 119 meets user needs in relation to: current liquidity and solvency of the entity; CDA(a) commitments; and CDA(c) related parties. Benefits exceed the costs of disclosure. Therefore, paragraph 119 is retained for Tier 2 entities.

Appendix C - RDR under proposed principles – AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers* communicated using Approach 1

Disclosure paragraphs with no disclosure requirements are highlighted in GREEN

Disclosure concessions under proposed principles (shaded)	Staff Analysis
obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service), including when performance obligations are satisfied in a bill-and-hold arrangement; (b) the significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the consideration amount is variable and whether the estimate of variable consideration is typically constrained in accordance with paragraphs 56–58); (c) the nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (ie if the entity is acting as an agent); (d) obligations for returns, refunds and other similar obligations; and (e) types of warranties and related obligations.	
Transaction price allocated to the remaining performance obligations 120 An entity shall disclose the following information about its remaining performance obligations: (a) the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and (b) an explanation of when the entity expects to recognise as revenue the amount disclosed in accordance with paragraph 120(a), which the entity shall disclose in either of the following ways: (i) on a quantitative basis using the time bands that would be most appropriate for the duration of the remaining performance obligations; or (ii) by using qualitative information.	Paragraphs 120-122 meets user needs in relation to current liquidity and solvency of the entity. However, the cost of making the disclosures required by paragraphs 120-122 exceed the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, paragraphs 120-122 are excluded for Tier 2 entities.
121 As a practical expedient, an entity need not disclose the information in paragraph 120 for a performance obligation if either of the following conditions is met: (a) the performance obligation is part of a contract that has an original expected duration of one year or less; or (b) the entity recognises revenue from the satisfaction of the performance obligation in accordance with paragraph B16.	
122 An entity shall explain qualitatively whether it is applying the practical expedient in paragraph 121 and whether any consideration from contracts with customers is not included in the transaction price and, therefore, not included in the information disclosed in accordance with paragraph 120. For example, an estimate of the transaction price would not include any estimated amounts of variable consideration	

Appendix C - RDR under proposed principles – AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers* communicated using Approach 1

Disclosure paragraphs with no disclosure requirements are highlighted in GREEN

Disclosure concessions under proposed principles (shaded)	Staff Analysis
that are constrained (see paragraphs 56–58).	
Significant judgements in the application of this Standard 123 An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following: (a) the timing of satisfaction of performance obligations (see paragraphs 124–125); and (b) the transaction price and the amounts allocated to performance obligations (see paragraph 126).	Paragraph 123 meets user needs in relation to: current liquidity and solvency of the entity. Benefits exceed the costs of disclosure. However, given the disclosure requirements in AASB 101/NZ IAS 1 for sources of estimation uncertainty that are retained for Tier 2 entities, the costs to make the disclosures required by paragraph 123 exceed the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, paragraph 123 is excluded for Tier 2 entities.
Determining the timing of satisfaction of performance obligations 124 For performance obligations that an entity satisfies over time, an entity shall disclose both of the following: (a) the methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied); and (b) an explanation of why the methods used provide a faithful depiction of the transfer of goods or services.	Paragraph 124 meets user needs in relation to SDA (a) nature of transaction or event and (b) accounting policy on when to recognise and how to measure. The benefits exceed the costs of the disclosure in paragraph 124(a). The presumption that costs exceed benefits should be rebutted as information about the method used to recognise revenue will ensure a user's understanding of an entity's operations. Therefore, paragraph 124(a) is retained for Tier 2 entities. However the cost of making the disclosure required by paragraph 124(b) exceeds the benefits. Therefore, paragraph 124(b) is excluded for Tier 2 entities.
125 For performance obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when a customer obtains control of promised goods or services.	Paragraph 125 meets user needs in relation to current liquidity and solvency of the entity. Benefits exceed the costs of disclosure. However, given the disclosure requirements in AASB 101/NZ IAS 1 for sources of estimation uncertainty that are retained for Tier 2 entities, the costs to make the disclosures required by paragraph 125 exceed the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, paragraph 125 is excluded for Tier 2 entities.
Determining the transaction price and the amounts allocated to performance obligations 126 An entity shall disclose information about the methods, inputs and assumptions used for all of the following: (a) determining the transaction price, which includes, but is not limited to, estimating variable consideration, adjusting the consideration for the effects of the time value of money and measuring non-cash consideration; (b) assessing whether an estimate of variable consideration is constrained; (c) allocating the transaction price, including estimating stand-alone selling prices of promised goods or	Paragraph 126 meets user needs in relation to SDA (a) nature of transaction or event; (b) accounting policy on when to recognise and how to measure; (c) significant estimates and judgements specific to a transaction or event; and (d) associated key risks specific to a transaction or event. However, the cost of making the disclosure required by paragraph 126 exceed the benefits. Therefore, paragraph 126 is excluded for Tier 2 entities.

Appendix C - RDR under proposed principles – AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers* communicated using Approach 1

Disclosure paragraphs with no disclosure requirements are highlighted in GREEN

Disclosure concessions under proposed principles (shaded)	Staff Analysis
services and allocating discounts and variable consideration to a specific part of the contract (if applicable); and (d) measuring obligations for returns, refunds and other similar obligations.	
Assets recognised from the costs to obtain or fulfil a contract with a customer 127 An entity shall describe both of the following: (a) the judgements made in determining the amount of the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95); and (b) the method it uses to determine the amortisation for each reporting period.	Paragraph 127 meets user needs in relation to SDA (b) accounting policy on when to recognise and how to measure; and (c) significant estimates and judgements specific to a transaction or event. However, the cost of making the disclosure required by paragraph 127 exceed the benefits. Therefore, paragraph 127 is excluded for Tier 2 entities.
128 An entity shall disclose all of the following: (a) the closing balances of assets recognised from the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95), by main category of asset (for example, costs to obtain contracts with customers, pre-contract costs and setup costs); and (b) the amount of amortisation and any impairment losses recognised in the reporting period.	Paragraph 128 with the exception of the requirement to disclose 'by main category of asset' meets user needs in relation to CDA (a) commitments and contingencies; and (b) impairment. Benefits of the disclosure requirements in paragraph 128, with the exception of the disclosure by main category of asset exceed the costs. Therefore, paragraph 128, with the exception of the disclosure by main category of asset is retained for Tier 2 entities. The costs of the requirement to disclose by main category of asset exceed the benefits. The presumption that benefits exceed costs should be rebutted as the information required to be disclosed is more detailed than is necessary to meet user needs. Therefore, this disclosure requirement within paragraph 128 is excluded for Tier 2 entities.
Practical expedients 129 If an entity elects to use the practical expedient in either paragraph 63 (about the existence of a significant financing component) or paragraph 94 (about the incremental costs of obtaining a contract), the entity shall disclose that fact.	Paragraph 129 does not meet user needs and is therefore excluded for Tier 2 entities.
Transition C8 For reporting periods that include the date of initial application, an entity shall provide both of the following additional disclosures if this Standard is applied retrospectively in accordance with paragraph C3(b): (a) the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compare to AASB 111/NZ IAS 11, AASB 118/NZ IAS 18 and related Interpretations that were in effect before the change; and (b) an explanation of the reasons for significant changes identified in C8(a).	Paragraph C8 does not meet user needs and is therefore excluded for Tier 2 entities.

Appendix C1

Appendix C1 - RDR under proposed principles – AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers* communicated using Approach 2

Disclosures Retained for Tier 2 Entities

Contracts with customers

113 An entity shall disclose all of the following amounts for the reporting period unless those amounts are presented separately in the statement of comprehensive income in accordance with other Standards:

(a) revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue; and

(b) any impairment losses recognised (in accordance with AASB 9/NZ IFRS 9) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts.

Contract balances

116 An entity shall disclose all of the following:

(a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed;

(b) revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and

(c) revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price).

Performance obligations

119 An entity shall disclose information about its performance obligations in contracts with customers, including a description of all of the following:

(a) when the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service), including when performance obligations are satisfied in a bill-and-hold arrangement;

(b) the significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the consideration amount is variable and whether the estimate of variable consideration is typically constrained in accordance with paragraphs 56–58);

(c) the nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (ie if the entity is acting as an agent);

(d) obligations for returns, refunds and other similar obligations; and

(e) types of warranties and related obligations.

Significant judgements in the application of this Standard

123 An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following:

(a) the timing of satisfaction of performance obligations (see paragraphs 124–125); and

(b) the transaction price and the amounts allocated to performance obligations (see paragraph 126).

Determining the timing of satisfaction of performance obligations

124 For performance obligations that an entity satisfies over time, an entity shall disclose both of the following:

(a) the methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied); and

Appendix C1 - RDR under proposed principles – AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers* communicated using Approach 2

Disclosures Retained for Tier 2 Entities

(b) …

125 For performance obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when a customer obtains control of promised goods or services.

Assets recognised from the costs to obtain or fulfil a contract with a customer

128 An entity shall disclose all of the following:

(a) the closing balances of assets recognised from the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95) …; and

(b) the amount of amortisation and any impairment losses recognised in the reporting period.