

# 1. General issues

## 1.1 Form and elements of financial statements

NZ IAS 1.8	A complete set of financial statements comprises:	<input type="checkbox"/>
	(a) balance sheet;	<input type="checkbox"/>
	(b) income statement;	<input type="checkbox"/>
	(c) a statement of changes in equity showing either:	<input type="checkbox"/>
	(i) all changes in equity; or	<input type="checkbox"/>
	(ii) changes in equity other than those arising from transactions with equity holders acting in their capacity as equity holders;	<input type="checkbox"/>
	(d) cash flow statement; and	<input type="checkbox"/>
	(e) notes, comprising a summary of significant accounting policies and other explanatory notes.	<input type="checkbox"/>

NZ IAS 1.NZ10.1	Financial statements may be published as part of a financial report which includes financial statements, non-financial statements such as statements of service performance and supplementary information which is additional to the information in financial and non-financial statements.	<input type="checkbox"/>
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NZ IAS 1.11	<u>Notes</u> contain information in addition to that presented in the balance sheet, income statement, statement of changes in equity and cash flow statement. Notes provide narrative descriptions or disaggregations of items disclosed in those statements and information about items that do not qualify for recognition in those statements.	<input type="checkbox"/>
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### Overall considerations

#### Fair presentation and compliance with IFRSs

NZ IAS 1.13	Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the <i>NZ Framework</i> . The application of New Zealand equivalents to IFRSs, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.	<input type="checkbox"/>
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NZ IAS 1.NZ13.1	An entity shall disclose in the notes:	<input type="checkbox"/>
	(a) the statutory base, if any, under which the financial statements are prepared.	<input type="checkbox"/>
	(b) whether, for the purposes of complying with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), it is a profit-oriented or public benefit entity;	<input type="checkbox"/>
	(c) if, for the purposes of complying with NZ GAAP, it is a qualifying entity and has applied differential reporting concessions. In accordance with NZ IAS 8, such an entity shall disclose the criteria which establish the entity as a qualifying entity for differential reporting and the extent to which the entity has applied available differential reporting concessions.	<input type="checkbox"/>
	(d) a statement whether the financial statements have been prepared in accordance with NZ GAAP, together with a description of the financial reporting standards applied by the entity.	<input type="checkbox"/>

NZ IAS 1.NZ13.1 Examples of assertions for not-for-profit PBE entities:

NZ13.2	A not-for-profit entity <u>applying differential reporting concessions</u> would state: The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to IFRSs and other applicable Financial Reporting Standards, as appropriate for public benefit entities that qualify for and apply differential reporting concessions.	<input type="checkbox"/>
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A not-for-profit entity NOT applying differential reporting concessions would state: The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to IFRSs and other applicable Financial Reporting Standards, as appropriate for public benefit entities.



NZ IAS 1 14	Not-for-profit entities applying differential reporting concessions shall not assert compliance with IFRSs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ14.1		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ14.2	Not-for-profit entities NOT applying differential reporting concessions are unlikely to be able to assert compliance with IFRSs because some PBE-specific requirements are inconsistent with IFRSs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 1.15	In virtually all circumstances, a fair presentation is achieved by compliance with applicable New Zealand equivalents to IFRSs. A fair presentation also requires an entity: <ul style="list-style-type: none"> <li>(a) to select and apply accounting policies in accordance with NZ IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>. NZ IAS 8 sets out a hierarchy of authoritative guidance that management considers in the absence of a Standard or an Interpretation that specifically applies to an item.</li> <li>(b) to present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.</li> <li>(c) to provide additional disclosures when compliance with the specific requirements in New Zealand equivalents to IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 1.16	Inappropriate accounting policies are not rectified either by disclosure of the accounting policies used or by notes or explanatory material.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 1.17	In the extremely rare circumstances in which management concludes that compliance with a requirement in a Standard or an Interpretation would be so misleading that it would conflict with the objective of financial statements set out in the NZ Framework, the entity shall depart from that requirement in the manner set out in paragraph 18 if the relevant regulatory framework requires, or otherwise does not prohibit, such a departure.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ17.1		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ17.2		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	NOTE: The Financial Reporting Act 1993 prohibits departures from the requirements of Standards and Interpretations. Where an entity is subject to the requirements of the Financial Reporting Act and considers that financial statements prepared in accordance with New Zealand equivalents to IFRSs and applicable Financial Reporting Standards do not give a true and fair view of the matters to which they relate, an entity shall apply the requirements set out in paragraph 21 and disclose the information and explanations required by the Financial Reporting Act. Entities which are required to prepare financial statements in accordance with a regulatory framework other than the Financial Reporting Act will need to ascertain whether that regulatory framework permits or prohibits departures from the requirements of Standards or Interpretations in the circumstances described in paragraph 17.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 1.18	NOTE: The Financial Reporting Act 1993 prohibits departures from the requirements of Standards and Interpretations.  When an entity departs from a requirement of a Standard or an Interpretation in accordance with paragraph 17, it shall disclose: <ul style="list-style-type: none"> <li>(a) that management has concluded that the financial statements present fairly the entity's financial position, financial performance and cash flows;</li> <li>(b) that it has complied with applicable Standards and Interpretations, except that it has departed from a particular requirement to achieve a fair presentation;</li> <li>(c) the title of the Standard or Interpretation from which the entity has departed, the nature of the departure, including the treatment that the Standard or Interpretation would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in the NZ Framework, and the treatment adopted; and</li> <li>(d) for each period presented, the financial impact of the departure on each item in the financial statements that would have been reported in complying with the requirement.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NZ IAS 1.19	<p>NOTE: The Financial Reporting Act 1993 prohibits departures from the requirements of Standards and Interpretations.</p> <p>When an entity has departed from a requirement of a Standard or an Interpretation in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph 18(c) and (d).</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 1.21	<p>NOTE: The Financial Reporting Act 1993 prohibits departures from the requirements of Standards and Interpretations.</p> <p>In the extremely rare circumstances in which management concludes that compliance with a requirement in a Standard or an Interpretation would be so misleading that it would conflict with the objective of financial statements set out in the NZ Framework, but the relevant regulatory framework prohibits departure from the requirement, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing:</p> <p>(a) the title of the Standard or Interpretation in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in the NZ Framework; and</p> <p>(b) for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Going concern</b>			
NZ IAS 1.23	When management is aware, in making its assessment of an entity's ability to continue as a going concern, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 10.16	The events or conditions requiring disclosure [in accordance with NZ IAS 1 paragraph 23] may arise after the balance sheet date.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 1.23	When financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Consistency of presentation</b>			
NZ IAS 1.27	<p>The presentation and classification of items in the financial statements shall be retained from one period to the next unless:</p> <p>(a) it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in NZ IAS 8; or</p> <p>(b) a Standard or an Interpretation requires a change in presentation.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Materiality, aggregation and offsetting</b>			
NZ IAS 1.29	Each material class of similar items shall be presented separately in the financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 1.29	Items of dissimilar nature or function shall be presented separately unless they are immaterial.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 1.30	If a line item is not individually material it is aggregated with other items either on the face of the statements or in the notes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 1.30	An item that is not sufficiently material to warrant separate presentation on the face of the financial statements may nevertheless be sufficiently material for it to be presented separately in the notes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 1.31	Applying the concept of materiality means that specific disclosure requirement in a Standard or Interpretation need not be satisfied if the information is not material.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NZ IAS 1.32	Assets and liabilities, and income and expenses, shall not be offset unless required or permitted by a Standard or an Interpretation.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<b>Comparative information</b>	
NZ IAS 1.36	Except when a Standard or an Interpretation permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.36	Comparative information shall be included for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.38	When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.38	When comparative amounts are reclassified, an entity shall disclose:	
	(a) the nature of the reclassification;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(b) the amount of each item or class of items that is reclassified; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(c) the reason for the reclassification.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.39	When it is impracticable to reclassify comparative amounts, an entity shall disclose:	
	(a) the reason for not reclassifying the amounts; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(b) the nature of the adjustments that would have been made if the amounts had been reclassified.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.41.1	Where an entity has published general purpose prospective financial information for the period of the financial statements, the entity shall present a comparison of the prospective financial statements with the historical financial being reported. Explanations for major variations shall be given.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.41.2	FRS 42 <i>Prospective Financial Statements</i> defines general purpose prospective financial statements. Legislative or other requirements may require a comparison with originally published information, the most recently published information, or both.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<b>Structure and content</b>	
NZ IAS 1.44	The financial statements shall be identified clearly and distinguished from other information in the same published document.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.46	Each component of the financial statements shall be identified clearly.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.46	In addition, the following information shall be displayed prominently, and repeated when it is necessary for a proper understanding of the information presented:	
	(a) the name of the reporting entity or other means of identification, and any change in that information from the preceding balance sheet date;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(b) whether the financial statements cover the individual entity or a group of entities;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(c) the balance sheet date or the period covered by the financial statements, whichever is appropriate to that component of the financial statements;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(d) the presentation currency, as defined in NZ IAS 21; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(e) the level of rounding used in presenting amounts in the financial statements.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<b>Reporting period</b>	
NZ IAS 1.49	Financial statements shall be presented at least annually.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.49	When an entity's balance sheet date changes and the annual financial statements are presented for a period longer or shorter than one year, an entity shall disclose, in addition to the period covered by the financial statements:	
	(a) the reason using a longer or shorter period; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(b) the fact that comparative amounts for the income statement, statement of changes in equity, cash flow statement and related notes are not entirely comparable.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

**Information to be presented either on the face of the income statement or in the notes**

NZ IAS 1.NZ92.1 Public benefit entities that have elected to disclose expenses using the function of expense method, may disclose expenses classified by output. Similar individual outputs may be aggregated. Public benefit entities disclosing expenses classified by output are not required to disclose cost of sales. However, such entities are required to comply with the requirements of paragraph 93.

**Notes****Structure**

NZ IAS 1.103 The notes shall:

- (a) present information about the basis of preparation of the financial statements and the specific accounting policies used in accordance with NZ IAS 1 paragraphs 108-115;
- (b) disclose the information required by NZ IFRSs that is not presented on the face of the balance sheet, income statement, statement of changes in equity or cash flow statement; and
- (c) provide additional information which is not presented on the face of the balance sheet, income statement, statement of changes in equity or cash flow statement, but is relevant to an understanding of any of them.



NZ IAS 1.104 Notes shall, as far as practicable, be presented in a systematic manner. Each item on the face of the balance sheet, income statement, statement of changes in equity and cash flow statement shall be cross-referenced to any related information in the notes.



NZ IAS 1.105 Notes are normally presented in the following order, which assists users in understanding the financial statements and comparing them with financial statements of other entities:

- (a) statement of compliance with IFRSs (see NZ IAS 1 paragraph 14) [Note: this statement will not be relevant for not-for-profit entities applying differential reporting concessions or PBE requirements that are inconsistent with IFRSs];
- (b) a summary of significant accounting policies applied (see NZ IAS 1 paragraph 108);
- (c) supporting information for items presented on the face of balance sheet, income statement, statement of changes in equity and cash flow statement in the order in which each statement and each line item is presented; and
- (d) other disclosures, including:
  - (i) contingent liabilities (see NZ IAS 37) and unrecognised contractual commitments; and
  - (ii) non-financial disclosures, eg the entity's financial risk management objectives and policies (see NZ IAS 32).



NZ IAS 1.105.1 The disclosures required by NZ IAS 1 paragraph NZ 13.1 (that is, the statement of compliance with NZ GAAP) will normally precede the items set out in NZ IAS 1 paragraph 105.

**Content**

NZ IAS 1.116 An entity shall disclose in the notes information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of:

- (a) their nature; and
- (b) their carrying amount as at the balance sheet date.



NZ IAS 1.120 The disclosures in [NZ IAS 1] paragraph 116 are presented in a manner that helps users of financial statements to understand the judgements management makes about the future and about other key sources of estimation uncertainty.



NZ IAS 1.120 Examples of the types of disclosures made are:

- (a) the nature of the assumption or other estimation uncertainty;
- (b) the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for sensitivity;
- (c) the expected resolution of an uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts of the assets and liabilities affected; and



	(d) an explanation of changes made to past assumptions concerning those assets and liabilities, if the uncertainty remains unresolved.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.122	When it is impracticable to disclose the extent of the possible effects of a key assumption or another key source of estimation uncertainty at the balance sheet date, the entity discloses that it is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. In all cases the entity discloses the carrying amount and nature of the specific asset or liability (or class of assets or liabilities) affected.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.126.1	Where a statement of service performance is presented it shall describe and disclose the outputs of an entity. Similar individual outputs may be aggregated.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.126.2	This Standard refers to the statement in paragraph [NZ IAS 126] paragraph 1 as a "statement of service performance". This statement might, however, be differently named in legislation. The aim of such statements, by whatever name called, remains the providing of: (a) narrative and statistics on the entity's performance in supplying goods and services; and (b) information on the effects on the community of the entity's existence and operations.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.126.3	An entity not required by legislation to prepare a statement of service performance is encouraged to include a statement of service performance in its financial statements where: (a) the entity receives significant revenue intended to benefit third parties without giving reciprocal benefit or consideration to the party providing the revenue; or (b) the entity has non-financial objectives of such importance that non-financial performance reporting is significant to users of the financial statements. Public benefit entities are strongly encouraged to prepare a statement of service performance.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.126.4	The elements of service performance are inputs, outputs and outcomes. Where relevant and appropriate for users of the entity's financial report, each output disclosed in the statement of service performance is to be described in terms of the output's : (a) quantity; (b) quality; (c) time, and (d) location. The cost of each output is to be described and disclosed.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.126.5	The information used to describe service performance is to be selected so as to provide a complete description of delivery of each output (or aggregation of outputs) reported, but without undue emphasis on easily measured dimensions, and without resulting in an overload of only partially relevant statistics.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.126.6	For each output disclosed in a statement of service performance, where practical and appropriate, the outcome(s) to which the output is intended to contribute is to be disclosed.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.126.7	The statement of service performance shall present both projected service performance and actual service performance.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.126.8	Projected service performance is described by presenting projected outputs at the beginning of the period which an entity aimed to produce by the end of the period. These projected outputs will often be derived from the annual or corporate plan.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.126.9	To report the degree of success in achieving objectives, it is necessary to present both projected and actual results together with full disclosures of any changes in objectives during the year.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.126.10	Actual and projected service performance is to be reported consistently with one another. The information is to be sufficiently specific for performance to be assessed.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

- NZ IAS 16.77(c) If items of property, plant and equipment are stated at revalued amounts, the following shall be disclosed:  
(c) the methods and significant assumptions applied in estimating the items' fair values;
- NZ IAS 37.85(b) An entity shall disclose the following for each class of provision:  
(b) an indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph 48 [of NZ IAS 37];
- NZ IAS 38.124(c) If intangible assets are carried at revalued amounts an entity shall disclose:  
(c) the methods and significant assumptions applied in estimating the assets' fair values.
- NZ IAS 34.26 If an estimate of an amount reported in an interim period is changed significantly during the final interim period of the financial year, but a separate financial report is not published for that final interim period, the nature and amount of that change in estimate shall be disclosed in a note to the annual financial statements for that financial year.

### Capital

- NZ IAS 1.124A An entity shall disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.
- NZ IAS 1.124B To comply with [NZ IAS 1] paragraph 124A, the entity discloses the following:  
(a) qualitative information about its objectives, policies and processes for managing capital, including (but not limited to):  
(i) a description of what it manages as capital;     
(ii) when an entity is subject to externally imposed capital requirements, the nature of those requirements and how those requirements are incorporated into the management of capital; and     
(iii) how it is meeting its objectives for managing capital.
- (b) summary quantitative data about what it manages as capital. Some entities regard some financial liabilities (e.g. some forms of subordinated debt) as part of capital. Other entities regard capital as excluding some components of equity (e.g. components arising from cash flow hedges).
- (c) any changes in (a) and (b) from the previous period.
- (d) whether during the period it complied with any externally imposed capital requirements to which it is subject.
- (e) when the entity has not complied with such externally imposed capital requirements, the consequences of such non-compliance.
- These disclosures shall be based on the information provided internally to the entity's key management personnel.
- NZ IAS 1.124C An entity may manage capital in a number of ways and be subject to a number of different capital requirements. For example, a conglomerate may include entities that undertake insurance activities and banking activities, and those entities may also operate in several jurisdictions. When an aggregate disclosure of capital requirements and how capital is managed would not provide useful information or distorts a financial statement user's understanding of an entity's capital resources, the entity shall disclose separate information for each capital requirement to which the entity is subject.

### Other disclosures

- NZ IAS 1.125 An entity shall disclose in the notes:  
(a) the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to equity holders during the period, the related amount per share; and     
(b) the amount of any cumulative preference dividends not recognised.

## 1.2 Statement of changes in equity

- NZ IAS 1.96 An entity shall present a statement of changes in equity showing on the face of the statement:
- (a) profit or loss for the period;
  - (b) each item of income and expense for the period that, as required by other Standards or Interpretations, is recognised directly in equity, and the total of these items;
  - (c) total income and expense for the period (calculated as the sum of (a) and (b)), showing separately the total amounts attributable to equity holders of the parent and to minority interest; and
  - (d) for each component of equity, the effects of changes in accounting policies and corrections of errors recognised in accordance with NZ IAS 8.
- A statement of changes in equity that comprises only these items shall be titled a statement of recognised income and expense.
- NZ IAS 1.97 An entity shall also present, either on the face of the statement of changes in equity or in the notes:
- (a) the amounts of transactions with equity holders acting in their capacity as equity holders, showing separately distributions to equity holders;
  - (b) the balance of retained earnings (ie accumulated profit or loss) at the beginning of the period and at the balance sheet date, and the changes during the period; and
  - (c) a reconciliation between the carrying amount of each class of contributed equity and each reserve at the beginning and the end of the period, separately disclosing each change.

### Costs of an equity transaction

- NZ IAS 32.39 The amount of transaction costs accounted for as a deduction from equity in the period is disclosed separately under NZ IAS 1.

### Other disclosures

- NZ IFRIC 1.6(d) Changes in revaluation surplus arising from changes in decommissioning, restoration and similar liabilities should be separately identified, disclosed and described as such in the statement of changes in equity.

## 1.3 Statement of cash flows

### Presentation

- NZ IAS 7.10 The cash flow statement shall report cash flows during the period, classified by operating, investing and financing activities.
- NZ IAS 7.18 An entity shall report cash flows from operating activities using:
- (a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed.
  - (b) [Deleted].
- NZ IAS 7.NZ20.1 The financial statements shall provide a reconciliation of the profit (loss) after taxation with the net cash flow from operating activities.
- NZ IAS 7.NZ20.2 The adjustments in the reconciliation may be grouped as follows:
- (a) non-cash items included in the profit (loss) after taxation; for example, depreciation;
  - (b) any deferrals or accruals of past or future operating cash receipts or payments; for example, changes in accounts receivable and in accounts payable;
  - (c) revenue and expense items classified as investing or financing activities in the statement of cash flows; for example, the cash flow from the sale of plant may be presented as an investing cash flow but the gain or loss on the sale will be included in the determination of the profit (loss) after taxation; and
  - (d) other adjustments appropriately described.
- NZ IAS 7.21 An entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities, except to the extent that cash flows described in [NZ IAS 7] paragraphs 22 and 24 are reported on a net basis.

NZ IAS 7.NZ24.1	When a cash flow in the statement of cash flows combines receipts and payments to present a net cash flow, a note shall identify such a cash flow and shall provide reasons why those receipts and payments have been set off.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 7.28	Unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the cash flow statement in order to reconcile cash and cash equivalents at the beginning and the end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Interest and dividends</b>		
NZ IAS 7.31	Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as either operating, investing or financing activities.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Taxes on income</b>		
NZ IAS 7.35	Cash flows arising from taxes on income shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Acquisitions and disposals of subsidiaries and other business units</b>		
NZ IAS 7.39	The aggregate cash flows arising from acquisitions and from disposals of subsidiaries or other business units shall be presented separately and classified as investing activities.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 7.40	An entity shall disclose, in aggregate, in respect of both acquisitions and disposals of subsidiaries or other business units during the period each of the following: (a) the total purchase or disposal consideration; (b) the portion of the purchase or disposal consideration discharged by means of cash and cash equivalents; (c) the amount of cash and cash equivalents in the subsidiary or business unit acquired or disposed of; and (d) the amount of the assets and liabilities other than cash or cash equivalents in the subsidiary or business unit acquired or disposed of, summarised by each major category.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Non-cash transactions</b>		
NZ IAS 7.43	Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a cash flow statement. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Components of cash and cash equivalents</b>		
NZ IAS 7.45	An entity shall disclose the components of cash and cash equivalents, and shall present a reconciliation of the amounts in its cash flow statement with the equivalent items reported in the balance sheet.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Other disclosures</b>		
NZ IAS 7.48	An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the group.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 7.NZ49.1	<b>Public benefit entities</b> In the case of public benefit entities, disclosure is to be made when there are restrictions on the use of part or all of the cash, as for example, where the entity has received cash that may only be used for a specified purpose.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 7.50	Additional information may be relevant to users in understanding the financial position and liquidity of an entity. Disclosure of this information, together with a commentary by management, is <i>encouraged</i> [but not required] and may include: (a) the amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

(b) the aggregate amounts of the cash flows from each of operating, investing and financing activities related to interests in joint ventures reported using proportionate consolidation;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(c) the aggregate amount of cash flows that represent increases in operating capacity separately from those cash flows that are required to maintain operating capacity; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(d) the amount of cash flows arising from the operating, investing and financing activities of each reported industry and geographical segment [for annual periods ending before 1 January 2009].	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(d) the amount of the cash flows arising from the operating, investing and financing activities of each reportable segment (see NZ IFRS 8 <i>Operating Segments</i> ) [for annual periods beginning on or after 1 January 2009].	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IFRS 5.33(c) An entity shall disclose:	
(c) the net cash flows attributable to the operating, investing and financing activities of discontinued operations either in the notes or on the face of the financial statements. These disclosures are not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (see [NZ IFRS 5] paragraph 11.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

## 1.4 Basis of accounting

### Accounting policies

NZ IAS 1.108 An entity shall disclose in the summary of significant accounting policies:	
(a) the measurement basis (or bases) used in preparing the financial statements; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(b) the other accounting policies used that are relevant to an understanding of the financial statements.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 2.36(a) An entity shall disclose:	
(a) the accounting policies adopted in measuring inventories, including the cost formula used.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 18.35(a) An entity shall disclose:	
(a) the accounting policies adopted for the recognition of revenue including the methods adopted to determine the stage of completion of transactions involving the rendering of services.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 18. NZ6.1(a) Entities which qualify for differential reporting concessions in accordance with the <i>Framework for Differential Reporting for Entities Applying the New Zealand Equivalents to International Financial Reporting Standards Reporting Regime</i> (2005) are exempt from accounting for Goods and Services Tax (GST) in accordance with NZ IAS 18. Qualifying entities may recognise revenue and expense items either with Goods and Services Tax (GST) included (gross) or with GST excluded (net), provided that:	
(a) the method adopted by the entity shall be:	
(i) applied consistently to all revenue and expense items; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(ii) disclosed in the statement of accounting policies;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(b) Where GST input tax is irrecoverable, it should be recognised as part of the related asset or, where the expenditure relates to an expense item, expensed in accordance with the New Zealand equivalent to the IASB Framework for the Preparation and Presentation of Financial Statements (NZ Framework).	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 19. 120A(a) An entity shall disclose the following information about defined benefit plans:	
(a) the entity's accounting policy for recognising actuarial gains and losses.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 20.39(a) The following matters shall be disclosed:	
(a) the accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IFRS 4.36 An insurer shall disclose information that identifies and explains the amounts in its financial statements arising from insurance contracts.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IFRS 4.37 To comply with [NZ IFRS 4] paragraph 36, an insurer shall disclose	
(a) its accounting policies for insurance contracts and related assets, liabilities, income and expense.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

NZ IAS 1.112	An accounting policy may be significant because of the nature of the entity's operations even if amounts for current and prior periods are not material. It is also appropriate to disclose each significant accounting policy that is not specifically required by NZ IFRSs, but is selected and applied in accordance with NZ IAS 8.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.113	An entity shall disclose, in the summary of significant accounting policies or other notes, the judgements, apart from those involving estimations that are disclosed elsewhere (see [NZ IAS 1] paragraph 116), management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

## 1.5 Consolidation

NZ IAS 27.33	Minority interests shall be presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 27.33	Minority interests in the profit or loss of the group shall also be separately disclosed.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.82	The following items shall be disclosed on the face of the income statement as allocations of profit or loss for the period: (a) profit or loss attributable to minority interests; and (b) profit or loss attributable to equity holders of the parent.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 27.40	The following disclosures shall be made in consolidated financial statements: (a) [Deleted] (b) [Deleted] (c) the nature of the relationship between the parent and a subsidiary when the parent does not own, directly or indirectly through subsidiaries, more than half of the voting power; (d) the reasons why the ownership, directly or indirectly through subsidiaries, of more than half of the voting or potential voting power of an investee does not constitute control; (e) the reporting date of the financial statements of a subsidiary when such financial statements are used to prepare consolidated financial statements and are as of a reporting date or for a period that is different from that of the parent, and the reason for using a different reporting date or period; and (f) the nature and extent of any significant restrictions (eg resulting from borrowing arrangements or regulatory requirements) on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans or advances.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Parent's separate financial statements</b>		
NZ IAS 27.41	When separate financial statements are prepared for a parent that, in accordance with [NZ IAS 27] paragraph 10, elects not to prepare consolidated financial statements, those separate financial statements shall disclose: (a) the fact that the financial statements are separate financial statements; that the exemption from consolidation has been used; the name and country of incorporation or residence of the entity whose consolidated financial statements that comply with New Zealand equivalents to IFRSs have been produced for public use; and the address where those consolidated financial statements are obtainable; (b) a list of significant investments in subsidiaries, jointly controlled entities and associates, including: the name; the country of incorporation or residence; proportion of ownership interest; and if different, proportion of voting power held; and (c) a description of the method used to account for the investments listed under [NZ IAS 27] paragraph 41(b).	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 27.42	When a parent (other than a parent covered by [NZ IAS 27] paragraph 41), a venturer with an interest in a jointly controlled entity or an investor in an associate prepares separate financial statements, those separate financial statements shall disclose:	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

- (a) the fact that the statements are separate financial statements and the reasons why those statements are prepared if not required by law;
- (b) a list of significant investments in subsidiaries, jointly controlled entities and associates, including:  
 (i) the name;     
 (ii) country of incorporation or residence;     
 (iii) proportion of ownership interest; and     
 (iv) if different, proportion of voting power held; and
- (c) a description of the method used to account for the investments listed under [NZ IAS 27] paragraph 42(b).

and shall identify the financial statements prepared in accordance with paragraph 9 of this Standard [NZ IAS 27], NZ IAS 28 and NZ IAS 31 to which they relate.

- NZ IAS 24.3 This Standard [NZ IAS 24] requires the disclosure of related party transactions and outstanding balances in both consolidated financial statements and in the separate financial statements of a parent, venturer or investor presented in accordance with NZ IAS 27 *Consolidated and Separate Financial Statements*.

## 1.6 Business combinations

### General

- NZ IFRS 3.66 An acquirer shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of business combinations that were effected:  
 (a) during the period; and     
 (b) after the balance sheet date but before the financial statements are authorised for issue.

- NZ IFRS 3.50 Contingent liabilities recognised separately as part of allocating the cost of a business combination are excluded from the scope of NZ IAS 37. However, the acquirer shall disclose for those contingent liabilities the information required to be disclosed by NZ IAS 37 for each class of provision.

- NZ IFRS 3.47 Paragraph 37 [of NZ IFRS 3] specifies that the acquirer recognises separately a contingent liability of the acquiree only if its fair value can be measured reliably. If its fair value cannot be measured reliably:  
 (a) there is a resulting effect on the amount recognised as goodwill or accounted for in accordance with paragraph 56 [of NZ IFRS 3]; and     
 (b) the acquirer shall disclose the information about that contingent liability required to be disclosed by NZ IAS 37.

### Business combinations effected during the period

- NZ IFRS 3.67 To give effect to the principle in [NZ IFRS 3] paragraph 66(a) the acquirer shall disclose the following information for each business combination that was effected during the period:  
 (a) the names and descriptions of the combining entities or businesses.     
 (b) the acquisition date.     
 (c) the percentage of voting equity instruments acquired.     
 (d) the cost of the combination and a description of the components of that cost, including any costs directly attributable to the combination. When equity instruments are issued or issuable as part of the cost, the following shall also be disclosed:  
 (i) the number of equity instruments issued or issuable; and     
 (ii) the fair value of those instruments and the basis for determining that fair value. If a published price does not exist for the instruments at the date of exchange, the significant assumptions used to determine fair value shall be disclosed. If a published price exists at the date of exchange but was not used as the basis for determining the cost of the combination, that fact shall be disclosed together with: the reasons the published price was not used; the method and significant assumptions used to attribute a value to the equity instruments; and the aggregate amount of the difference between the value attributed to, and the published price of, the equity instruments.     
 (e) details of any operations the entity has decided to dispose of as a result of the combination.     
 (f) the amounts recognised at the acquisition date for each class of the acquiree's assets, liabilities and

	contingent liabilities, and, unless disclosure would be impracticable, the carrying amounts of each of those classes, determined in accordance with IFRSs, immediately before the combination. If such disclosure would be impracticable, that fact shall be disclosed, together with an explanation of why this is the case.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(g) the amount of any excess [previously referred to as “negative goodwill”] recognised in profit or loss in accordance with [NZ IFRS 3] paragraph 56, and the line item in the income statement in which the excess is recognised.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(h) a description of the factors that contributed to a cost that results in the recognition of goodwill – a description of each intangible asset that was not recognised separately from goodwill and an explanation of why the intangible asset’s fair value could not be measured reliably – or a description of the nature of any excess recognised in profit or loss in accordance with [NZ IFRS 3] paragraph 56 [previously referred to as “negative goodwill”].	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(i) the amount of the acquiree’s profit or loss since the acquisition date included in the acquirer’s profit or loss for the period, unless disclosure would be impracticable. If such disclosure would be impracticable, that fact shall be disclosed, together with an explanation of why this is the case.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IFRS 3.68	The information required to be disclosed by [NZ IFRS 3] paragraph 67 shall be disclosed in aggregate for business combinations effected during the reporting period that are individually immaterial.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IFRS 3.69	If the initial accounting for a business combination that was effected during the period was determined only provisionally as described in [NZ IFRS 3] paragraph 62, that fact shall also be disclosed together with an explanation of why this is the case.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IFRS 3.70	The acquirer shall also disclose the following information, unless such disclosure would be impracticable: (a) the revenue of the combined entity for the period as though the acquisition date for all business combinations effected during the period had been the beginning of that period; and (b) the profit or loss of the combined entity for the period as though the acquisition date for all business combinations effected during the period had been the beginning of the period. If disclosure of this information would be impracticable, that fact shall be disclosed, together with an explanation of why this is the case.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Business combinations effected after the balance sheet date, but before the financial statements are authorised for issue</b>		
NZ IFRS 3.71	To give effect to the principle in [NZ IFRS 3] paragraph 66(b) the acquirer shall disclose the information required by [NZ IFRS 3] paragraph 67 for each business combination effected after the balance sheet date but before the financial statements are authorised for issue, unless such disclosure would be impracticable. If disclosure of any of that information would be impracticable, that fact shall be disclosed, together with an explanation of why this is the case.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Evaluation of the financial effects of gains, losses, error corrections and other adjustments recognised in the current period</b>		
NZ IFRS 3.72	An acquirer shall disclose information that enables users of its financial statements to evaluate the financial effects of gains, losses, error corrections and other adjustments recognised in the current period that relate to business combinations that were effected in the current or in previous periods.	
NZ IFRS 3.73	To give effect to the principle in [NZ IFRS 3] paragraph 72, the acquirer shall disclose the following information: (a) the amount and an explanation of any gain or loss recognised in the current period that: (i) relates to the identifiable assets acquired or liabilities or contingent liabilities assumed in a business combination that was effected in the current or a previous period; and (ii) is of such size, nature or incidence that disclosure is relevant to an understanding of the combined entity’s financial performance. (b) if the initial accounting for a business combination that was effected in the immediately preceding period was determined only provisionally at the end of that period, the amounts and explanations of the adjustments to the provisional values recognised during the current period. (c) the information about error corrections required to be disclosed by NZ IAS 8 for any of the acquiree’s	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	identifiable assets, liabilities or contingent liabilities, or changes in the values assigned to those items that the acquirer recognises during the current period in accordance with [NZ IFRS 3] paragraphs 63 and 64.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IFRS 3.74	An entity shall disclose information that enables users of its financial statements to evaluate changes in the carrying amount of goodwill during the period.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IFRS 3.75	To give effect to the principle in [NZ IFRS 3] paragraph 74, the acquirer shall disclose a reconciliation of the carrying amount of goodwill at the beginning and end of the period, showing separately: <ul style="list-style-type: none"> <li>(a) the gross amount and accumulated impairment losses at the beginning of the period;</li> <li>(b) additional goodwill recognised during the period except goodwill included in a disposal group that, on acquisition, meets the criteria to be classified as held for sale in accordance with NZ IFRS 5;</li> <li>(c) adjustments resulting from the subsequent recognition of deferred tax assets during the period in accordance with [NZ IFRS 3] paragraph 65;</li> <li>(d) goodwill included in a disposal group classified as held for sale in accordance with NZ IFRS 5 and goodwill derecognised during the period without having previously been included in a disposal group classified as held for sale;</li> <li>(e) impairment losses recognised during the period in accordance with NZ IAS 36;</li> <li>(f) net exchange differences arising during the period in accordance with NZ IAS 21;</li> <li>(g) any other changes in the carrying amount during the period; and</li> <li>(h) the gross amount and accumulated impairment losses at the end of the period.</li> </ul>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IFRS 3.76	The entity discloses information about the recoverable amount and impairment of goodwill in accordance with NZ IAS 36 in addition to information required to be disclosed by [NZ IFRS 3] paragraph 75(e) [the disclosure of impairment losses recognised during the period].	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IFRS 3.77	If in any situation the information required to be disclosed by this Standard [NZ IFRS 3] does not satisfy the objectives set out in [NZ IFRS 3] paragraphs 66, 72 and 74, the entity shall disclose such additional information as is necessary to meet those objectives.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

## 1.7 Foreign currency translation

*In NZ IAS 21 paragraph 53 and paragraphs 55-57 references to 'functional currency' apply, in the case of a group, to the functional currency of the parent.*

NZ IAS 21.52	An entity shall disclose: <ul style="list-style-type: none"> <li>(a) the amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with NZ IAS 39; and</li> <li>(b) the net exchange differences classified in a separate component of equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period.</li> </ul>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 21.54	When there is a change in the functional currency of either the reporting entity or a significant foreign operation, that fact and the reason for the change in the functional currency shall be disclosed.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<b>Presentation / functional currency</b>	
NZ IAS 21.53	When the presentation currency is different from the functional currency, that fact shall be stated, together with disclosure of the functional currency and the reason for using a different presentation currency.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<b>Translation to presentation currency</b>	
NZ IAS 21.55	When an entity presents its financial statements in a currency that is different from its functional currency, it shall describe the financial statements as complying with New Zealand equivalents to IFRSs and IFRSs only if they comply with all the requirements of each applicable Standard and each applicable Interpretation of those Standards including the translation method set out in [NZ IAS 21] paragraphs 39 and 42.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	<b>Translation in other currency (different from functional or presentation currency)</b>	
NZ IAS 21.57	When an entity displays its financial statements or other financial information in a currency that is different from either its functional currency or its presentation currency and the requirements of [NZ IAS 21] paragraph 55 are not met, it shall:	
	(a) clearly identify the information as supplementary information to distinguish it from the information that complies with IFRSs;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(b) disclose the currency in which the supplementary information is displayed; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(c) disclose the entity's functional currency and the method of translation used to determine the supplementary information.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

## 1.8 Prior period adjustments and other accounting changes

NZ IAS 8.NZ12.1	<b>Qualifying entities</b>	
	Where a qualifying entity takes advantage of differential reporting concessions, the entity's summary of significant accounting policies shall disclose:	
	(a) the criteria which establish the entity as a qualifying entity for differential reporting; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(b) the extent to which the entity has applied available differential reporting concessions. The entity shall disclose either:	
	(i) standards where the entity has not taken advantage of differential reporting concessions and has applied the standards obligatory for non-qualifying entities, or	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(ii) standards where differential reporting concessions have been applied.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 8.NZ31.1	Changes in significant accounting policies shall be reported as such within the summary of significant accounting policies.	
	<b>Changes in accounting estimates</b>	
NZ IAS 8.39	An entity shall disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the disclosure of the effect on future periods when it is impracticable to estimate that effect.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 8.40	If the amount of the effect in future periods is not disclosed because estimating it is impracticable, an entity shall disclose that fact.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 16.76	In accordance with NZ IAS 8 an entity discloses the nature and effect of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in subsequent periods. For property, plant and equipment, such disclosure may arise from changes in estimates with respect to:	
	(a) residual values;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(b) the estimated costs of dismantling, removing or restoring items of property, plant and equipment;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(c) useful lives; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(d) depreciation method.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<b>Errors</b>	
NZ IAS 8.49	In applying [NZ IAS 8] paragraph 42 an entity shall disclose the following:	
	(a) the nature of the prior period error;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(b) for each prior period presented, to the extent practicable, the amount of the correction:	
	(i) for each financial statement line item affected; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(ii) if NZ IAS 33 applies to the entity, for basic and diluted earnings per share;	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(c) the amount of the correction at the beginning of the earliest prior period presented; and	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(d) if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Financial statements of subsequent periods need not repeat these disclosures.	

### Changes in accounting policies

#### Adoption of an NZ IFRS (standard or interpretation)

- NZ IAS 8.28 When initial application of a Standard or an Interpretation has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:
- (a) the title of the Standard or Interpretation;
  - (b) when applicable, that the change in accounting policy is made in accordance with its transitional provisions;
  - (c) the nature of the change in accounting policy;
  - (d) when applicable, a description of the transitional provisions;
  - (e) when applicable, the transitional provisions that might have an effect on future periods;
  - (f) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment:
    - (i) for each financial statement line item affected; and
    - (ii) if NZ IAS 33 *Earnings per Share* applies to the entity, for basic and diluted earnings per share; and
  - (g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and
  - (h) if retrospective application required by [NZ IAS 8] paragraph 19(a) or (b) is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.
- Financial statements of subsequent periods need not repeat these disclosures.

- NZ IAS 8.30 When an entity has not applied a new Standard or an Interpretation that has been issued but is not yet effective, the entity shall disclose:
- (a) this fact; and
  - (b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard or an Interpretation will have on the entity's financial statements in the period of initial application.

- NZ IAS 8.31 In complying with [NZ IAS 8] paragraph 30 an entity considers disclosing:
- (a) the title of the new Standard or an Interpretation;
  - (b) the nature of the impending change or changes in accounting policy;
  - (c) the date by which application of the Standard or an Interpretation is required;
  - (d) the date as at which it plans to adopt the Standard or an Interpretation initially; and
  - (e) either:
    - (i) a discussion of the impact that initial application of the Standard or an Interpretation is expected to have on the entity's financial statements; or
    - (ii) if that impact is not known or reasonably estimable, a statement to that effect.

#### Voluntary changes in accounting policies

- NZ IAS 8.29 When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:
- (a) the nature of the change in accounting policy;
  - (b) the reasons why applying the new accounting policy provides reliable and more relevant information;
  - (c) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment:
    - (i) for each financial statement line item affected; and
    - (ii) if NZ IAS 33 applies to the entity, for basic and diluted earnings per share;
  - (d) the amount of the adjustment relating to periods before those presented, to the extent practicable; and
  - (e) if retrospective application is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.
- Financial statements of subsequent periods need not repeat these disclosures.

## 1.9 Events after the balance sheet date

### Date of authorisation for issue

- NZ IAS 10.17 An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation.
- NZ IAS 10.17 If the entity's owners or others have the power to amend the financial statements after their issue, disclose that fact.

### Updating disclosure about conditions at the balance sheet date

- NZ IAS 10.19 If an entity receives information after the balance sheet date about conditions that existed at the balance sheet date, it shall update the disclosures that relate to those conditions, in the light of the new information.

NZ IAS 33.70(d) An entity shall disclose the following:

- (d) a description of ordinary share transactions or potential ordinary share transactions, other than those accounted for in accordance with [NZ IAS 33] paragraph 64, that occur after the balance sheet date and that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period.

NZ IAS 12.88 Similarly, where changes in tax rates or tax laws are enacted or announced after the balance sheet date, an entity discloses any significant effect of those changes on its current and deferred tax assets and liabilities (see NZ IAS 10).

NZ IFRS 5.12 If the criteria in [NZ IFRS 5] paragraphs 7 and 8 [for the classification of a non-current asset (or disposal group) as held for sale] are met after the balance sheet date, an entity shall not classify a non-current asset (or disposal group) as held for sale in those financial statements when issued. However, when those criteria are met after the balance sheet date but before the authorisation of the financial statements for issue, the entity shall disclose the information specified in [NZ IFRS 5] paragraph 41(a), (b) and (d) in the notes.

### Non-adjusting events after the balance sheet date

NZ IAS 10.21 If non-adjusting events after the balance sheet date are material, non-disclosure could influence the economic decisions of users taken on the basis of the financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the balance sheet date:  
(a) the nature of the event; and  
(b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

NZ IAS 10.22 The following are examples of non-adjusting events after the balance sheet date that would generally result in disclosure:

(a) a major business combination after the balance sheet date (NZ IFRS 3 *Business Combinations* requires specific disclosures in such cases) or disposing of a major subsidiary;

(b) announcing a plan to discontinue an operation;

(c) major purchases of assets, classification of assets as held for sale in accordance with NZ IFRS 5, other disposals of assets or expropriation of major assets by government;

(d) the destruction of a major production plant by a fire after the balance sheet date;

(e) announcing, or commencing the implementation of, a major restructuring;

(f) major ordinary share transactions and potential ordinary share transaction after the balance sheet date (NZ IAS 33 requires an entity to disclose a description of such transactions, other than when such transactions involve capitalisation or bonus issues, share splits or reverse share splits all of which are required to be adjusted under NZ IAS 33);

(g) abnormally large changes after the balance sheet date in asset prices or foreign exchange rates;

(h) changes in tax rates or tax laws enacted or announced after the balance sheet date that have a significant effect on current and deferred tax assets and liabilities (see NZ IAS 12);

(i) entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees; and

(j) commencing major litigation arising solely out of events that occurred after the balance sheet date.

NZ IAS 37.75	If an entity starts to implement a restructuring plan, or announces its main features to those affected, only after the balance sheet date, disclosure is required under NZ IAS 10, if the restructuring is material and non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Going concern</b>		
NZ IAS 1.23	When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 1.23	When financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
NZ IAS 10.16	The events or conditions [that cast significant doubt upon the entity's ability to continue as a going concern] requiring disclosure may arise after the balance sheet date.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Dividends</b>		
NZ IAS 1.125	An entity shall disclose in the notes: (a) the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to equity holders during the period, and the related amount per share; and (b) the amount of any cumulative preference dividends not recognised.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>