



New Zealand Equivalent to International Accounting Standard 10

Events after the Reporting Period (NZ IAS 10)

Issued November 2004 and incorporates amendments to 31 January 2026

This Standard was issued by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to section 24(1)(a) of the Financial Reporting Act 1993.

This Standard is a Regulation for the purposes of the Regulations (Disallowance) Act 1989.

NZ IAS 10 incorporates the equivalent IFRS[®] Standard as issued by the International Accounting Standards Board (IASB).

Tier 1 for-profit entities that comply with NZ IAS 10 will simultaneously be in compliance with IAS 10 *Events after the Reporting Period*.

NZ IAS 10 includes RDR disclosure concessions and associated RDR paragraphs for entities that qualify for and elect to apply Tier 2 for-profit accounting requirements in accordance with XRB A1 *Application of the Accounting Standards Framework*. Entities that elect to report in accordance with Tier 2 accounting requirements are not required to comply with paragraphs in this Standard denoted with an asterisk (*). However, an entity is required to comply with any RDR paragraph associated with a disclosure concession that is adopted.

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ACCOUNTING STANDARD 10
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**APPROVAL BY THE IASB OF IAS 10 ISSUED IN DECEMBER 2003
IASB BASIS FOR CONCLUSIONS**

New Zealand Equivalent to International Accounting Standard 10 *Events after the Reporting Period* (NZ IAS 10)¹ is set out in paragraphs 1–24 and the Appendix. NZ IAS 10 is based on International Accounting Standard 10 *Events after the Reporting Period* (IAS 10) (2003) initially issued by the International Accounting Standards Committee (IASC) and subsequently revised by the International Accounting Standards Board (IASB). All the paragraphs have equal authority but retain the IASC format of the Standard when it was adopted by the IASB. NZ IAS 10 should be read in the context of its objective and the IASB’s Basis for Conclusions on IAS 10 and the New Zealand Equivalent to the IASB *Conceptual Framework for Financial Reporting*. NZ IAS 8 *Basis of Preparation of Financial Statements* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Any New Zealand additional material is shown with either “NZ” or “RDR” preceding the paragraph number.

¹ In September 2007 the IASB amended the title of IAS 10 from *Events after the Balance Sheet Date* to *Events after the Reporting Period* as a consequence of the revision of IAS 1 *Presentation of Financial Statements* in 2007.

New Zealand International Accounting Standard 10

Events after the Reporting Period (NZ IAS 10)

Objective

- 1 The objective of this Standard is to prescribe:
- when an entity should adjust its financial statements for events after the reporting period; and
 - the disclosures that an entity should give about the date when the financial statements were authorised for issue and about events after the reporting period.

The Standard also requires that an entity should not prepare its financial statements on a going concern basis if events after the reporting period indicate that the going concern assumption is not appropriate.

Scope

- NZ 1.1 This Standard applies to Tier 1 and Tier 2 for-profit entities.**
- NZ 1.2 A Tier 2 entity is not required to comply with the disclosure requirements in this Standard denoted with an asterisk (*). Where an entity elects to apply a disclosure concession it shall comply with any RDR paragraphs associated with that concession.**
- 2 This Standard shall be applied in the accounting for, and disclosure of, events after the reporting period.

Definitions

- 3 The following terms are used in this Standard with the meanings specified:
- Events after the reporting period* are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:
- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
 - those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).
- 4 The process involved in authorising the financial statements for issue will vary depending upon the management structure, statutory requirements and procedures followed in preparing and finalising the financial statements.
- 5 In some cases, an entity is required to submit its financial statements to its shareholders for approval after the financial statements have been issued. In such cases, the financial statements are authorised for issue on the date of issue, not the date when shareholders approve the financial statements.

| Example |
|--|
| <p>The management of an entity completes draft financial statements for the year to 31 December 20X1 on 28 February 20X2. On 18 March 20X2, the board of directors reviews the financial statements and authorises them for issue. The entity announces its profit and selected other financial information on 19 March 20X2. The financial statements are made available to shareholders and others on 1 April 20X2. The shareholders approve the financial statements at their annual meeting on 15 May 20X2 and the approved financial statements are then filed with a regulatory body on 17 May 20X2.</p> <p><i>The financial statements are authorised for issue on 18 March 20X2 (date of board authorisation for issue).</i></p> |

- 6 In some cases, the management of an entity is required to issue its financial statements to a supervisory board (made up solely of non-executives) for approval. In such cases, the financial statements are authorised for issue when the management authorises them for issue to the supervisory board.

Example

On 18 March 20X2, the management of an entity authorises financial statements for issue to its supervisory board. The supervisory board is made up solely of non-executives and may include representatives of employees and other outside interests. The supervisory board approves the financial statements on 26 March 20X2. The financial statements are made available to shareholders and others on 1 April 20X2. The shareholders approve the financial statements at their annual meeting on 15 May 20X2 and the financial statements are then filed with a regulatory body on 17 May 20X2.

The financial statements are authorised for issue on 18 March 20X2 (date of management authorisation for issue to the supervisory board).

- 7 Events after the reporting period include all events up to the date when the financial statements are authorised for issue, even if those events occur after the public announcement of profit or of other selected financial information.

Recognition and measurement

Adjusting events after the reporting period

- 8 **An entity shall adjust the amounts recognised in its financial statements to reflect adjusting events after the reporting period.**
- 9 The following are examples of adjusting events after the reporting period that require an entity to adjust the amounts recognised in its financial statements, or to recognise items that were not previously recognised:
- (a) the settlement after the reporting period of a court case that confirms that the entity had a present obligation at the end of the reporting period. The entity adjusts any previously recognised provision related to this court case in accordance with NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or recognises a new provision. The entity does not merely disclose a contingent liability because the settlement provides additional evidence that would be considered in accordance with paragraph 16 of NZ IAS 37.
 - (b) the receipt of information after the reporting period indicating that an asset was impaired at the end of the reporting period, or that the amount of a previously recognised impairment loss for that asset needs to be adjusted. For example:
 - (i) the bankruptcy of a customer that occurs after the reporting period usually confirms that the customer was credit-impaired at the end of the reporting period; and
 - (ii) the sale of inventories after the reporting period may give evidence about their net realisable value at the end of the reporting period.
 - (c) the determination after the reporting period of the cost of assets purchased, or the proceeds from assets sold, before the end of the reporting period.
 - (d) the determination after the reporting period of the amount of profit-sharing or bonus payments, if the entity had a present legal or constructive obligation at the end of the reporting period to make such payments as a result of events before that date (see NZ IAS 19 *Employee Benefits*).
 - (e) the discovery of fraud or errors that show that the financial statements are incorrect.

Non-adjusting events after the reporting period

- 10 **An entity shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period.**
- 11 An example of a non-adjusting event after the reporting period is a decline in fair value of investments between the end of the reporting period and the date when the financial statements are authorised for issue. The decline in fair value does not normally relate to the condition of the investments at the end of the reporting period, but reflects circumstances that have arisen subsequently. Therefore, an entity does not adjust the amounts recognised in its financial statements for the investments. Similarly, the entity does not update the amounts disclosed for the investments as at the end of the reporting period, although it may need to give additional disclosure under paragraph 21.

Dividends

- 12 **If an entity declares dividends to holders of equity instruments (as defined in NZ IAS 32 *Financial Instruments: Presentation*) after the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period.**
- *13 If dividends are declared after the reporting period but before the financial statements are authorised for issue, the dividends are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with NZ IFRS 18 *Presentation and Disclosure in Financial Statements*.

Going concern

- 14 **An entity shall not prepare its financial statements on a going concern basis if management determines after the reporting period either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so.**
- 15 Deterioration in operating results and financial position after the reporting period may indicate a need to consider whether the going concern assumption is still appropriate. If the going concern assumption is no longer appropriate, the effect is so pervasive that this Standard requires a fundamental change in the basis of accounting, rather than an adjustment to the amounts recognised within the original basis of accounting.
- 16 NZ IAS 8 *Basis of Preparation of Financial Statements* specifies required disclosures if:
- (a) the financial statements are not prepared on a going concern basis; or
 - (b) management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The events or conditions requiring disclosure may arise after the reporting period.

Disclosure

Date of authorisation for issue

- 17 **An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation. If the entity's owners or others have the power to amend the financial statements after issue, the entity shall disclose that fact.**
- 18 It is important for users to know when the financial statements were authorised for issue, because the financial statements do not reflect events after this date.

Updating disclosure about conditions at the end of the reporting period

- *19 **If an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to those conditions, in the light of the new information.**
- *20 In some cases, an entity needs to update the disclosures in its financial statements to reflect information received after the reporting period, even when the information does not affect the amounts that it recognises in its financial statements. One example of the need to update disclosures is when evidence becomes available after the reporting period about a contingent liability that existed at the end of the reporting period. In addition to considering whether it should recognise or change a provision under NZ IAS 37, an entity updates its disclosures about the contingent liability in the light of that evidence.

Non-adjusting events after the reporting period

- 21 **If non-adjusting events after the reporting period are material, non-disclosure could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period:**
- (a) the nature of the event; and

(b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

- 22 The following are examples of non-adjusting events after the reporting period that would generally result in disclosure:
- (a) a major business combination after the reporting period (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 *Non-current Assets Held for Sale and Discontinued Operations*, other disposals of assets, or expropriation of major assets by government;
 - (d) the destruction of a major production plant by a fire after the reporting period;
 - (e) announcing, or commencing the implementation of, a major restructuring (see NZ IAS 37);
 - (f) major ordinary share transactions and potential ordinary share transactions after the reporting period (NZ IAS 33 *Earnings per Share* 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 reporting period in asset prices or foreign exchange rates;
 - (h) changes in tax rates or tax laws enacted or announced after the reporting period that have a significant effect on current and deferred tax assets and liabilities (see NZ IAS 12 *Income Taxes*);
 - (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 reporting period.

Effective date

- 23 This Standard becomes operative for an entity's financial statements that cover annual accounting periods beginning on or after 1 January 2007. Early adoption of this Standard is permitted only when an entity complies with NZ IFRS 1 *First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards* for an annual accounting period beginning on or after 1 January 2005.
- 23A NZ IFRS 13 *Fair Value Measurement*, issued in June 2011, amended paragraph 11. An entity shall apply that amendment when it applies NZ IFRS 13.
- NZ 23A.1 *Framework: Tier 1 and Tier 2 For-profit Entities*, issued in November 2012, amended extant NZ IFRSs by deleting any public benefit entity paragraphs, deleting any differential reporting concessions, adding scope paragraphs for Tier 1 and Tier 2 for-profit entities and adding disclosure concessions for Tier 2 entities. It made no changes to the requirements for Tier 1 entities. A Tier 2 entity may elect to apply the disclosure concessions for annual periods beginning on or after 1 December 2012. Early application is permitted.
- 23B NZ IFRS 9 *Financial Instruments*, as issued in September 2014, amended paragraph 9. An entity shall apply that amendment when it applies NZ IFRS 9.
- 23C *Definition of Material* (Amendments to NZ IAS 1 and NZ IAS 8), issued in December 2018, amended paragraph 21. An entity shall apply those amendments prospectively for annual periods beginning on or after 1 January 2020. Earlier application is permitted. If an entity applies those amendments for an earlier period, it shall disclose that fact. An entity shall apply those amendments when it applies the amendments to the definition of material in paragraph 7 of NZ IAS 1² and paragraphs 5 and 6 of NZ IAS 8.
- 23D NZ IFRS 18 issued in May 2024 amended paragraphs 13 and 16. An entity shall apply those amendments when it applies NZ IFRS 18.

² In May 2024 the New Zealand Accounting Standards Board of the External Reporting Board issued NZ IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over the definition of 'material' in NZ IAS 1 *Presentation of Financial Statements* to NZ IFRS 18.

Withdrawal of IAS 10 (Revised 1999)

24 [Paragraph 24 is not reproduced. The withdrawal of previous IASB pronouncements is not relevant to this Standard.]

Appendix

Amendments to other pronouncements

The amendments in this appendix shall be applied for annual periods beginning on or after 1 January 2005. If an entity applies this Standard for an earlier period, these amendments shall be applied for that earlier period.

The amendments contained in this appendix when this Standard was revised in 2003 have been incorporated into the relevant pronouncements.

HISTORY OF AMENDMENTS

Table of Pronouncements – NZ IAS 10 Events after the Reporting Period

This table lists the pronouncements establishing and amending NZ IAS 10. The table is based on amendments approved as at 31 January 2026.

| Pronouncements | Date issued | Early operative date | Mandatory date (annual reporting periods... on or after ...) |
|--|-------------|-----------------------------|--|
| NZ IAS 10 <i>Events after the Balance Sheet Date</i> | Nov 2004 | 1 Jan 2005 | 1 Jan 2007 |
| NZ IAS 1 <i>Presentation of Financial Statements</i> (revised 2007) ³ | Nov 2007 | Early application permitted | 1 Jan 2009 |
| <i>Improvements to NZ IFRSs</i> | June 2008 | Early application permitted | 1 Jan 2009 |
| NZ IFRIC 17 <i>Distribution of Non-cash Assets to Owners</i> | Dec 2008 | Early application permitted | 1 July 2009 |
| Minor Amendments to NZ IFRSs | July 2010 | Immediate | Immediate |
| NZ IFRS 13 <i>Fair Value Measurement</i> | June 2011 | Early application permitted | 1 Jan 2013 |
| <i>Framework: Tier 1 and Tier 2 For-profit Entities</i> ⁴ | Nov 2012 | Early application permitted | 1 Dec 2012 |
| NZ IFRS 9 <i>Financial Instruments</i> (2014) | Sept 2014 | Early application permitted | 1 Jan 2018 |
| <i>Definition of Material</i> (Amendments to NZ IAS 1 and NZ IAS 8) | Dec 2018 | Early application permitted | 1 Jan 2020 |
| NZ IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> | May 2024 | Early application permitted | 1 Jan 2027 |

| Table of Amended Paragraphs in NZ IAS 10 | | |
|--|--------------|--|
| Paragraph affected | How affected | By ... [date] |
| Title | Amended | NZ IAS 1 [Nov 2007] |
| Paragraph 9 | Amended | NZ IFRS 9 (2014) [Sept 2014] |
| Paragraph 11 | Amended | NZ IFRS 13 [June 2011] |
| Paragraph 13 | Amended | NZ IFRIC 17 [Dec 2008] |
| Paragraph 13 | Amended | <i>Improvements to NZ IFRSs</i> [June 2008] |
| Paragraph 13 | Amended | NZ IFRS 18 [May 2024] |
| Paragraph 16 | Amended | NZ IFRS 18 [May 2024] |
| Paragraph 21 | Amended | NZ IAS 1 [Nov 2007] |
| Paragraph 21 | Amended | <i>Definition of Material</i> [Dec 2018] |
| Paragraph 23A | Added | NZ IFRS 13 [June 2011] |
| Paragraph NZ 23A.1 | Added | <i>Framework: Tier 1 and Tier 2 For-profit Entities</i> [Nov 2012] |
| Paragraph 23B | Added | NZ IFRS 9 (2014) [Sept 2014] |
| Paragraph 23C | Added | <i>Definition of Material</i> [Dec 2018] |

³ Superseded by NZ IFRS 18 *Presentation and Disclosure in Financial Statements*.

⁴ This pronouncement amended extant NZ IFRSs by (i) deleting any public benefit entity paragraphs, (ii) deleting any differential reporting paragraphs, (iii) adding scope paragraphs for Tier 1 and Tier 2 for-profit entities, and (iv) adding RDR disclosure concessions.

| Table of Amended Paragraphs in NZ IAS 10 | | |
|---|---------------------|-----------------------|
| Paragraph affected | How affected | By ... [date] |
| Paragraph 23C (footnote added) | Amended | NZ IFRS 18 [May 2024] |
| Paragraph 23D | Added | NZ IFRS 18 [May 2024] |