



THE FINANCIAL REPORTING ORDER 1994

THOMAS EICHELBAUM, Administrator of the Government

ORDER IN COUNCIL

At Wellington this 27th day of June 1994

Present:

HIS EXCELLENCY THE ADMINISTRATOR OF THE GOVERNMENT IN COUNCIL
PURSUANT to sections 12 and 20 of the Financial Reporting Act 1993, His Excellency the Administrator of the Government, acting by and with the advice and consent of the Executive Council, hereby makes the following order.

ORDER

1. Title and commencement—(1) This order may be cited as the Financial Reporting Order 1994.

(2) This order shall come into force on the 1st day of July 1994.

2. Interpretation—(1) In this order, unless the context otherwise requires, “the Act” means the Financial Reporting Act 1993.

(2) Terms or expressions that are not defined in this order, but that are defined in the Act or the Companies Act 1993, have the meanings given to them by the Act or the Companies Act 1993.

3. Form of financial statements of exempt companies—(1) Subject to subclause (2) of this clause, financial statements of an exempt company prepared for the purposes of the Act—

(a) Must be in the form set out in the Schedule to this order; and

- (b) Must contain the particulars required by that form; and
- (c) May contain such other particulars as the board of the company considers to be appropriate for inclusion in the financial statements.

(2) Where, in the financial statements of an exempt company, the amount of an item for an accounting period is not material and the amount of that item for the preceding accounting period is also not material, neither of those items need be separately disclosed.

4. Directions for preparation of financial statements of exempt companies—Financial statements of an exempt company prepared for the purposes of the Act must comply with the following accounting policies:

Accrual accounting

Accrual accounting must be used to record the effects of transactions and events when they occur.

Accounts receivable

Accounts receivable must be stated at their estimated net realisable value.

Depreciation

Depreciation must be calculated either—

- (a) Using the rates permitted under the Income Tax Act 1976; or
- (b) On a systematic basis over the economic life of the asset.

Inventories

Inventories must be valued at the lower of cost and net realisable value.

Non-current assets

Non-current assets must be stated at cost or valuation less aggregate depreciation or amortisation.

Specified leases

Any lease that qualifies as a specified lease for the purposes of section 222A of the Income Tax Act 1976 must be capitalised at the present value of the minimum lease payments and the leased asset must be depreciated—

- (a) Using the rates permitted under the Income Tax Act 1976; or
- (b) On a systematic basis over the economic life of the asset.

Income tax

Income tax must be accounted for by the taxes payable method.

5. Fees and penalties—(1) The registration fee payable by an issuer to the Registrar under section 18 (2) of the Act is \$200.

(2) The registration fee payable by a company to the Registrar under section 19 (3) of the Act is \$200.

(3) If a person who is required to deliver financial statements or group financial statements, and the auditor's report on those statements, to the Registrar for registration under section 18 or section 19 of the Act, fails to do so within the time prescribed, the person shall pay to the Registrar, by way of penalty and in addition to the applicable registration fee prescribed under subclause (1) or subclause (2) of this clause,—

- (a) Where all the documents are delivered not later than 25 working days after the time prescribed, \$25; or
 - (b) Where any or all of the documents are delivered more than 25 working days after the time prescribed, \$100.
 - (4) The fees prescribed by subclauses (1) and (2) of this clause are inclusive of goods and services tax payable under the Goods and Services Tax Act 1985.
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SCHEDULE
FINANCIAL STATEMENTS OF EXEMPT COMPANY
BALANCE SHEET
[Name of Company]

Clause 3

BALANCE SHEET AS AT [specify date]

	\$	\$ (Comparative figures for preceding accounting period)
<i>Current Assets</i>		
Bank		
Inventories		
Accounts receivable		
Advances and loans to directors and shareholders (or members)		
Other current assets		
<i>Current Liabilities</i>		
Loans and overdrafts		
Accounts payable		
Advances and loans from directors and shareholders (or members)		
Dividends payable		
Tax payable		
Other current liabilities		
<i>Net Current Assets (Liabilities)</i>		
<i>Non Current Assets</i>		
Tangible assets—		
Land and buildings		
Motor vehicles		
Plant and machinery		
Advances and loans to directors and shareholders (or members)		
Investments		
Intangible assets		
Other non current assets		
<i>Non Current Liabilities</i>		
Term loans		
Advances and loans from directors and shareholders (or members)		
Other non current liabilities		
<i>Net Assets (Liabilities)</i>		
<i>Shareholders Funds (analysed as appropriate)</i>		

Note. The above information may be shown in a form that sets out assets alongside liabilities.

SCHEDULE—continued

PROFIT AND LOSS STATEMENT (OR INCOME AND EXPENDITURE STATEMENT)

[Name of Company]

PROFIT AND LOSS STATEMENT (OR INCOME AND EXPENDITURE STATEMENT) FOR ACCOUNTING PERIOD ENDING ON [specify date]

	\$	\$
		(Comparative figures for preceding accounting period)
<i>Turnover</i>		
<i>Other revenues</i>		
<i>Expenses by material category in addition to the specific separate disclosure of—</i>		
Depreciation		
Amortisation		
Directors and shareholders (or members) remuneration		
Interest expense		
Lease and rental costs		
<i>Net surplus (deficit) before taxation</i>	_____	_____
<i>Income Tax</i>		
<i>Net surplus (deficit) after taxation</i>	_____	_____
<i>Shareholders (or members) funds at beginning of period</i>		
<i>Dividends paid and payable</i>		
<i>Other changes in shareholders (or members) funds</i>		
<i>Shareholders (or members) funds at end of period</i>	_____	_____

SCHEDULE—*continued*
OTHER INFORMATION

In addition to the particulars set out in the balance sheet and profit and loss statement (or income and expenditure statement) above, the financial statements must contain particulars as to the following:

Accounting policies

The measurement system adopted (for example, historical cost or modified historical cost)

The accounting policies adopted in determining the amounts to be included in respect of items shown in the balance sheet and profit and loss statement (or income and expenditure statement)

Changes, if any, in accounting policies from the previous financial statements and the effect of any such changes

The basis of valuation when assets are carried at valuation (for example, directors' valuation, independent qualified valuation, stock exchange valuation).

Securities and guarantees given by the company in respect of liabilities, if material.

Contingent liabilities, if material.

Balance of imputation credit account.

Whether or not the financial statements have been audited.

MARIE SHROFF,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the order, but is intended to indicate its general effect.

This order, which comes into force on 1 July 1994, prescribes the form of, and the particulars to be contained in, the financial statements of exempt companies under the Financial Reporting Act 1993.

The order also prescribes—

- (a) The fee payable under section 18 (2) of that Act by issuers on delivery of financial statements for registration:
- (b) The fee payable under section 19 (3) of that Act by overseas companies and other companies to which that section applies on delivery of financial statements for registration:
- (c) The amounts payable by way of penalty for failure to deliver financial statements for registration within the prescribed time.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 30 June 1994.

This order is administered in the Department of Justice.