

SCOPE

- PBE FRS 46 applies to entities that previously complied with the NZ IFRS suites of standards (NZ IFRS PBE, NZ IFRS, NZ IFRS RDR or NZ IFRS Diff Rep);
- PBE FRS 46 applies to the first set of financial statements that contain an explicit and unreserved statement of compliance with PBE Standards.
- PBE FRS 46 applies to any interim financial statements for a period covered by those first financial statements that are prepared under PBE Standards.

RECOGNITION AND MEASUREMENT

SPECIFIC TRANSITIONAL PROVISIONS

- Specific transitional provisions are detailed in relation to:
- PBE IPSAS 23 - *Revenue from Non-Exchange Transactions*
 - PBE IPSAS 32 - *Service Concession Arrangements: Grantor*

SPECIFIC TRANSITIONAL PROVISIONS - ENTITIES PREVIOUSLY APPLYING DIFFERENTIAL REPORTING CONCESSIONS

- On first-time adoption of PBE Standards, an entity that previously qualified for, and applied, any of the recognition and measurement differential reporting concessions available under NZ IFRS PBE or NZ IFRS Diff Rep shall change its accounting policies to comply with PBE Standards.
- Disclose the accounting policy previously applied under NZ IFRS PBE or NZ IFRS Diff Rep and restate the comparative information in accordance with paragraph 18.
- Appendix A sets out the recognition and measurement differential reporting concessions previously available under NZ IFRS PBE and NZ IFRS Diff Rep but which are not available under PBE Standards.

TIER 2 RDR REPORTERS

RDR reporters are required to comply with PBE FRS 46 in full.

OPENING PBE STANDARDS STATEMENT OF FINANCIAL POSITION

- An opening PBE Standards Statement of Financial Position is prepared at the date of transition.
- An entity must apply those PBE Standards that are effective at the end of its first reporting period under PBE Standards
- All PBE Standards are applied consistently across all reporting periods in the entity's first set of PBE Standards compliant financial statements (i.e. both the comparatives and the current reporting period).
- An entity recognises all assets and liabilities required to be recognised by PBE Standards;
- An entity derecognises previously recognised assets and liabilities that are not permitted to be recognised by PBE Standards; and
- Any adjustments to the carrying amounts of assets and liabilities is recognised in opening net assets/equity.
- Where an entity elects to use a fair value measure as deemed cost in accordance with paragraph 16(c), the fair value measure must:
 - Be a value determined in accordance with PBE Standards, NZ IFRSs or an event-driven fair value measure; and
 - Be a value determined at or before the date of transition to PBE Standards.

PRESENTATION AND DISCLOSURE

- An entity's first set of PBE Standards financial statements must:
- include a statement that the interim or annual financial statements presented are its first set of financial statements presented in accordance with PBE Standards; or
 - include a statement that prospective financial statements presented are its first set of prospective financial statements presented in accordance with PBE Standards; and
 - Disclose the nature and amount of the adjustment for each financial statement line item that is materially affected at the date of adoption of PBE Standards, distinguishing separately corrections of errors and voluntary changes in accounting policies from changes resulting from transition to PBE Standards.

GENERAL PRINCIPLES AND EXCEPTIONS

- Except where otherwise required by PBE Standards and subject to the provisions in paragraphs 17 and 22-39:
- If previously presented general purpose financial statements in accordance with NZ IFRSs, the same recognition and measurement policies shall be applied for those transactions and events in its first set of financial statements under PBE Standards;
 - If previously qualified for and applied differential reporting concessions under NZ IFRSs, the same recognition and measurement policies shall be applied for those transactions and events in the first set of financial statements under PBE Standards.
 - Shall not revise an accounting estimate of a previously recognised item when applying PBE Standards at the date of transition to PBE Standards.
 - Shall not apply PBE IPSAS 3 *Accounting Policies, Changes in Accounting Estimates and Errors* in preparing its first set of financial statements in accordance with PBE Standards, unless:
 - A prior period error is identified, in which case PBE IPSAS 3 (paragraphs 46-54) applies; or
 - There is a voluntary change in an accounting policy, including a change to apply a different option permitted under PBE Standards, in which case PBE IPSAS 3 (paragraphs 17-34) applies; or
 - Otherwise specified by this Standard.

COMPARATIVE INFORMATION AND HISTORICAL SUMMARIES

- Where the presentation or classification of an item in the financial statements changes as a result of the first time application of PBE Standards, the comparative information requirements in PBE IPSAS 1 *Presentation of Financial Statements* (paragraphs 55-57) apply.
- For statements containing historical summaries, or comparative information additional to that required by PBE IPSAS 1, prepared in accordance with both NZ IFRSs and PBE Standards:
 - Identify the NZ IFRSs information prominently as not being prepared in accordance with PBE Standards; and
 - Disclose the nature of the main adjustments that would be necessary to make that information comply with PBE Standards. An entity need not quantify those adjustments.