1 January 2007

APPLICABLE TO

- Entities whose ordinary shares or potential ordinary shares are publicly traded.
- Entities in the process of listing ordinary shares or potential ordinary shares in public markets.

TYPES OF EARNINGS PER SHARE (EPS)

BASIC EPS

(To be disclosed on face of Statement of Profit or Loss and Other Comprehensive Income)

DILUTED EP3 (DEP3

(To be disclosed on face of Statement of Profit or Loss and Other Comprehensive Income)

EARNINGS/WEIGHTED AVERAGE NUMBER OF SHARES

Basic earnings

Profit or loss from continuing operations adjusted for:

- Non-controlling interest's share of profit.
- Dividends on preference shares (after tax), differences arising in settlement of preference shares, and other similar effects where preference shares are classified as equity.

Basic - Weighted average number of shares

- Time-weight shares issued from date consideration receivable.
- For additional shares where no consideration received time weight from beginning of year / date of issue of shares with consideration (e.g. bonus issue).
- · Restate comparatives.

Diluted earnings

Basic earnings adjusted for after-tax effect of

• Changes in Statement of Profit or Loss and Other Comprehensive Income that will result from conversion of all dilutive potential ordinary shares e.g. interest on loan no longer charged once converted to equity.

Diluted - Weighted average number of shares

- Starting point is the weighted average number of shares in basic EPS.
- If any consideration will be received on conversion the dilutive impact is based only on the number of shares issued for no consideration
- Adjust for number of shares that would be issued on conversion.
- Adjust presuming conversion at beginning of year / date of issue of potential ordinary shares.
- Diluted EPS presented for only those instruments which result in a reduction of EPS - i.e. instruments which prove to be anti-dilutive are excluded.

OTHER

(To be disclosed in notes to the financial statements)

- Same number of shares, different numerator (earnings number).
- Disclose in notes to Annual Financial Statements not on face of Statement of Comprehensive Income.
- Examples:
- Headline Earnings per share
- Net Assets Value per share.
- Core earnings per share.

CONSIDERATIONS TO NOT

- Where an entity presents discontinued operations, basic EPS and diluted EPS to be presented for continuing and discontinuing operations. Continuing operations amount is presented on face of Statement of Comprehensive Income.
- · Complex areas:
- Contingently issuable shares.
- Share-based payment transactions.
- Contracts settled in shares / in cash.
- Written put options.
- Options, warrants and their equivalents.
- Potential ordinary shares of subsidiaries

Although every effort is made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the datit is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular facts and circumstances of the situation.

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