

12 February 2018

Mr Warren Allen  
The Chief Executive  
External Reporting Board  
PO Box 11250  
Manners St Central  
Wellington  
6142

Dear Sir

**Requests to comment on Exposure Draft ED NZASB 2017-3 2017 Proposed Amendments to FRS-42 Prospective Financial Statements**

Thank you for the opportunity to comment on the above Exposure Draft.

We are making this submission to you to assist the New Zealand Accounting Standards Board (NZASB) with the above Exposure Draft. We are happy for you to publish our comments publically.

In responding we have addressed the specific questions for respondents in Appendix 1.

More information on BDO is provided in Appendix 2 to this letter.

We hope that our responses and comments are helpful. Should you wish to discuss any of the points we have raised or if you have any queries or require further information please contact either of the signatories below.

Yours faithfully,



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## **Appendix 1 - Response to questions**

### **Question 1**

Do you agree with the proposal to remove the words “or chooses” from paragraph 3 and to delete the last sentence of paragraph 46? If you disagree, please provide reasons.

**Yes, we agree with the proposal.**

### **Question 2**

Do you agree with the proposal to remove most of the references to “prospective financial information”, including the definition of that term in Appendix A? If you disagree, please provide reasons.

**Yes, we agree with the proposal.**

### **Question 3**

Do you agree with the proposal to delete paragraphs 4–9 from the Scope section of FRS-42? If you disagree, please provide reasons.

**Yes, we agree with the proposal.**

### **Question 4**

Do you agree with the proposal to add paragraph 3A to encourage entities that choose to prepare prospective financial statements to apply the requirements in FRS-42? If you disagree, please provide reasons.

**Yes, we agree with the proposal.**

### **Question 5**

Do you agree with the proposal to delete paragraphs 42, 43, 63 and 64? If you disagree, please provide reasons.

**Yes, we agree with the proposal.**

### **Question 6**

Do you agree with the proposed effective date of annual periods beginning on or after 1 January 2019, with early application permitted, for the proposed amendments to FRS-42? If you disagree, please provide reasons.

**Yes, we agree with the proposal.**

### **Question 7**

Do you have any other comments on ED NZASB 2017-3?

**We have no further comments on ED NZASB 2017-3.**

## **Appendix 2 - Information on BDO**

1. BDO New Zealand is a network of eleven independently owned accounting practices, with fifteen offices located throughout New Zealand.
2. BDO firms in New Zealand offer a full range of accountancy services, including business advisory, audit, taxation, risk advisory, internal audit, corporate finance, forensic accounting and business recovery and insolvency.
3. BDO in New Zealand has 89 partners and over 800 staff.
4. BDO firms throughout New Zealand have a significant number of clients in the not-for-profit sector.
5. Five BDO firms in New Zealand (BDO Auckland, BDO Christchurch, BDO Northland, BDO Waikato and BDO Wellington) are registered audit firms and thirteen audit partners are licensed auditors.
6. Internationally, BDO is the fifth largest full-service audit, tax and advisory firm in the world, with over 67,700 people in 1,401 offices across over 158 countries and territories.