

ASSURANCE ALERT



FOR-PROFIT ENTITIES - IMPACTS OF TRANSITIONING FROM DIFFERENTIAL REPORTING TO NZ IFRS REDUCED DISCLOSURE REGIME: (4) REQUIREMENT TO PREPARE A STATEMENT OF CHANGES IN EQUITY

As highlighted in the December 2014 edition of *Assurance Alert*, there are a number of key differences for for-profit entities to consider when transitioning from differential reporting (Tier 3) to NZ IFRS Reduced Disclosure Regime (Tier 2).

In this article we address the impact of the removal of the exemption for entities not to prepare a statement of changes in equity in certain circumstances

Overview of the requirements of NZ IFRS (Diff Rep) and NZ IFRS (RDR)

Paragraph NZ 6.2 of NZ IAS 1 (Diff Rep) *Presentation of Financial Statements* provides entities with the option not to present a statement of changes in equity if the following two criteria are met (both in the current and previous reporting period):

- ▶ There have been no transactions between the entity and the owners of the entity (i.e. shareholders) in their capacity as shareholders (e.g. share issues, share repurchases, dividends etc.), and
- ▶ There have been no adjustments to the opening balance of retained earnings (e.g. to account for prior period errors, changes in accounting policy etc.).

Under NZ IFRS (RDR) this option has been removed, and therefore Tier 3 entities that will be required to transition to Tier 2 will be required to present a statement of changes in equity in **ALL** circumstances.

What should affected entities be doing now?

The vast majority of for-profit entities already prepare a statement of changes in equity, and therefore this change will have no impact.

However those entities that have previously been applying the above presentation exemption will need to ensure that their accounting systems and/or financial reporting templates are updated to incorporate the statement of changes in equity.

- ▶ For more on the above, please contact your local BDO representative

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FOR-PROFIT ENTITIES - IMPACTS OF TRANSITIONING FROM DIFFERENTIAL REPORTING TO NZ IFRS REDUCED DISCLOSURE REGIME: (5) MANDATORY IMPAIRMENT TESTS FOR GOODWILL AND CERTAIN INTANGIBLE ASSETS

As highlighted above, there are a number of key differences for for-profit entities to consider when transitioning from differential reporting (Tier 3) to NZ IFRS Reduced Disclosure Regime (Tier 2).

In this article we will be addressing the impact of the removal of the exemption from the mandatory impairment test available to Tier 3 reporters for:

- ▶ Goodwill (i.e. the cash-generating-unit(s) (CGUs) to which goodwill has been allocated)
- ▶ Intangible assets with indefinite lives, and
- ▶ Intangible assets not yet available for use.

Overview of the requirements of NZ IFRS (Diff Rep) and NZ IFRS (RDR)

Paragraph NZ 5.2 of NZ IAS 36 (Diff Rep) *Impairment of Assets* provides entities with the option not to undertake a mandatory annual impairment test of goodwill, intangible assets with indefinite lives, and intangible assets not yet available for use, which would normally be required in accordance with Paragraph 10 of NZ IAS 36.

Instead, entities able to apply NZ IFRS (Diff Rep) that elect to apply this exemption would assess whether indicators of impairment exist for these assets (and/or the cash-generating-units (CGUs) to which the assets are allocated). If there are no indicators of impairment, there is no need to carry out an impairment test.

Under NZ IFRS (RDR) this exemption has been removed.

Therefore Tier 3 NZ IFRS (Diff Rep) entities that are transitioning to Tier 2 NZ IFRS (RDR) will be required to conduct impairment tests for **ALL** balances of goodwill, intangible assets with indefinite lives, and intangible assets not yet available for use, irrespective of whether an indicator of impairment exists.

In addition, there has been an amendment to the international version of the standard (IAS 36 *Impairment of Assets*) that has not been incorporated into NZ IAS 36 (Diff Rep), but which will be included within NZ IAS 36 (RDR).

The amendment relates to determining an asset's (CGU's) **recoverable amount** by fair value less cost of disposal (FVLCD).

Under NZ IAS 36 (Diff Rep), there is a prescribed hierarchy of determining FVLCD, being (from top to bottom):

- ▶ From a binding sales agreement
- ▶ From an active market in which the asset (CGU) is traded

- ▶ From determining (using the best information available) the price that could be obtained from the sale of the asset (CGU) (usually by conducting a discounted cash flow).

However, under NZ IAS 36 (RDR), this hierarchy has been removed and replaced by the new guidance brought in by NZ IFRS 13 (RDR) *Fair Value Measurement*.

Fair value is now, by definition, the price that would be received to sell an asset (i.e. an 'exit price') in an orderly transaction between market participants.

While it is not anticipated that this change will result in a significant difference to the determination of FVLCD, there are a number of new concepts within NZ IFRS 13 (RDR) that entities will need to consider, such as:

- ▶ Highest-and-best-use (of non-financial assets)
- ▶ Principal or most advantageous market, and
- ▶ Valuation techniques (must maximise the use of observable inputs).

(For more on NZ IFRS 13 please refer to [September 2011 edition of Assurance Alert](#)).

Impairment testing – Basic Summary for Tier 2 reporters

i. Cash-generating-units (CGUs)

Goodwill arises only from the application of NZ IFRS 3 *Business Combinations*, and represents the residual unidentifiable assets acquired that represent future economic benefits to the acquirer (i.e. synergies).

Upon initial recognition, goodwill is required to be allocated to the appropriate CGU's that are expected to benefit from the synergies of the combination.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Further, the CGU's to which goodwill is allocated to must:

- ▶ Represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, and
- ▶ Not be larger than an operating segment, as defined by paragraph 5 of NZ IFRS 8 *Operating Segments* before aggregation.

The criteria applied in the determining an entity's operating segments is qualitative in nature, and therefore may require significant management judgement.

Goodwill is not subsequently re-allocated to other CGU's after its initial allocation, except in three rare instances, being:

- ▶ Where the initial allocation of goodwill has not been finalised at reporting date
- ▶ An operation with attributable goodwill within a CGU is disposed of, and
- ▶ The entity reorganises its structure.

Note: The allocation of goodwill to CGU's is required to have been performed (at initial recognition) irrespective of whether a subsequent impairment test was carried out by Tier 3 NZ IFRS (Diff Rep) entities. The above information has been provided as a reminder to entities.

ii. Timing of impairment testing

In respect to goodwill, intangible assets with indefinite lives, and intangible assets not yet available for use, impairment tests must be carried out at least annually (but also at any other time when there are indicators of impairment present).

The impairment test can be carried out at any point during the year, so long as it is carried out at the same time each year, on an asset (CGU) by asset (CGU) basis. This does not have to coincide with the entity's reporting date, although this is predominately what occurs in practice.

If the impairment test is carried out before reporting date, an entity must assess whether there are any additional indicators of impairment that have subsequently occurred that would suggest the impairment test should be revisited at the reporting date.

In addition, any goodwill, intangible assets with indefinite lives, and intangible assets not yet available for use that have been initially recognised during the period must be tested for impairment by the reporting date, even if this is outside the "normal" impairment cycle.

iii. Impairment testing

Impairment exists where an asset's (CGU's) **carrying amount** is greater than its **recoverable amount**.

An asset's (CGU's) **recoverable amount** is determined as the **higher** of either:

- ▶ Value in use (VIU), or
- ▶ Fair value less costs of disposal (FVLCD).

Carrying amount

While the carrying amount of an individual asset is relatively straight forward, the determination of the carrying amount of a CGU contains various components that require further consideration, including:

- ▶ Directly attributable assets
- ▶ Goodwill
- ▶ Share of corporate assets (i.e. those used in a support capacity across multiple CGU's that do not themselves generate cash flows)
- ▶ Liabilities (where applicable), and
- ▶ Net working capital.

Recoverable amount – Value in use (VIU)

In practice, due to adequate information not usually being available to reliably measure FVLCD of a CGU (and some assets), VIU is predominately used to determine the recoverable amount.

VIU represents the present value of the future cash flows expected to be derived from an asset or CGU (i.e. a discounted cash flows analysis (DCF)).

A DCF analysis is commonly split into two distinct periods:

FORECAST PERIOD	TERMINAL PERIOD
<ul style="list-style-type: none"> ▶ Most immediate future periods (maximum of 5 years*) ▶ Annual cash flows are specifically estimated ▶ Annual cash flows discounted back to Year 0 at the weighted-average cost of capital (WACC). 	<ul style="list-style-type: none"> ▶ Period beyond the forecast period ▶ The terminal value as at the end of the forecast period (TV) is calculated as the final annual cash flow in the forecast period (i.e. Year 5) multiplied at the long-term growth rate (g*), discounted by the difference between the WACC and g* ▶ The TV is then discounted back to Year 0 at the WACC.

The mechanics of DCF calculation is discussed in more detail in our international publication *IFRS in Practice – IAS 36 Impairment of Assets* available [here](#).

In practice, it is common for an entity to have more than one CGU, with each being exposed to different risks (i.e. markets, industries, products, currencies, interest rates etc.). Accordingly, **each** CGU must have its own specific discount rate (WACC) applied against the specific estimated cash flows.

Further, where a CGU has cash flows in different currencies, different discount rates may be required to be applied to the cash flows in each specific currency that incorporate the specific risks of that currency.

The application of DCFs for the purposes of determining VIU requires the use of significant management judgements and estimates, as well as the accuracy of mathematical computations.

Recoverable amount – Fair value less costs of disposal (FVLCD)

In the absence of a fair value evidenced by observable prices, entities may consider determining FVLCD based on a discounted cash flow technique, as it may initially appear that an entity would obtain a higher present value this way than through a DCF determined based on VIU (detailed above) due to the restrictions NZ IAS 36 (RDR) imposes on cash flows used in VIU.

However, NZ IAS 36 imposes a number of specific requirements on DCFs used to determine FVLCD that entities need to consider, including:

- ▶ The recoverable amount ultimately determined needs to represent an 'exit price' paid by a market participant to acquire the asset (CGU) from the entity.
- ▶ A DCF should only be used for FVLCD if it reflects a common valuation technique in the industry/jurisdiction in which the asset (CGU) is operated.
- ▶ The DCF must fully incorporate all relevant market factors that would be considered by market participants (including that nature and amount of cash inflows and outflows).

Even though the terminology has changed from *fair value less costs to sell* under NZ IAS 36 (Diff Rep) to *fair value less costs of disposal* under NZ IAS 36 (RDR), the definition, in essence, remains the same.

These costs include all incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expense, such as legal costs, stamp duty (and similar charges), costs of removing the asset, and direct incremental costs to bring an asset into condition for its sale.

iv. Recognition of an impairment expense

Where an impair test identifies that the carrying amount of an asset (CGU) is higher than its recoverable amount, the carrying amount of the asset (CGU) is reduced to the recoverable amount, and an impairment expense is recognised in profit or loss.

In respect to CGUs, the allocation of the impairment is:

- ▶ First to any balance of goodwill, and then
- ▶ Allocate proportionately to all other assets within the CGU on a pro-rata basis.

v. Recognition of an impairment reversal

When subsequent impairment tests reveal that the recoverable amount of an asset (CGU) is higher than its carrying amount, the carrying amount of the asset (CGU) is increased to the recoverable amount, and an impairment reversal is recognised in profit or loss, whilst noting that:

- ▶ Impairment reversals are **PROHIBITED** from being recognised against any balance of goodwill, and

- ▶ Any proportionate allocation to all other assets within the CGU (or an individual asset) is 'capped' to the amount that brings the asset (CGU) to the current carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset (CGU) previously.

Disclosure differences between NZ IFRS (Diff Rep) and NZ IFRS (RDR)

It should be noted NZ IAS 36 (RDR) carries forward most of the disclosure exemptions available under NZ IAS 36(Diff Rep). In addition the following disclosure exemptions are also now available to Tier 2 reporters.

- ▶ Disclosures regarding any portion of unallocated goodwill at reporting date as a result of a business combination during the period for which the accounting is yet to be finalised (paragraph 133).
- ▶ Disclosure of the carrying amount of goodwill and intangible assets with indefinite useful lives allocated to the CGU (group of units) (paragraph 133(a) and (b)).
- ▶ Disclosure of information regarding the carrying amount of goodwill or intangible assets with indefinite useful lives allocated across multiple CGUs (groups of units) (paragraph 135).

What should affected entities be doing now?

In terms of measurement, for those Tier 3 for-profit entities that are already undertaking annual impairment tests in relation to goodwill, intangible assets with indefinite lives, and intangible assets not yet available for use, the change will have no impact – however there may be changes in disclosure requirements that may need to be addressed (refer above).

For those Tier 3 for-profit entities that are yet to undertake annual impairment tests in relation to goodwill, intangible assets with indefinite lives, and intangible assets not yet available for use, there may be significant changes required including (but not limited to):

- ▶ Data capture (i.e. inputs used)
- ▶ Management oversight and governance (i.e. determining estimates and judgements in applying impairment tests), and
- ▶ Acquiring the services of external experts (i.e. computation, execution, compliance with requirements of NZ IAS 36 (RDR)).

The significance of this change should not be underestimated, and affected entities are strongly encouraged to assess and address the impact of this change as early as possible in order to mitigate potential issues in the transition to NZ IFRS (RDR).

Further resources available from BDO

Please note that BDO has comprehensive practical guide in relation to application of the international equivalent to NZ IAS 36, IFRS in Practice – IAS 36 Impairment of Assets.

This publication summarises the requirements of the standard in relation to impairment testing, and also considers and incorporates recent concerns and enforcement priorities raised by regulators, including both:

- ▶ Disclosures, and
- ▶ How impairment tests are prepared (i.e. inputs used, determination of CGUs,

allocation of goodwill to CGUs etc.).

Please click [here](#) to access a free version of this publication:

In addition, for those entities who currently determine recoverable amount using *fair value less costs to sell* under NZ IAS 36 (Diff Rep) and/or who are likely to determine recoverable amount using *fair value less costs*

of disposal under NZ IAS 36 (RDR), BDO has comprehensive guide in relation to application of the international equivalent to NZ IFRS 13, *Need to Know – IFRS 13 Fair Value Measurement* available [here](#).

- ▶ **For more on the above, please contact your local BDO representative**

ATTENTION ALL REGISTERED CHARITIES

We wish to remind all registered charities that there have been certain amendments to the *Charities Act 2005* that are due to come into effect for annual periods beginning on or after 1 April 2015.

New accounting frameworks

For annual periods commencing on or after 1 April 2005 all specified not-for-profit registered charities (i.e. those entities with operating expenditure in excess of \$125,000 for two consecutive accounting periods) will be required to prepare financial statements in terms of generally accepted accounting practice (GAAP).

Depending on the entity's size, the following frameworks will apply:

- ▶ For entities that are publically accountable or that have more than \$30 million of operating expenditures, Tier 1 Public Benefit Entity Standards will apply.
- ▶ For entities that are not publically accountable and that have operating expenditures of between \$2 million and \$30 million; Tier 2 Public Benefit Entity Standards (the Reduced Disclosure Regime) will apply.

- ▶ For entities that are not publically accountable and that have operating expenditures of between \$125,000 and \$2 million; Tier 3 Public Benefit Entity Simple Format Reporting - Accrual framework will apply.

Non-specified entities (i.e. those registered charities that have less than \$125,000 of operating expenditure) will be required to report under the Tier 4 – Public Benefit Entity Simple Format Reporting - Cash (Not-For-Profit) framework.

The relevant accounting frameworks for Tier 1 through Tier 4 can be accessed on the External Reporting Board's website [here](#).

Any registered charity **and** every officer thereof that fails to comply with any of the applicable Tier 1 through Tier 4 standards is liable, on conviction, to a fine not exceeding \$50,000.

Requirement for audit or review

Also for annual periods commencing on or after 1 April 2015, all registered charities that exceed certain size criteria will be required to be audited or reviewed by a qualified auditor in accordance with the auditing and assurance standards as follows:

- ▶ For those entities that have annual operating expenditure between \$500,000 and \$1,000,000, either a review or an audit will need to be carried out.
- ▶ For those entities that have annual operating expenditure in excess of \$1,000,000, an audit will need to be carried out.

Failure to comply with the above results in an offence and the registered charity is liable on conviction to a fine not exceeding \$50,000.

It should also be noted that financial statements may be required at an individual entity or a group level, depending on the particular facts and circumstances of the entity and the legislative and GAAP requirements.

- ▶ **For more on the above, please contact your local BDO representative.**

WHAT'S NEW FOR 31 DECEMBER 2014 ANNUAL FINANCIAL STATEMENTS?

The good news for Tier 1 and Tier 2 for-profit entities with December 2014 year ends whose reporting season is underway, is that following on from the wave of changes experienced recently, there are not many significant changes for 31 December 2014 year ends.

The main changes to accounting standards and interpretations that will impact your 31 December 2014 year ends for the first time include:

- ▶ Investment entity amendments to NZ IFRS 10 *Consolidated Financial Statements*
- ▶ Offsetting Financial Assets and Financial Liabilities (*amendments to NZ IAS 32*)
- ▶ Changes to recoverable amount disclosures (*amendments to NZ IAS 36*)
- ▶ Novation of Derivatives and Continuation of Hedge Accounting (*amendments to NZ IAS 39*)

- ▶ Defined Benefit Plans: Employee Contributions (amendments to NZ IAS 19)
- ▶ Annual improvements
- ▶ NZ IFRIC 21 *Leases*

These are discussed briefly below.

Investment entity amendments

A new concept of 'investment entity' has been introduced through changes to NZ IFRS 10. If your entity is an 'investment entity', you must recognise and measure investments in subsidiaries at fair value through profit or loss in accordance with NZ IFRS 9 *Financial Instruments* or NZ IAS 39 *Financial Instruments: Recognition and Measurement*, rather than consolidating them as required by NZ IFRS 10.

If you are determined to be an investment entity this treatment is required and is **not** optional.

To be an 'investment entity', an entity must meet **all** of the following criteria:

- ▶ Obtain funds from one or more investors for the purpose of providing those investors with investment management services
- ▶ Commit to investors that its business purpose is to invest funds solely for returns from capital appreciation and/or investment income
- ▶ Measure and evaluate the performance of substantially all of its investments on a fair value basis.

NZ IFRS 10 includes extensive guidance on what is, and what is not, an investment entity. Judgement is required and details of judgements made must be disclosed.

If you think that your entity may qualify as an investment entity, we stress the importance of confirming this view with your auditors as soon as possible because a significant amount of work will need to be undertaken to retrospectively restate these changes.

Offsetting Financial Assets and Financial Liabilities (amendments to NZ IAS 32)

The amendments clarify certain aspects of the requirements on offsetting, focused on four main areas, namely:

- ▶ the meaning of 'currently has a legally enforceable right of set-off';
- ▶ the application of simultaneous realisation and settlement;
- ▶ the offsetting of collateral amounts; and
- ▶ the unit of account for applying the offsetting requirements.

We do not anticipate that these clarifications will have a significant impact in New Zealand, although it is highly recommended that entities ensure that they are compliant with these amendments prior to offsetting any financial assets and liabilities.

Changes to recoverable amount disclosures

When NZ IFRS 13 *Fair Value Measurement* was issued in 2011, changes were made to NZ IAS 36 *Impairment of Assets* to require that at each reporting date, the recoverable amount must be disclosed of a cash-generating unit (CGU) with significant amounts of goodwill and intangibles with indefinite useful lives.

This was not the intention, and a subsequent amendment was made to NZ IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* to clarify that the recoverable amount only needs to be disclosed for individual assets and CGUs that have suffered impairment losses during the period (or have had a reversal of an impairment loss during the period).

The amendment also introduces various additional disclosures where recoverable amount is determined using **fair value less costs of disposal**, including the level in the fair value hierarchy, and for instances where fair value is level 2 or 3:

- ▶ A description of the valuation technique, changes in valuation techniques and reasons for changes
- ▶ Description of each key assumption used, and
- ▶ Discount rate used.

(There are disclosure exemptions available for Tier 2 entities in relation hereto.)

Novation of Derivatives and Continuation of Hedge Accounting (amendments to NZ IAS 39)

The amendment clarifies that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

This amendment is expected to have limited application.

Defined Benefit Plans: Employee Contributions (amendments to NZ IAS 19)

The amendment clarifies the requirements that relate to how contributions to defined benefit funds from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

This amendment is expected to have limited application in New Zealand.

Annual improvements

There are two amendments that apply to 31 December 2014 year ends as a result of the 2010-2012 and 2011-2013 annual improvements cycles.

These changes are:

- ▶ NZ IFRS 2 *Share-based Payment* – Clarifies that performance targets can be based on metrics of another group entity, not just the entity itself, and these will therefore be treated as vesting conditions, rather than non-vesting conditions. The accounting effect will only change where the metric was a non-market condition and true up will be required in future if the instruments do not vest.
- ▶ NZ IFRS 3 *Business Combinations* – Clarifies that changes to contingent consideration must be measured at fair value through profit or loss.

NZ IFRIC 21 Levies

Although initially intended to deal with banking levies imposed on European banks operating on a particular date (rather than during a period), the scope of this interpretation was widened to deal with all government levies, other than income taxes under NZ IAS 12 *Income Taxes*.

It clarifies the circumstances under which a liability to pay a government imposed levy should be recognised, and whether that liability should be recognised in full at a specific date, or progressively over a period of time.

You will need to consider the types of government levies paid and the appropriate timing for liability recognition in the context of this interpretation, particularly where the reporting period and levy assessment periods do not coincide.

For groups that operates in multiple jurisdictions, you will need to have a thorough understanding of the various local types of government levies payable and associated timing for liability recognition.

- ▶ **For more information on the above, please contact your local BDO representative.**





NEW BDO PUBLICATIONS

The **Audit** section of our website includes a range of publications on IFRS issues. For example:

- ▶ **NZ IFRS Industry Issues** contains a high level overview of the impact of new standards on particular industries. Recent NZ IFRS Industry Issues include overviews of the impact of NZ IFRS 15 *Revenue from Contracts with Customers* on the manufacturing; retail; telecommunications, software; media, construction-real estate and professional services industries.
- ▶ **Summaries on a Page (SOAPs)** contain summaries of NZ IFRS Standards for for-profit entities and PBE Standards for public sector and not-for profit entities currently in effect in New Zealand.

Also look for the '[BDO International IFRS](#)' link which includes resources such as:

- ▶ **IFRS at a glance** – 'one page' and short summaries of all IFRS standards.
- ▶ **IFRS News at a glance** – provides high-level headlines of newly released documents by the IASB and IFRS related announcements by securities regulators.
- ▶ **Need to Knows** – updates on major IASB projects and highlights practical implications of forthcoming changes to accounting standards. Recent Need to Knows include IFRS 15 *Revenue from Contracts with Customers* (Aug 2014), IFRS 9 *Financial Instruments* (May 2014), *Hedge Accounting* (IFRS 9 *Financial Instruments*) (Jan 2014), IFRS 11 *Joint Arrangements* (Dec 2013) and IFRS 13 *Fair Value Measurement* (Dec 2013).
- ▶ **IFRS in Practice** – practical information about the application of key aspects of IFRS, including industry specific guidance. Recent IFRS in Practice include IFRS 15 *Revenue from Contracts with Customers* (Oct 2014), IAS 7 *Statement of Cash Flows*, *Distinguishing between a business combination and an asset purchase in the extractives industry* (March 2014), IAS 36 *Impairment of Assets* (Dec 2013) and *Common Errors in Financial Statements – Share-based Payment* (Dec 2013).
- ▶ **Comment letters on IFRS standard setting** – includes BDO comments on various projects of international standard setters, including Exposure Drafts and other Discussion Papers, when it is considered that the issue is significant to the BDO network and its clients. Latest comment letters include IASB - ED 2014 4 - *Measuring Quoted Investments in Subsidiaries*, IASB - ED 2014 3 - *Recognition of Deferred Tax Assets for Unrealised Losses; Joint Ventures and Associates at Fair Value*; IASB ED 2014-02 *Investment Entities: Applying the Consolidation Exception*, IASB ED 2014-01 *Disclosure Initiative and Request for information – Post-implementation Review: IFRS 3 Business Combinations*.
- ▶ **For more on the above, please contact your local BDO representative.**

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