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Accounting Alert

Quarterly update – For-profit entities

Connect to what's new in financial reporting for 30 June 2026

This quarterly update includes a high-level overview of new and revised financial reporting requirements that need to be considered by for-profit entities for annual and interim financial reporting periods ending on 30 June 2026. Information is also included for March 2026 year-ends for entities who are still finalising their financial statement.

1. Introduction

This publication provides an overview of the accounting standards, amendments to standards and interpretations on issue which are either mandatory or optional for adoption by for-profit entities preparing their annual or interim financial statements for 30 June 2026 reporting dates.

Changes in accounting standards can have a significant impact on an entity's financial statements. New pronouncements should be carefully reviewed for any potential impacts or opportunities. Entities should consider:

- Whether accounting policies need to be updated;
- The impact of transitional provisions;
- Disclosure of the application of new and revised accounting policies, as well as the impact of new and revised pronouncements that are approved but are not yet effective – refer to Appendix A;
- Whether a third statement of financial position may be required, e.g. if the entity applies an accounting policy retrospectively and has a material effect on the financial position at the end of the preceding period; and
- Whether any adjustments and related disclosures are required to earnings per share (EPS).

For Tier 1 for-profit entities FRS-44 *New Zealand Additional Disclosures* also requires disclosure of the information required by paragraphs 30 and 31 of NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* in relation to a Standard or Interpretation issued by the IASB/IFRIC where an equivalent New Zealand Standard or Interpretation has not been approved at the date of signing the financial statements. This approach ensures that the entity can make an unreserved statement of compliance with IFRS as required by paragraph 16 of NZ IAS 1 *Presentation of Financial Statements* and paragraph 19 of NZ IAS 34 *Interim Financial Reporting*.

2. What's new for June 2026

The following changes have been added in the past year:

- *Translation to a Hyperinflationary Presentation Currency (Amendments to NZ IAS 21)*
- *2025 Amendments to XRB A1 Application of the Accounting Standards Framework*
- *Amendments to XRB A2 resulting from the Regulatory Systems (Economic Development) Amendment Act 2025*
- *Amendments to For-profit Domestic Accounting Standards due to NZ IFRS 18*
- *IFRS 20 Regulatory Assets and Regulatory Liabilities* issued in May 2026 and *Amendments to Fair Value Option for Investments in Associates and Joint Ventures* issued in June 2026 – while these were issued by the International Accounting Standards Board (IASB), these have not yet been released in New Zealand.

Entities should also pay close attention to a number of new standards and amendments on the horizon including NZ IFRS 18 *Presentation and Disclosure in Financial Statements* which is the new standard on presentation and disclosure as well as Amendments to the Measurement and Classification of Financial Instruments that amend a number of requirements in NZ IFRS 7 *Financial Instruments: Disclosures* and NZ IFRS 9 *Financial Instruments*. Entities will need to assess the impact of the new standards and amendments and ensure that relevant policies and processes are in place to implement the changes. Tier 1 entities (applying full NZ IFRS) who are yet to adopt standards and amendments that are approved but not yet effective, also need to consider appropriate disclosure in their annual financial statements.

3. Overview of new and revised pronouncements

The table below outlines the new and revised pronouncements that are either required to be applied for the first time for a 30 June 2026 annual or interim reporting period or may be early adopted[1]. The key helps you distinguish between mandatory initial application, and pronouncements that were also mandatory in a previous period, as well as provide guidance on early adoption.

Section 4 provides an overview of each new or revised pronouncement and includes links to relevant Deloitte publications which provide further details, where appropriate.In the majority of cases, the disclosure requirements of the individual pronouncements profiled in the sections 3 and 4 would not be applicable to half-year financial statements; however, the recognition and measurement requirements would be applied where those pronouncements have been adopted by the entity.

The information below was updated on 30 June 2026 for developments to that date. Further information on each pronouncement can be found in the next section.

New pronouncements	Effective date*	Year ending		Interim ending
		Mar 2026	Jun 2026	Jun 2026
Lack of Exchangeability (Amendments to **NZ IAS 21** *and* **NZ IFRS 1***)*	1 Jan 2025	M	M	M
Amendments to **XRB A2** *resulting from the Regulatory Systems (Economic Development) Amendment Act 2025*	29 Sep 2025	O	O	M
Amendments to the Classification and Measurement of Financial Instruments (Amendments to **NZ IFRS 9** *and* **NZ IFRS 7***)*	1 Jan 2026	O	O	M
RDR Concessions - Amendments to the Classification and Measurement of Financial Instruments (Amendments to **NZ IFRS 9** *and* **NZ IFRS 7***)*	1 Jan 2026	O	O	M
Annual Improvements to NZ IFRS Accounting Standards 2024	1 Jan 2026	O	O	M
Contracts Referencing Nature Dependent Electricity (Amendments to **NZ IFRS 9** *and* **NZ IFRS 7***)*	1 Jan 2026	O	O	M
NZ IFRS 18 *Presentation and Disclosure in Financial Statements*	1 Jan 2027	O	O	O
RDR Concessions - NZ IFRS 18 Presentation and Disclosure in Financial Statements (Amendments to **NZ IFRS 18** *and* **NZ IAS 34***)*	1 Jan 2027	O	O	O
Amendments to For-profit Domestic Accounting Standards due to **NZ IFRS 18**	1 Jan 2027	O	O	O
Translation to a Hyperinflationary Presentation Currency (Amendments to **NZ IAS 21***)*	1 Jan 2027	O	O	O
2025 Amendments to **XRB A1** *Application of the Accounting Standards Framework*	1 Jan 2027	O	O	O
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to **IAS 28***)*	1 Jan 2027	O	O	O
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and Mandatory Date of Amendments (Amendments to **NZ IFRS 10** *and* **NZ IAS 28***)*	1 Jan 2028	O	O	O
IFRS 20 *Regulatory Assets and Regulatory Liabilities***	1 Jan 2029	O	O	O

Key

O Optional

M Mandatory for the first time

* Annual reporting periods beginning on or after this date.
Note regarding early adoption: Standards and amendments issued by the XRB take legal effect 28 days after they are published under the Legislation Act 2019. Early adoption of certain standards and amendments is permitted but not for accounting periods ending before the date those standards and amendments take legal effect. Refer to section 4 for additional transition information.

** IFRS 20 was issued by the IASB in May. Although not released in New Zealand, an New Zealand equivalent of the standard is being considered by the NZASB.

[1] Amendments to NZ IFRS 1 First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards have not been considered in this publication. First time adopters should consult the latest version of NZ IFRS 1 when preparing their first set of financial statements in compliance with NZ IFRS. Entities will also need to monitor approvals between the date of this publication and the date when the financial statements are approved.

4. Impact of each new and revised pronouncement

The following tables set out information on the impact of the recent new pronouncements (see key on page 2).

New pronouncements	Effective date	Year ending		Interim ending
		Mar 2026	Jun 2026	Jun 2026
Lack of Exchangeability and RDR Concessions (Amendments to NZ IAS 21 and NZ IFRS 1)	1 Jan 2025*	M	M	M
The NZASB has published amendments to NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates* that specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. The NZASB subsequently also issued reduced disclosure concessions to these amendments. Applying the amendments, a currency is exchangeable when an entity is able to exchange that currency for the other currency through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. However, a currency is not exchangeable into the other currency if an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose. When a currency is not exchangeable at the measurement date, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction at the measurement date between market participants under prevailing economic conditions. In that case, an entity is required to disclose information that enables users of its financial statements to evaluate how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows. * The amendments are effective for annual reporting periods beginning on or after 1 January 2025. The amendments are available for early adoption for accounting periods ended on or after 30 November 2023. An entity will not be permitted to apply the amendments retrospectively. Instead, an entity will be required to apply the specific transition provisions included in the amendments. *Lack of Exchangeability RDR* is available for early adoption for periods ended on or after 15 February 2024.		iGAAP in Focus newsletter		
Amendments to XRB A2 resulting from the Regulatory Systems (Economic Development) Amendment Act 2025	29 Sep 2025*	O	O	M
XRB A2 was amended to reflect changes to the Financial Reporting Act 2013 (FRA) and its definitions of 'large' and 'specified not-for-profit entity' as a result of the Regulatory Systems (Economic Development) Amendment Act 2025. *The standard must be applied for accounting periods that begin on or after 29 September 2025.				
Amendments to the Classification and Measurement of Financial Instruments (Amendments to NZ IFRS 9 and NZ IFRS 7)	1 Jan 2026*	O	O	M
RDR Concessions - Amendments to the Classification and Measurement of Financial Instruments (Amendments to NZ IFRS 7)	1 Jan 2026*	O	O	M
The amendments introduce an alternative to the derecognition of financial liability requirements where the financial liability will be settled via an electronic payment system. An entity may deem a financial liability (or part of it) to be discharged before settlement date if and only if the entity has initiated payment instructions that result in the following:		iGAAP in Focus newsletter		

New pronouncements	Effective date	Year ending		Interim ending
		Mar 2026	Jun 2026	Jun 2026
• the entity having no practical ability to withdraw, stop or cancel the payment instruction; • the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and • the settlement risk associated with the electronic payment system being insignificant. The amendments clarify that settlement risk associated with an electronic payment system is considered insignificant if the completion of payment instruction follows a standard administrative process and the time between meeting the first two criteria above and the counterparty receiving the cash is short. If an entity elects to apply this alternative to the derecognition of a financial liability, the entity must apply this consistently to all settlements made through the same electronic payment system. No alternative treatment is allowed for the counterparty who holds the financial asset. The amendments also provide clarification around *contractual terms that are consistent with a basic lending arrangement* which will help entities to assess contractual cash flow characteristics of financial assets with ESG features. The amendments add two illustrative examples to the application guidance in NZ IFRS 9 *Financial Instruments* to demonstrate when financial assets do or do not have contractual cash flows that are solely payments of principal and interest when ESG features are involved. The amendments also clarify classification of: • Financial assets with non-recourse features; and • Contractually linked instruments. NZ IFRS *7 Financial Instruments: Disclosures* is also amended in respect of investments in equity instruments designated at FVTOCI. The amendments add that an entity is required to disclose for each class of investments the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised in the reporting period and the fair value gain or loss related to investments held at the end of the reporting period. If an investment in an equity instrument designated at FVTOCI is derecognised during the reporting period, an entity will need to disclose any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period. An entity is also no longer required to disclose the reporting date fair value of each equity instrument designated at FVTOCI and can instead present this information by class of instruments. Disclosures have also been introduced where financial instruments include contractual terms that could vary the timing or amount of contractual cash flows depending on the occurrence (or non-occurrence) of contingent events unrelated to changes in basic lending risks and costs (such as the time value of money or credit risk). The amendments prescribe qualitative and quantitative information to be made by class of financial assets measured at amortised cost or FVTOCI and financial liabilities measured at amortised cost. Unless specified otherwise, the amendments will need to be applied retrospectively in accordance with NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Prior period restatement is not required but an entity may do so if restatement is possible without the use of hindsight. * Early application is permitted for periods ended on or after 25 July 2024. Reduced disclosure concessions were issued in March 2025 with the same effective date and early application is permitted for periods ended on or after 10 April 2025.				

New pronouncements	Effective date	Year ending		Interim ending
		Mar 2026	Jun 2026	Jun 2026
Annual Improvements to NZ IFRS Accounting Standards 2024	1 Jan 2026*	O	O	M
The amendments were issued by the NZASB to address minor inconsistencies, lack of clarity and errors across a number of standards. One of the key changes is around the derecognition of lease liabilities under NZ IFRS 9 *Financial Instruments* which clarifies that when a lessee has determined that a lease liability has been extinguished in accordance with NZ IFRS 9, the lessee is required to apply NZ IFRS 9:3.3.3 and therefore recognise any resulting gain or loss in profit or loss. * Early application is permitted for periods ended on or after 19 September 2024.		iGAAP in Focus newsletter		
Contracts Referencing Nature Dependent Electricity (Amendments to NZ IFRS 9 and NZ IFRS 7)	1 Jan 2026*	O	O	M
Contracts Referencing Nature Dependent Electricity - Amendments to NZ IFRS 9 and NZ IFRS 7 introduces the following: • Application guidance was added to NZ IFRS 9 to address specifically whether a contract to buy electricity generated from a source dependent on natural conditions is held for an entity's own-use expectations. • The amendments also permit an entity to designate a variable nominal amount of electricity as the hedged item when an entity applies the hedge accounting requirements in NZ IFRS 9 and designates a contract referencing nature-dependent electricity with a variable nominal amount as the hedging instrument. • Complementary disclosure requirements were added to NZ IFRS 7. • The amendments to the own use exemption are required to be applied retrospectively in accordance with NZ IAS 8 using the facts and circumstances at the date of initial application. • The amendments to the hedge accounting requirements are required to be applied prospectively to new hedging relationships designated on or after the date of initial application. * Early application is permitted for periods ended after 29 May 2025.		iGAAP in Focus newsletter		
NZ IFRS 18 Presentation and Disclosure in Financial Statements and RDR Concessions	1 Jan 2027*	O	O	O
RDR Concessions - NZ IFRS 18 Presentation and Disclosure in Financial Statement (Amendments to NZ IFRS 18 and NZ IAS 34)	1 Jan 2027**	O	O	O
Amendments to For-profit Domestic Accounting Standards due to NZ IFRS 18	1 Jan 2027***	O	O	O
NZ IFRS 18 *Presentation and Disclosure in Financial Statements* will supersede NZ IAS 1 *Presentation of Financial Statements* and is intended to improve comparability and transparency in the presentation of financial statements. NZ IFRS 18 introduces three key new requirements (among others): • a change in the structure of the statement of profit or loss – requires the presentation of profit and loss items by operating, investing and financing activities and specified subtotals including operating profit or loss; • management defined performance measures (MPMs) to be included in a note in the financial statements; and • enhanced aggregation/ disaggregation clarification. The new standard also amends the classification in the statement of cash flows.		iGAAP in Focus newsletter		

New pronouncements	Effective date	Year ending		Interim ending
		Mar 2026	Jun 2026	Jun 2026
* Early application is permitted for periods ending after 20 June 2024. ** Reduced disclosure concessions were issued in June 2025 with the same effective date to exempt Tier 2 entities from disclosures around MPMs as well as some of the disaggregation requirements. Early application is permitted for periods ending on or after 24 July 2025. *** FRS-42 *Prospective Financial Statements*, FRS-43 *Summary Financial Statements* and FRS-44 *New Zealand Additional Disclosures* were also amended as a result, with ***early application permitted for periods ending on or after 25 September 2025.				
Translation to a Hyperinflationary Presentation Currency (Amendments to NZ IAS 21)	1 Jan 2027*	O	O	O
NZ IAS 21 is amended for the following: • When an entity translates amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy, the entity translates those amounts, including comparative amounts, using the closing rate at the date of the most recent statement of financial position. • When the entity's presentation currency ceases to be the currency of a hyperinflationary economy and its functional currency continues to be the currency of a non-hyperinflationary economy, the entity applies prospectively (without restatement of the comparative amounts) the method currently applicable in NZ IAS 21 to such situations. • The entity would have to disclose that it has applied the method, including summarised financial information about its foreign operations translated applying the proposed translation method; it would also have to disclose if the economy concerned ceased to be hyperinflationary. Additional disclosures apply in these scenarios. An exception to the translation method outlined above is included for affected entities that apply IAS 29 and are required to translate the results and financial position of a foreign operation in accordance with the amendments. * Early application is permitted for periods ending on or after 17 July 2026.		iGAAP in Focus newsletter		
2025 Amendments to XRB A1 Application of the Accounting Standards Framework	1 Jan 2027*	O	O	O
XRB A1 is amended to: • Update the definition of public accountability to be easier to understand. • Increase the Tier 1 size threshold for for-profit public-sector entities to $33 million of total expenses (to be consistent with PBE size criteria). • Provide clearer guidance on when PBE Tier 4 criteria are met. * Early application is permitted for periods ending on or after 17 July 2026.				
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	1 Jan 2027*	O	O	O
The amendments to IAS 28 clarify that an entity that has a main business activity of investing in particular types of activities under IFRS 18 would be a 'similar entity' and be eligible to elect at initial recognition of an investment in an associate or joint venture to measure that investment at fair value through profit or loss in accordance with IFRS 9. * The amendment has the same application date as IFRS 18. While not yet issued in New Zealand, an NZ equivalent is currently being considered by the NZASB.		iGAAP in Focus newsletter		

<table>
<tr><th rowspan="2">New pronouncements</th><th rowspan="2">Effective date</th><th colspan="2">Year ending</th><th>Interim ending</th></tr>
<tr><th>Mar 2026</th><th>Jun 2026</th><th>Jun 2026</th></tr>
<tr><td>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and Mandatory Date of Amendments (Amendments to NZ IFRS 10 and NZ IAS 28)</td><td>1 Jan 2028*</td><td>O</td><td>O</td><td>O</td></tr>
<tr><td>The amendments clarify that in a transaction involving an associate or joint venture, the extent of the gain or loss recognised is dependent upon whether the assets sold or contributed constitute a business, as defined in NZ IFRS 3 Business Combinations.
A gain or loss is recognised in full where an entity:
• sells or contributes assets constituting a business to a joint venture or associate; or
• loses control of a subsidiary that contains a business but retains joint control or significant influence.

Where the sold or contributed assets do not constitute a business, or where the subsidiary over which control was lost does not contain a business then the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate, i.e., the entity's share of the gain or loss is eliminated.

* The IASB postponed the effective date indefinitely to complete its research project on equity accounting (which may include further clarifications to these amendments). Since the Financial Reporting Act 2013 requires all accounting standards issued in New Zealand to have an effective date, there have been a number of effective dates since 2016, with the most recent being 1 January 2025 (which was to be reassessed in accordance with the IASB's decision on the matter). Mandatory Date of Amendments to NZ IFRS 10 and NZ IAS 28 (2024) has further deferred the effective date of Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to NZ IFRS 10 and NZ IAS 28) from 1 January 2025 to 1 January 2028.

* Early application of Sale or Contribution of Assets between an Investor and its Associate or Joint Venture has been available for early adoption since the standard took effect in 2014.</td><td></td><td colspan="3">IFRS in Focus newsletter
IFRS in Focus - deferral of effective date</td></tr>
<tr><td>IFRS 20 Regulatory Assets and Regulatory Liabilities</td><td>1 Jan 2029*</td><td>O</td><td>O</td><td>O</td></tr>
<tr><td>IFRS 20 was issued by the IASB in May 2026 to replace IFRS 14 Regulatory Deferral Accounts.

This new standard addresses the differences in timing between the supply of regulated goods or services (revenue recognition under IFRS 15) and when the compensation for regulated goods or services in accordance with regulatory agreements are charged.

IFRS 20 prescribes the accounting for these timing differences and requires a company to make disclosures about its regulatory assets, liabilities, income and expenses which were not required under existing IFRS Accounting Standards.

Regulatory assets are defined in IFRS 20 as enforceable present rights to add an amount to future rates. Similarly, regulatory liabilities are defined as enforceable present obligations to deduct an amount from future rates.

* While not yet issued in New Zealand, an NZ equivalent is currently being considered by the NZASB.</td><td></td><td colspan="3">iGAAP in Focus newsletter</td></tr>
</table>

5. IFRS Interpretations Committee agenda decisions

The IFRS Interpretations Committee responds to questions about the application of accounting standards. Below is a list of the published agenda decisions from the last 12 months. Entities should consider whether any of these agenda decisions are applicable to the preparation of their financial statements.

Applicability of new or revised pronouncements
Economic Benefits from Use of a Battery under an Offtake Arrangement (IFRS 16) April 2026
Assessment of a Specified Main Business Activity for the Purposes of the Separate Financial Statements of a Parent (IFRS 18) April 2026
Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset) (IFRS 18) April 2026
Classification of Gains and Losses on a Derivative Managing a Foreign Currency Exposure (IFRS 18) April 2026
Scope of the Requirement to Disclose Expenses by Nature (IFRS 18) April 2026
Fair Presentation and Compliance with IFRS Accounting Standards (IAS 1 and IAS 8) April 2026
Embedded Prepayment Option (IFRS 9) February 2026
Determining and Accounting for Transaction Costs (IFRS 9) February 2026
Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8) updated January 2026*
Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7) updated January 2026*
Subsequent Expenditure on Biological Assets (IAS 41) updated January 2026*
Disclosure of Changes in Liabilities Arising from Financing Activities (IAS 7) updated January 2026*
Physical Settlement of Contracts to Buy or Sell a Non-financial Item (IFRS 9) updated January 2026*
Normal operating cycle (IAS 1) updated January 2026*
Assessing Indicators of Hyperinflationary Economies (IAS 29) July 2025

* These are earlier published IFRIC agenda decisions that have been recently amended to update references to IAS 1 *Presentation of Financial Statements* with references to IFRS 18 *Presentation and Disclosure in Financial Statements*. The principles and application of the agenda decisions are unchanged.

Refer to the [IFRS Interpretations Committee updates page] for further information about the fact patterns and the decisions that were reached by the Committee.

6. Other reporting considerations

Changing reporting requirements

XRB A1 sets out the tiers for reporting, the standards that apply to each tier and the requirements for transitioning between tiers. Each reporting period, entities should consider whether there have been any changes to the business that would result in a change in reporting or audit requirements under XRB A1 or other legislative requirements. These could include:

- Changes in ownership (such as an increase in the number of shareholders or proportion of overseas ownership).
- Increases in revenue or assets through growth, business combinations or capital raises.

You may find our framework publication, 'The New Zealand financial reporting landscape' useful. This publication provides a summary of the legislative and accounting standards requirements for New Zealand entities.

Since this publication was last updated, the Financial Reporting Act 2013 has been updated to amend the definition of "large"[2] in section 45. The change practically means that if an entity has a subsidiary that meets the definition of "large" then it will also be considered to be "large". Before the change in legislation, if an entity that was not large acquired another entity, it would have a two-

[2] In addition to the existing definition of "large" under the amended Financial Reporting Act 2013, the amendments adds that (section (2A):
(a) an entity (other than an overseas company or a subsidiary of an overseas company) is **large** in respect of an accounting period if the entity has, on the balance date of the period, 1 or more subsidiaries that are large in respect of that accounting period under subsection (1):
(b) an overseas company or a subsidiary of an overseas company is **large** in respect of an accounting period if the entity has, on the balance date of the period, 1 or more subsidiaries that are large in respect of that accounting period under subsection (2).

year period before having to prepare financial statements in accordance with NZ GAAP (with the acquired entity continuing to meet its reporting obligations during this period). The amendment now means that the acquirer entity would have to immediately prepare financial statements in accordance with NZ GAAP at its first reporting date after acquiring a large subsidiary.

Entities should include financial reporting implications as part of their due diligence processes before making an acquisition, and may wish to seek legal advice on the financial reporting obligations where not clear.

Appendix A – Shedding light on the new disclosures required

For-profit standards require disclosures in relation to all the new or revised standards and interpretations that have had or may have a material impact on the annual financial statements of the entity, whether they have been adopted or not. The requirements for interim financial statements are less onerous but must still be considered.

Entities reporting under NZ IFRS RDR (Tier 2 entities) are permitted exemptions from certain disclosures as noted below.

<table>
<tr><th rowspan="2">Applicability of new or revised pronouncements</th><th colspan="2">Summary of disclosure required</th></tr>
<tr><th>Annual financial statements</th><th>Interim financial statements</th></tr>
<tr><td>Initial mandatory or voluntary application of a new or revised pronouncement</td><td>The relevant pronouncement, the nature of the change in accounting policy, details of any transitional provisions, line-by-line analysis of the effect of the change in policy on the financial statements and the impacts on earnings per share.

In addition, each standard may have specific transitional provisions with which the entity needs to comply (NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 28).

Tier 2 entities would not need to disclose details of transitional provisions.

When initial application has not had a material impact on the financial statements (and is also not expected to have a material impact in future periods), an entity may wish to include generic disclosure such as:
“All mandatory Standards, Amendments and Interpretations have been adopted in the current year. None had a material impact on these financial statements.”</td><td>The nature and effect of any change in accounting policy compared with the most recent annual financial statements.

(NZ IAS 34 Interim Financial Reporting paragraph 16A(a))

NZ IAS 34 does not specify the level of detail of the disclosures required, and accordingly the level of detail may be less than is presented in the annual financial statements in accordance with NZ IAS 8. However, best practice might suggest that the requirements of NZ IAS 8 be used as a guide.

An IFRS in Focus Newsletter with more details can be found here.</td></tr>
<tr><td>Pronouncement on issue but not adopted</td><td>The financial statements must disclose which pronouncements have been issued but not adopted in the financial statements, when the pronouncements have mandatory application, when those pronouncements are going to be applied by the entity and the possible impact on the entity’s financial statements (where known or reasonably estimable).

The tables within the body of this update could be reviewed to identify such pronouncements for periods ending 31 March 2026 or 30 June 2026 (updated to 30 June 2026).

When initial application is genuinely not expected to have a material impact on the financial statements, an entity may wish to include a generic disclosure such as:
“There are a number of Standards, Amendments and Interpretations which have been approved but are not yet effective. The Entity expects to adopt these when they become mandatory. None are expected to result in a material impact on the Entity’s financial statements.”

Tier 2 entities are exempt from these disclosures (NZ IAS 8.30-31).</td><td>The impacts of new or revised accounting pronouncements that have not been early adopted are not explicitly required to be disclosed in interim financial statements. Entities should consider making additional disclosures where the effects of these pronouncements are expected to be material and those effects have not been previously disclosed in the prior annual financial statements.

Tier 2 entities are exempt from these disclosures in the annual financial statements and accordingly would also be exempt at the interim period.</td></tr>
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