

### Summary

This Practice Note explains the process to follow when an issuer changes its balance date and provides a best practice example of reporting to ensure the market understands the change.

**Relevant Listing Rules:** 3.5, 3.7.2, 3.12.1, 3.21.2, Appendix 2 of the Listing Rules

Under Rule 9.15.1 of the NZX Listing Rules (**Rules**), NZX Limited (**NZX**) may act by and through NZX Regulation Limited (**NZ RegCo**) in performing any function or discharging any power set out in the Rules. References in this Guidance Note to NZX therefore also include NZ RegCo in relation to any regulatory activity or discretion.

### The Listing Rules

The Rules require issuers to release:

- For issuers of quoted equity or debt securities, a results announcement no later than 60 days after the end of each financial year or half year. Issuers of quoted equity or debt securities that are required to consolidate the financial results of another issuer will instead release a results announcement up to 5 business days after the earlier of:
  - the release of the other issuer's results announcement, and
  - 60 days after the end of the financial year or half year.
- For issuers of quoted equity or debt securities, an annual report within three months after the end of the issuer's financial year.
- For fund securities, an annual report within three months of the balance date.

Issuers of quoted equity securities or fund securities must release an announcement setting out any decision to extend their balance date, not less than one month before the end of the existing half-year reporting period or the existing annual balance date.

### Changes to a balance date

When an issuer changes its balance date, the timing of its announcements also changes. This can result in:

- A financial year longer than 12 months, or a half year that is longer than six months, if the relevant dates are extended; or
- If the issuer seeks to change its annual balance date to an earlier date, a financial year that is shorter than 12 months.

NZX notes that when making a change an Issuer will usually be discussing the matter with Inland Revenue and their accountants or auditors. It is helpful to summarise these discussions to NZX. It is important to engage with NZX early in the process to establish any further reporting obligations.

Where an issuer changes its annual balance date to a later date, NZX may require the issuer to release additional information to keep the market informed. When considering whether to require an issuer to release further reports, NZX will consider the information currently available to the market as well as the new reporting dates after the issuer's change of balance date.

Appendix 2 of the Rules, Results Announcements, also requires that the Issuer's Results Announcement include commentary that is sufficient for the market to be able to compare the information presented with the equivalent previous period. This requirement ensures that the Issuer must clearly explain the changes that are being made and provide sufficient detail to ensure the market can still compare other periods.

Issuers should also be mindful of the impact that any change of balance date has on half year reporting. Sometimes it can take multiple reporting periods to start presenting 'clean' financial reporting and Results Announcements.

### **Accounting standards**

When considering a change in balance date, Issuers should be mindful of their financial reporting obligations and relevant standards (for example, NZ GAAP). NZX will usually ask an Issuer to summarise the relevant financial reporting obligations that apply in the specific issuer's circumstance when discussing a change of balance date.

### **Best practice reporting example**

An issuer of equity securities decides to change its balance date from 31 March to 30 June.

- This must be announced to the market no later than 28 February.
- The issuer released its half year results on 30 December. With the new balance date of 30 June, the next reporting date will be a full-year result due 30 September. This results in a nine-month gap between results.
- Issuer engages with NZX at the same time it announces the decision to move its balance date, in order to establish what, if any, additional reporting will be required during the transitional period.

*Practice Notes are not intended to be a definitive statement of the application of the rules in every situation and are only a guide to NZX's policy and practice. This Practice Note does not limit NZX's discretion under the Rules. NZX takes no responsibility for any error contained in the Practice Note. NZX may replace Practice Notes at any time.*