Inland Revenue
Te Tari Taake

Financial statements summary

IR10
March 2016

Year ended 31 March

- **You only need to complete this form if you are in business.**
- **Please complete both pages of this form. Copy each amount from your financial statements.**

Your full name

Your IRD number (8 digit numbers start in the second box 1 2 3 4 5 6 7 8)

Multiple activity indicator **1** Yes No

Profit and loss statement

Gross income from	Sales and/or services	**2**	$, , .00
Cost of goods sold	Opening stock (include work in progress)	**3**	$, , .00
	Purchases	**4**	$, , .00
	Closing stock (include work in progress)	**5**	$, , .00
Gross profit	(if a loss, put a minus sign in the last box)	**6**	$, , .00
Other gross income	Interest received	**7**	$, , .00
	Dividends received	**8**	$, , .00
	Rental, lease and licence income	**9**	$, , .00
	Other income	**10**	$, , .00
Total income	Add up all income entered in **Boxes 6 to 10** (if a loss, put a minus sign in the last box)	**11**	$, , .00
Expenses (as per financial statements)	Bad debts	**12**	$, , .00
	Accounting depreciation and amortisation	**13**	$, , .00
	Insurance (exclude ACC levies)	**14**	$, , .00
	Interest expense	**15**	$, , .00
	Professional and consulting fees	**16**	$, , .00
	Rates	**17**	$, , .00
	Rental, lease and licence payments	**18**	$, , .00
	Repairs and maintenance	**19**	$, , .00
	Research and development	**20**	$, , .00
	Associated persons' remuneration	**21**	$, , .00
	Salaries and wages paid to employees	**22**	$, , .00
	Contractor and sub-contractor payments	**23**	$, , .00
	Other expenses	**24**	$, , .00
Total expenses	Add up all expenses entered in **Boxes 12 to 24**	**25**	$, , .00
Exceptional items	(if there is a negative amount, put a minus sign in the last box)	**26**	$, , .00
Net profit/loss before tax	**Box 11** less **Box 25**, add **Box 26** (if positive) or deduct **Box 26** (if negative)	**27**	$, , .00
Tax adjustments	(if there is a negative amount, put a minus sign in the last box)	**28**	$, , .00
Current year taxable profit/loss	(if a loss, put a minus sign in the last box)	**29**	$, , .00

Balance sheet items

Current assets (as at balance date)	Accounts receivable (debtors)	30	$, , . 0 0
	Cash and deposits	31	$, , . 0 0
	Other current assets	32	$, , . 0 0
Fixed assets (closing accounting value)	Vehicles	33	$, , . 0 0
	Plant and machinery	34	$, , . 0 0
	Furniture and fittings	35	$, , . 0 0
	Land	36	$, , . 0 0
	Buildings	37	$, , . 0 0
	Other fixed assets	38	$, , . 0 0
Other non-current assets (as at balance date)	Intangibles	39	$, , . 0 0
	Shares/ownership interests	40	$, , . 0 0
	Term deposits	41	$, , . 0 0
	Other non-current assets	42	$, , . 0 0
Total assets	Add up all assets entered in **Boxes 30 to 42**	43	$, , . 0 0
Current liabilities (as at balance date)	Provisions	44	$, , . 0 0
	Accounts payable (creditors)	45	$, , . 0 0
	Current loans	46	$, , . 0 0
	Other current liabilities	47	$, , . 0 0
Total current liabilities	Add up all liabilities entered in **Boxes 44 to 47**	48	$, , . 0 0
Non-current liabilities (as at balance date)		49	$, , . 0 0
Total liabilities	Add **Box 48 to Box 49**. Print your answer in **Box 50**	50	$, , . 0 0
Owners' equity	(if in debit, put a minus sign in the last box)	51	$, , . 0 0

Other information

	Tax depreciation	52	$, , . 0 0
	Untaxed realised gains/receipts	53	$, , . 0 0
	Additions to fixed assets	54	$, , . 0 0
	Disposals of fixed assets	55	$, , . 0 0
	Dividends paid	56	$, , . 0 0
	Drawings	57	$, , . 0 0
	Current account year-end balances (if in debit, put a minus sign in the last box)	58	$, , . 0 0
	Tax-deductible loss on disposal of fixed assets	59	$, , . 0 0

Cut off this page and staple it to page 3 of your return. You do not need to send in your financial statements as well.

RESET FORM

About the IR10

The *Financial statements summary (IR10)* form is designed to collect information for statistical purposes. The IR10 is only required to be completed where there is a business activity. The Income Tax Act 2007 defines a business as including any "profession, trade, or undertaking carried on for a profit". The IR10 is a summary of the financial statements of a business. "Financial statements" mean financial statements/ accounts of the business or financial records when these are not available.

A business has the option of attaching either a fully completed *Financial statements summary (IR10)* form or a set of financial statements to its tax return.

Completing the IR10

Copy the amounts from your financial statements to the corresponding boxes in the IR10. Read the following notes. Where a term is not explained it has its normal accounting meaning. For full details in how to complete an IR10 refer to the IR10 guide. You can read this at **www.ird.govt.nz** (search keyword: IR10G).

Notes

1 Multiple activity indicator

Tick "yes" if there is more than one line of business, not just several divisions in the same business.

2 Sales and/or services

This is gross income from the sales of goods and services. Include management fees and commissions if this is the main source of income. Include salaries, wages and schedular payments if it is the only income.

3 Opening stock

This is the total of stock on hand including raw materials, livestock, grain or produce used in the business, work in progress and finished goods at the beginning of the year.

4 Purchases

Enter the total amount of purchases and other direct costs. The direct costs (labour and other) of a business that provides services should be treated as purchases.

5 Closing stock

This is the total of stock on hand including raw materials, livestock, grain or produce used in the business on hand, work in progress and finished goods at the end of the year.

8 Dividends received

Enter the amount of dividends received as shown in the profit and loss statement, including inter-group dividends. You can gross up the dividends to the extent that they are taxable and the imputation credits are available to satisfy the business's income or tax liability. Or you can account for the taxable dividends on a net basis and make a tax adjustment for any imputation credits. Businesses that must prepare general purpose financial statements that comply with generally accepted accounting principles (GAAP) must account for imputation credits on a net basis as required by International Financial Reporting Standards (IFRS).

9 Rental, lease and licence income

Enter the amount of gross rental, lease, licence and hire income before expenses as shown in the profit and loss statement. If licence income or hiring activities are part of normal business activities, include the income in Box 2 (sales and/or services). Don't include hire purchase and finance lease income.

10 Other income

Include salary, wages and schedular payments that have been included in the profit and loss statement where they have not been recorded in Box 2 (sales and/or services). Exclude exceptional items that should be included in Box 26.

16 Professional and consulting fees

Professional fees include accounting, legal fees and taxation advice. Consulting fees include management advice, financial advisory fees, assistance with feasibility studies, and advice concerning mergers, acquisitions, financing and restructuring.

18 Rental, lease and licence payments

Licence payments include franchise fees, royalties and licence fees.

21 Associated persons' remuneration

For this expense, "associated persons" has the same meaning as in subpart YB of the Income Tax Act 2007. For more guidance please refer to *A guide to associated persons definitions for income tax purposes (IR620)*.

"Associated persons" can include persons and entities, for example, individuals, companies, trustees, partnerships and limited partnerships.

Enter the total amount of remuneration, which has been treated as an expense in the financial statements and paid for services performed by the owner of the business (including sole trader) and/or associated persons. In a small family owned business the remuneration includes regular payments of salaries and wages as well as lump sum payments (whether PAYE was deducted or not). It also includes management fees (paid to individuals or associated persons) and director's fees paid to associated persons. For a widely owned business (such as a listed company) and/ or an overseas-owned business, the associated persons' remuneration consists of management fees paid to associated persons.

You can exclude indirect remuneration such as ACC levies, FBT and employer contributions to superannuation/ KiwiSaver from the associated persons' remuneration. These exclusions minimise compliance costs of apportionment.

Instead, you can enter these indirect remuneration expenses in the "Other expenses" box on your IR10.

Remuneration does not include dividends, drawings, interest or royalties.

22 Salaries and wages paid to employees

Enter the total amount of salaries and wages paid to employees that have been treated as an expense in the financial statements. Salaries and wages include PAYE, bonuses and other indirect employment costs such as KiwiSaver contributions and ACC levies. They do not include associated persons' remuneration.

23 Contractor and sub-contractor payments

Enter the total amount of contractor and sub-contractor payments shown in the financial statements. These payments include agricultural and construction subcontractors, schedular payments, relief taxi and courier drivers, temporary contractors ("temps") and labour-only contractors. Do not include associated persons' remuneration and salaries and wages paid to employees.

26 Exceptional items

These are large income and/or expense items that do not arise as a result of normal business operations and are not expected to recur. These six income and/or expense categories are exceptional items:

1. Results from the sale or disposal of the business or a significant part of it
2. Results from natural disasters
3. Major restructuring costs paid or provided for
4. Major impairments or write-offs
5. Reversal of major impairments, write-offs, or restructuring provisions
6. Large one-off, non-operational receipts.

Only disclose exceptional items if the income and/or expense items of the above six categories total more than 5% of turnover.

27 Net profit/loss before tax

This is the total of Box 11 (Total income) less Box 25 (Total expenses) and then adding Box 26 (Exceptional items) if it is a positive amount, or deducting Box 26 if it is a negative amount.

28 Tax adjustments

These are the total of all adjustments that are required to go from the net profit/loss before tax as shown in Box 27 to the current year taxable profit/loss as shown in Box 29. If there is no difference between Box 27 and Box 29, leave Box 28 blank. Causes of common mistakes include differences between accounting and tax depreciation, tax depreciation recovered, capital gains and losses on sale of assets, provisions not incurred at balance date and non-deductible expenditure.

29 Current year taxable profit/loss

This figure should be equal to Box 27 (Net profit/loss before tax) plus Box 28 (Tax adjustments) if it is a positive amount, or deducting Box 28 if it is a negative amount. It should be before inter-company loss offsets and the use of any losses carried forward.

32 Other current assets

Include closing stock (inventory), work in progress, and the balance of the owners' current account where the owner owes funds to the business.

33 to 38 Fixed assets

Enter the accounting book value (net of depreciation) of each category of fixed asset.

39 Intangibles

Include the right to use intangible assets.

40 Shares/ownership interests

Enter the accounting book value of profit-sharing investments. This includes shares in companies, interest in a partnership or joint venture, equity in a unit trust and entitlements to trust distributions.

45 Accounts payable (creditors)

Include expenses that have been accrued at balance date.

47 Other current liabilities

Include the balance of owner's current account where the business owes funds to the owner.

51 Owners' equity

The owners' equity should be the amount shown in the balance sheet and be equal to total assets shown at Box 43, less total liabilities shown at Box 50.

52 Tax depreciation

Tax depreciation is calculated in accordance with the Income Tax Act 2007 and associated depreciation determinations issued by IR. It includes depreciation on fixed assets, depreciable land improvements and depreciable intangible property. Do not include depreciation on buildings with an estimated useful life of fifty years or more.

53 Untaxed realised gains/receipts

This includes all gains and receipts not subject to income tax. Common examples are capital gains on the sale of assets such as land or shares, gifts received and one-off receipts of a capital nature.

55 Disposal of fixed assets

Enter the proceeds from the sale of fixed assets and funds received as a result of scrapping fixed assets.

56 Dividends paid

Enter the amount of dividends paid to shareholders or credited to their current account (including RWT). Do not include imputation credits attached to the dividends and dividends that were proposed but not paid at balance date. Include non-cash dividends such as expenditure for the benefit of the shareholders.

57 Drawings

Enter the total drawings taken from the business by the proprietors, shareholders, partners or beneficiaries. Include all private use adjustments and private expenditure through the business that has not been treated as a dividend or a trust beneficiary distribution.

59 Tax-deductible loss on disposal of fixed assets

Enter the total tax loss on disposal of fixed assets. Include the loss arising when fixed assets are scrapped.