

4.1 Leases

Lessees

Finance leases

NZ IAS 17.31	<p>Lessees shall, in addition to meeting the requirements of NZ IFRS 7 <i>Financial Instruments: Disclosures</i>, make the following disclosures for finance leases:</p> <p>(a) for each class of asset, the net carrying amount at the balance sheet date;</p> <p>(b) a reconciliation between the total of minimum lease payments at the balance sheet date, and their present value. In addition, an entity shall disclose the total of future minimum lease payments at the balance sheet date, and their present value, for each of the following periods:</p> <p>(i) not later than one year;</p> <p>(ii) later than one year and not later than five years;</p> <p>(iii) later than five years;</p> <p>(c) contingent rents recognised as expense in the period;</p> <p>(d) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date;</p> <p>(e) a general description of the lessee's material leasing arrangements including, but not limited to, the following:</p> <p>(i) the basis on which contingent rent payable is determined;</p> <p>(ii) the existence and terms of renewal or purchase options and escalation clauses; and</p> <p>(iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
NZ IAS 17.32	<p>In addition, the requirements for disclosure in accordance with NZ IAS 16, NZ IAS 36, NZ IAS 38, NZ IAS 40 and NZ IAS 41 apply to lessees for assets leased under finance leases.</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>

Operating leases

NZ IAS 17.35	<p>Lessees shall, in addition to meeting the requirements of NZ IFRS 7, make the following disclosures for operating leases:</p> <p>(a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:</p> <p>(i) not later than one year;</p> <p>(ii) later than one year and not later than five years;</p> <p>(iii) later than five years;</p> <p>(b) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date;</p> <p>(c) lease and sublease payments recognised as an expense in the period, with separate amounts for minimum lease payments, contingent rents, and sublease payments;</p> <p>(d) a general description of the lessee's significant leasing arrangements including, but not limited to, the following:</p> <p>(i) the basis on which contingent rent payments are determined;</p> <p>(ii) the existence and terms of renewal or purchase options and escalation clauses; and</p> <p>(iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
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Lessors

Finance leases

NZ IAS 17.47	<p>Lessors shall, in addition to meeting the requirements in NZ IFRS 7 disclose the following for finance leases:</p> <p>(a) a reconciliation between the total gross investment in the lease at the balance sheet date, and the present value of minimum lease payments receivable at the balance sheet date. In addition, disclose the total gross investment in the lease and the present value of minimum lease payments receivable at the balance sheet date, for each of the following periods:</p> <p>(i) not later than one year;</p> <p>(ii) later than one year and not later than five years;</p> <p>(iii) later than five years;</p> <p>(b) unearned finance income;</p> <p>(c) the unguaranteed residual values accruing to the benefit of the lessor;</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
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	(d) the accumulated allowance for uncollectible minimum lease payments receivable.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(e) contingent rents recognised as income in the period;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(f) a general description of the lessor's material leasing arrangements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 17.48	As an indicator of growth it is often useful to disclose the gross investment less unearned income in new business added during the period, after deducting the relevant amounts for cancelled leases.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Operating leases			
NZ IAS 17.49	Lessors shall present assets subject to operating leases in their balance sheets according to the nature of the asset.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 17.56	Lessees shall, in addition to meeting the requirements of NZ IFRS 7, disclose the following for operating leases:			
	(a) the future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods:			
	(i) not later than one year;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(ii) later than one year and not later than five years;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(iii) later than five years;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(b) total contingent rents recognised as income in the period;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(c) a general description of the lessor's leasing arrangements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IAS 17.57	In addition, the disclosure requirements in NZ IAS 16, NZ IAS 36, NZ IAS 38, NZ IAS 40 and NZ IAS 41 apply to lessor for assets provided under operating leases.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NZ IFRS 1.36C	An entity that adopts New Zealand equivalents to NZ IFRSs before 1 January 2006 and chooses to adopt NZ IFRS 7 <i>Financial Instruments: Disclosures</i> in its first New Zealand equivalents to financial statements need not present the comparative disclosures required by NZ IFRS 7 in those financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Evaluating the substance of transactions involving the legal form of a lease			
SIC 27.9	The fee [received from an investor] should be presented in the income statement based on its economic substance and nature.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SIC 27.10	All aspects of an arrangement that does not, in substance, involve a lease under NZ IAS 17 should be considered in determining the appropriate disclosures that are necessary to understand the arrangement and the accounting treatment adopted.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SIC 27.10	An entity should disclose the following in each period that an arrangement exists a description of the arrangement in each period that an arrangement exists:			
	(a) a description of the arrangement including:			
	(i) the underlying asset and any restrictions on its use;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(ii) the life and other significant terms of the arrangement;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(iii) the transactions that are linked together, including any options; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(b) the accounting treatment applied to any fee received, the amount recognised as income in the period, and the line item of the income statement in which it is included.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SIC 27.11	The disclosures required in accordance with paragraph 10 of this Interpretation should be provided individually for each arrangement or in aggregate for each class of arrangement. A class is a grouping of arrangements with underlying assets of a similar nature (e.g., power plants).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Determining whether an arrangement contains a lease			
NZ IFRIC 4.15	If a purchaser concludes that it is impracticable to separate payments for the lease from other payments reliably, it shall:			
	(a) in the case of a finance lease, recognise an asset and a liability at an amount equal to the fair value of the underlying asset that was identified in [NZ IFRIC 4] paragraphs 7 and 8 as the subject of the lease. Subsequently the liability shall be reduced as payments are made an imputed finance charge on the liability recognised using the purchaser's incremental borrowing rate of interest;			

- (b) in the case of an operating lease, treat all payments under the arrangement as lease payments for the purposes of complying with the disclosure requirements of NZ IAS 17, but
- (i) disclose those payments separately from minimum lease payments of other arrangements that do not include payments for non-lease elements, and
 - (ii) state that the disclosed payments also include payments for non-lease elements in the arrangement.