

New Zealand Equivalent to International Accounting Standard 1

Presentation of Financial Statements (NZ IAS 1)

Issued November 2007 and incorporates amendments up to and including 31 October 2010 other than consequential amendments resulting from early adoption of NZ IFRS 9 Financial Instruments

This Standard was issued by the Financial Reporting Standards Board of the New Zealand Institute of Chartered Accountants and approved by the Accounting Standards Review Board in November 2007 under the Financial Reporting Act 1993. This Standard is a regulation for the purpose of the Regulations (Disallowance) Act 1989.

This Standard, on adoption, supersedes NZ IAS 1 *Presentation of Financial Statements* (issued 2004)

The following New Zealand Interpretations refer to NZ IAS 1:

- NZ SIC-7 *Interpretation of the Euro*
- NZ SIC-15 *Operating Leases—Incentives*
- NZ SIC-25 *Income Taxes—Changes in the Tax Status of an Entity or its Shareholders*
- NZ SIC-29 *Service Concession Arrangements: Disclosures*
- NZ SIC-32 *Intangible Assets—Web Site Costs*
- NZ IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*
- NZ IFRIC 14 *NZ IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
- NZ IFRIC 15 *Agreements for the Construction of Real Estate*
- NZ IFRIC 17 *Distributions of Non-cash Assets to Owners*
- NZ IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*

of such disclosures in the statement of comprehensive income is not permitted (see paragraph BC75 of the IASB's Basis for Conclusions). The purpose is to ensure that owner changes in equity (in this case, distributions to owners in the form of dividends) are presented separately from non-owner changes in equity (presented in the statement of comprehensive income).

New Zealand specific changes

All entities

- IN17 In adopting IAS 1 for application as NZ IAS 1 the following changes have been made in respect of all entities. NZ IAS 1:
- (a) includes additional definitions (paragraph NZ 8.1);
 - (b) explains that 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 (paragraph NZ 14.1);
 - (c) requires that an entity disclose the statutory base under which the financial statements are prepared (where applicable), the designation of the entity as a profit-oriented entity or a public benefit entity, details of any differential reporting concessions applied and assertions regarding compliance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) (paragraphs NZ 15.1 to NZ 15.3 and NZ 114.1);
 - (d) notes that the Financial Reporting Act 1993 is the relevant regulatory framework for many entities in New Zealand (paragraphs NZ 19.1 and NZ 19.2);
 - (e) requires that an entity that has published prospective financial statements shall present a comparison of the prospective financial statements with the historical financial statements for the relevant period (paragraphs NZ 46.1 and NZ 46.2);
 - (f) requires the disclosure of fees to auditors and donations made (paragraphs NZ 105.1 and NZ 105.2); and
 - (g) where an entity prepares a statement of service performance, includes requirements for the presentation of such statements (paragraphs NZ 138.1 to NZ 138.10).
- IN18 Profit-oriented entities, other than qualifying entities applying any differential reporting concessions, that comply with NZ IAS 1 will simultaneously be in compliance with IAS 1. Public benefit entities using the "NZ" paragraphs in the Standard that specifically apply to public benefit entities may not simultaneously be in compliance with IAS 1. Whether a public benefit entity will be in compliance with IAS 1 will depend on whether the "NZ" paragraphs provide