



Summary of Significant Changes

to the PRIMA Forms of Financial Statements applying to 2016-17

Audience

This **Summary of Significant Changes** is intended to assist all users of the **PRIMA Forms of Financial Statements** (PRIMA Forms).

At a glance

- The purpose of this document is to provide entities with an overview of the significant changes to the PRIMA Forms arising from changes to legislation, accounting standards or policy decisions. The changes apply for 2016-17 financial statements.

Overview

From 2016-17 tiered reporting, permissible under AAS, may be adopted for general-purpose financial statements for reporting entities. Primary financial statements and supporting notes will continue to be prepared and audited, but most reporting entities will be able to reduce the disclosure of certain technical information in accordance with the reduced disclosure requirements (RDR) outlined in the AAS. This will improve the readability of the financial statements for users.

The PRIMA model demonstrates the most common disclosures and presentation affecting entities. Preparers can select the tier that best meets their reporting requirements for 2016-17 (Tier 1, full disclosure; or Tier 2, RDR). There are two separate sets of PRIMA forms to demonstrate this choice of disclosure.

The key principle of PRIMA is to include disclosures in PRIMA that are required by most Australian Accounting Standards (AAS) or the PGPA (Financial Reporting) Rule (FRR).

PRIMA continues to be guidance only – so entities have the opportunity to customise disclosures (provided they still comply with AAS and FRR) – this includes the sequence of notes.

Changes apply to Tier 1 reporting entities only

Statement/Note (2015-16 PRIMA)	Change for 2016-17
Note 3.4B Note 4.4C	Text disclosure required for AASB 117.31(d) for <i>the total of future minimum sublease payment expected to be received</i>

Statement/Note (2015-16 PRIMA)	Change for 2016-17
	<i>under non-cancellable subleases</i> at the end of the reporting period.

Changes applying to both Tier 1 reporting entities and Tier 2 reporting entities

Statement/Note (2015-16 PRIMA)	Change for 2016-17
Note 5.2 Special Account	Special account balances are to be represented by “ <i>Cash held in entity bank accounts</i> ” and “ <i>Cash held in the Official Public Account</i> ”
Note 6.2 Key Management Personnel Remuneration	Disclose the remuneration of KMP as defined in AASB 124 as this standard now applies to public sector entities from 2016-17.
Note 6.3 Related Party Disclosures	Disclosure of related party transactions are required.

Changes applying to Tier 2 reporting entities only arising from first time adoption of RDR

Statement/Note (2015-16 PRIMA)	Change for 2016-17
Statement of Financial Position Notes	Assets and liabilities no longer need to be aged in the various notes
Overview Note	Outcome reporting is not required (in the financial statements). Remove new accounting standards section
Note 1.1B: Other Suppliers Note 2.1B: Suppliers	No requirement to split operating lease rentals into minimum lease payments, contingent rentals and sublease payments
Note 1.2E Rental Income	Remove line item “investment properties”
Note 1.2F: Other Revenue	Remove Remuneration of auditors disclosure
Note 1.3 Other Comprehensive Income Note 2.3 Administer – Other comprehensive Income	Remove Note 1.3 Remove Note 2.3
Note 3.1 Financial Assets Note 4.1 Administered Financial Assets	Note 3.1 C ad 4.1D: Remove ‘principal activity’ reporting column from table ‘details of investments accounted for using the equity method’ table. Remove summarised financial information of associates and joint ventures tables. Remove dividends received from associates and joint ventures lines.
Note 3.2 Non-Financial Assets Note 4.2 Administered – Non Financial Assets	Note 3.2A & 4.2A PP&E Remove reconciliation of opening and closing balances of P,P&E table comparative year only (but still required to

Statement/Note (2015-16 PRIMA)	Change for 2016-17
	<p>disclose opening and closing GBV and accumulated depreciation and impairment).</p> <p>Note 3.2B & 4.2B investment property Remove comparative year only.</p> <p>Remove text below note disclosing rental income, etc. (with the exception of indicators of impairment)</p> <p>Remove line item 'net foreign exchange differences'</p> <p>Note 3.2A Intangibles Remove reference to AASB 138.120 in footnote and requirement to disclose indicators of impairment.</p> <p>Note 3.2C & 4.2C Inventories Remove reference to AASB 102.36(c) and requirement to disclose whether any items were recognised at FV less cost to sell.</p> <p>Note 3.2F & 4.2F Joint Operations No requirement to disclose the nature of the entity's relationship such as describing the principal activity of the joint operation.</p>
Note 3.4B	Modified text disclosure in relation to leases under AASB 117.31
Note 5.5A Cash Flow Reconciliation Note 5.5B Administered – Cash Flow Reconciliation	Remove the disclosure notes
Note 7.2 Financial Instruments Note 7.3 Administered Financial Instruments	<p>Remove the distinction between held for trading and 'designated'.</p> <p>Remove the disclosure notes:</p> <ul style="list-style-type: none"> • 'Fee income and Expense' • 'Fair value of Financial Instruments' • 'Financial Liabilities Designated at Fair Value Through Profit or Loss' • 'Credit Risk' • 'Liquidity Risk' • 'Market Risk' and • 'Assets held as collateral'
Note 7.4 Fair Value Measurement Note 7.5 Administered – Fair Value Measurement	<p>Remove category column from table specifying whether items fall within level 1,2, or 3. Remove text at start of note explaining different levels in FV hierarchy.</p> <p>Remove columns titled Valuation techniques(s) and Inputs used.</p>

Statement/Note (2015-16 PRIMA)	Change for 2016-17
	<p>Details of valuation policy under the heading Accounting policy is not required.</p> <p>Remove Sensitivity column</p> <p>Remove footnotes regarding highest and best use and transfers between levels.</p> <p>Remove the reconciliation table for recurring level 3 Fair Value Measurements</p>
Note 8.3 Reporting of Outcome	Remove the note - not required for Tier 2 entities (in financial statements)