

APPROVED

by Resolution No. 1 of 18 December 2003
of the Standards Board of the Public
Establishment the Institute of Accounting
of the Republic of Lithuania

4 BUSINESS ACCOUNTING STANDARD “STATEMENT OF CHANGES IN EQUITY”

*Version effective as from 26 November 2006 (“Valstybės žinios” (Official Gazette), 2004, No. 20-616;
No. 180-6698; No. 188 (correction); 2006, No. 127-4882).*

I. GENERAL PROVISIONS

1. The objective of this Standard is to set out how information about changes in an entity’s equity during the reporting period shall be presented, classified and disclosed.
2. This Standard establishes a procedure of preparing a statement of changes in equity and provides standard forms of the statement, except for consolidated statement. Standard forms of a statement of changes in equity are presented in the annexes to this Standard:
 - 2.1. a form for all entities, except for those specified in paragraphs 2.2 and 2.3, is in Annex 1;
 - 2.2. a form for agricultural companies and co-operatives, is in Annexes 2;
 - 2.3. a form for state and municipal enterprises is in Annex 3.
3. A statement of changes in equity shows net increase or decrease in economic benefits of an entity during the reporting period and other changes in equity not recognised in the income statement.

II. KEY DEFINITIONS

Share premium – a difference between the par value and emission price of shares.

Emergency (reserve) capital – a capital of an agricultural company or co-operative assigned for covering unforeseen charges and losses.

Authorised (subscribed) capital – a sum of par values of subscribed shares.

Retained earnings – accumulated and not yet distributed profit of an entity.

Retained losses – accumulated and not yet covered losses of an entity.

Equity – a portion of entity’s assets remaining after deducting all its liabilities from all its assets.

Fixed capital – a sum of member share contributions and admission fees, deductions from profit, assets revaluation and assets received gratis of an agricultural company or co-operative.

Revaluation reserve (results) – changes in equity resulting from revaluation of non-current tangible and financial assets.

Legal reserve – a reserve formed in the manner established by laws and assigned for covering losses of an entity.

Reserve – a temporary (specified) restriction of profit use intended for purposes set by owners.

Reserve for acquiring own shares – a reserve formed for acquisition of own shares equal to at least the acquisition cost of planned to acquire own shares of an entity.

Own shares – shares acquired by the issuing limited liability company.

III. EQUITY ACCOUNTING

4. Requirements for equity accounting are established by 8 Business Accounting Standard “Equity”.

IV. PRESENTING INFORMATION IN THE STATEMENT OF CHANGES IN EQUITY

5. A statement of changes in equity presents all changes in equity. A statement of changes in equity shall include:

5.1. items of equity at the beginning and at the end of the current and previous reporting periods;

5.2. a result of changes in accounting policies;

5.3. a result of correcting errors;

5.4. recalculated items of equity at the beginning of the reporting period (after the adjustments referred to in paragraphs 5.2 and 5.3 hereof);

5.5. a result of non-current tangible assets revaluation;

5.6. a result of financial assets revaluation;

5.7. own shares;

5.8. other profit (loss) not recognised in the income statement;

5.9. net profit (loss) of the reporting period;

5.10. declared dividends and other payments related to the distribution of profit;

5.11. an increase (decrease) in the authorised capital and its carrying amount at the beginning and at the end of the reporting period;

5.12. changes in reserves and their carrying amount at the beginning and at the end of the reporting period.

6. When completing the statement form, entities may skip line items or columns with zero values or include additional information.

7. Information about significant amounts related to changes in equity shall be disclosed in explanatory notes to financial statements.

8. In their statements of changes in equity agricultural companies and co-operatives present information about changes in fixed capital and emergency (reserve) capital, instead of presenting information about changes in authorised capital, share premium, own shares, revaluation reserve and legal reserve.

9. In their statements of changes in equity state and municipal enterprises present information about changes in entity owner’s capital and capital corresponding to assets, which under laws can be owned only by the State, instead of presenting information about changes in authorised capital, share premium and own shares.

V. FINAL PROVISIONS

8. This Standard shall be effective for financial statements covering periods beginning on or after 1 January 2004. A standard form of statement of changes in equity for state and municipal enterprises presented in Annex 3 to this Standard shall be used by state and municipal entities for financial statements covering periods beginning on or after 1 January 2006

21. Net profit / loss of the reporting period											
22. Dividends											
23. Other payments											
24. Formed reserves											
25. Used reserves											
26. Increase / reduction of authorised capital											
27. Contributions to cover losses											
26. Balance at the end of the current reporting period											

(title of the head of entity administration)

(signature)

(name, surname)

Annex No.2
to 4 Business Accounting Standard
“Statement of Changes in Equity”

**(Standard Form of Statement of Changes in Equity for Agricultural Companies and
Co-operatives)**

(entity name)

(entity identification number, address, other information)

APPROVED

Minutes No.....

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STATEMENT OF CHANGES IN EQUITY

_____ (reporting period)

..... No.....
(reporting date)

Reporting currency, specify degree of accuracy

	Fixed capital	Emergency (reserve) capital	Other reserves		Retained earnings (losses)	Total
1. Balance at the end of the reporting period before previous						
2. Result of changes in accounting policies						
3. Result of correcting material errors						
4. Recalculated balance at the end of the reporting period before previous						
5. Increase / decrease in the value of non-current tangible assets						
6. Profit / loss not recognised in the income statement						
7. Net profit / loss of the reporting period						
8. Dividends						
9. Other payments						
10. Formed reserves						
11. Used reserves						
12. Member share contributions						
13. Member share returns						
14. Other increase / decrease in fixed capital						

15. Balance at the end of the previous reporting period						
16. Increase / decrease in the value non-current tangible assets						
17. Profit / loss not recognised in the income statement						
18. Net profit / loss of the reporting period						
19. Dividends						
20. Other payments						
21. Formed reserves						
22. Used reserves						
23. Member share contributions						
24. Member share returns						
25. Other increase / decrease in fixed capital						
26. Balance at the end of the current reporting period						

(title of the head of entity administration)

(signature)

(name, surname)

8. Net profit / loss of the reporting period									
9. Increase / reduction of capital corresponding to assets, which under laws can be owned only by the State									
10. Formed reserves									
11. Used reserves									
12. Increase / reduction of entity owner's capital									
13. Balance at the end of the previous reporting period									
14. Increase / decrease in the value of non-current tangible assets									
15. Increase / decrease in the value of financial assets									
16. Profit / loss not recognised in the income statement									
17. Net profit / loss of the reporting period									
18. Increase / reduction of capital corresponding to assets, which under laws can be owned only by the State									
19. Formed reserves									
20. Used reserves									
21. Increase / reduction of entity owner's capital									
22. Balance at the end of the current reporting period									

(title of the head of entity administration)

(signature)

(name, surname)