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STATISTICS OF THE FINANCIAL ACCOUNTS OF ENTERPRISES

(Report by the Secretary-General)

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STATISTICS OF THE FINANCIAL ACCOUNTS OF ENTERPRISES

I. INTRODUCTION

1. This paper consists of the comparative study of national requirements and practices in the collection and compilation of statistics of the revenue and expenditure and assets and liabilities of enterprises, which the Statistical Commission requested at its eleventh session. The first portion of the paper is devoted to reviewing needs for these data, as indicated by the uses which countries have made of statistics derived from the profit-and-loss and balance-sheet accounts of enterprises. The second part of this paper concerns the sources of information, concepts, and items of data which countries have utilized in gathering these statistics.

2. The requirements for data abstracted from profit-and-loss and balance-sheet accounts dealt with in this paper result from the compilation of organized accounts and statements on enterprises and the economy as a whole and from the collection of indicators on business conditions. The principal accounts and statements in which countries have utilized data derived from the financial accounts of enterprises relate to (i) the national income and product, (ii) the uses and sources of funds, (iii) the combined income and balance-sheets of various types of businesses and, (iv) most recently, the financial transactions and holdings of the enterprise sectors of the economy in interrelated accounts on income and financial data. In watching business conditions, use has been made of ratios, such as profits to sales or equity, sales to inventories, current assets to short-term liabilities, or total assets to net worth; and particular attention has been devoted to the trend of profits in relation to that in other indicators of general economic conditions. In discussing the various uses of statistics from the financial accounts of enterprises, emphasis is given in this paper to the character of the data that would best serve these purposes.

3. Many of the problems that countries, other than those with centrally planned economies, have encountered in gathering profit-and-loss and balance-sheet statistics are uncovered when the readily available data are contrasted with the figures needed for the purposes mentioned above. An increasing number of countries are therefore engaged in defining the characteristics (e.g., the classification,

scope, valuation) of the required items of data and in investigating the feasibility of gathering these statistics in the light of the way in which enterprises keep their records. Attention is devoted to these questions in the second part of this paper, when discussing the sources of information, concepts, classifications and items of data currently in use in gathering data from the financial accounts of enterprises. Detailed analyses of the current practices of twenty-six countries are set out in Annexes I (inquiries into profit-and-loss data) and II (inquiries into balance-sheet data) to this paper. These tables, as well as the text of this paper, relate to non-financial enterprises only. The first section of the textual discussion of national practices concerns the sources of information utilized to gather statistics of profit-and-loss and balance-sheet accounts and the field of non-financial enterprises covered in these inquiries. Considered next is the statistical unit employed in gathering data on financial accounts and the associated question of classifying the unit according to such characteristics as kind of industrial activity or size. Discussed last are the characteristics and definitions of the items of data sought from the profit-and-loss and balance-sheet accounts of non-financial enterprises.

II. THE MAJOR REQUIREMENTS FOR THE DATA

A. NATIONAL INCOME AND PRODUCT ACCOUNTS

4. The extent to which countries with market economies rely on data from the profit-and-loss accounts of non-financial enterprises in compiling national income and product accounts depends on the approach taken to this work (e.g., whether the primary estimates are made from the side of the product, expenditures or income) and the availability of data from other kinds of inquiries.^{1/} The most common use made of profit-and-loss data is in estimating the operating surplus (profit) before taxes in the case of countries which use the income approach, and depreciation and the receipt and disbursement of interest, dividends or the like in the case of these and other countries. These items of data are obtained mainly from profit-

^{1/} For a description of the methods and sources of estimation utilized, see Survey of National Accounting Practices, E/CN.3/291.

and-loss statements for incorporated enterprises, for which the statements are also the source of figures of retained earnings (savings) in a number of instances.

5. Countries with market economies which do not have comprehensive basic statistics on selected or most kinds of non-financial enterprises, often depend on profit-and-loss statements for additional estimates in compiling national income and product accounts. A number of these countries employ the statements to compute ratios between value added and the gross value of output, which they then utilize in conjunction with more current or complete data on gross value in order to estimate the value added in selected economic activities. In the case of distributive-trade units, this ratio would of course be computed from profit-and-loss data on the sales of goods and services and on the cost of goods and services sold (e.g., purchases of goods and services adjusted for changes in the inventories of goods). These countries also rely on profit-and-loss data in estimating changes in the value of inventories. Some of the countries which have a rather inadequate supply of basic data from other sources, have devised inquiries into profit-and-loss accounts in order to gather practically all of the information that they require to compile national income and product accounts. Even countries with much more adequate systems of basic statistics find it necessary to utilize profit-and-loss statements in estimating the cost of such purchased services as transportation, communication or advertising for purposes of national income accounting.

6. A significant part of the profit-and-loss data utilized by countries with market economies in estimating national income and product is derived from statements furnished to income tax authorities or, less often, returns filed under company registration or regulation laws. In any case, since the concepts utilized in these reports for profits, and other items of data as well, can differ from those needed for national income accounting, the statistical authorities of countries have not infrequently found it necessary to adjust the raw data or, preferably, to participate in specifying the detailed contents of these statements so that they may compile the appropriate data. For example, whereas various appropriations to reserves or losses on bad debts are often deducted from operating revenue to arrive at operating profit, these items should not be taken into account in estimating operating surplus for national income accounts. Or, it is necessary to separate net gains (losses) on sale of capital assets or receipts of interest,

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dividends and the like from operating receipts in national income estimating, but this may not be done in abbreviated profit-and-loss statements. Further, depreciation and inventories are usually not valued in the fashion desired for the national income accounts (i.e., at current replacement cost), but adjustments generally cannot be made in the case of the data on the former item. Adjustments may also be required from a fiscal year to a calendar year; and the data may be available relatively late. As an alternative to depending on profit-and-loss data from governmental administrative sources for purposes of national income accounting, the statistical authorities of some countries take special inquiries into selected aspects of the profit-and-loss accounts of enterprises. These surveys are included among those analysed in Annex I of this paper.

7. The statistical authorities of countries with centrally planned economies depend, to a substantial extent, on annual profit-and-loss and related data in compiling national income accounts. Unlike the situation in a number of market-economy countries, they do not encounter difficulties in gathering the required data from the financial accounts of state-owned enterprises in the form in which the data are wanted for compiling national income accounts or other statistics. In these countries the items, concepts, definitions and procedures to be utilized in the accounts of enterprises and in financial, as well as other, reports are specified in the light of both statistical and management requirements.

B. STATEMENTS ON USES AND SOURCES OF FUNDS, INCOME OR HOLDINGS OF ASSETS AND LIABILITIES

8. Major use has been made of data from the financial accounts of enterprises in compiling statements on uses and sources of funds and on the related income, expenditure and appropriation transactions and assortment of assets and liabilities held.

(a) Uses and Sources of Funds

9. Statements on the uses and sources of funds of various kinds of incorporated enterprises have been compiled, for example, in Australia, India, Japan,

New Zealand, the United Kingdom and the United States.^{2/} These statements relate to the capital accounts of the incorporated enterprises, and measure the magnitude and character of their real and financial investment and of their sources of finance of this investment. Most, if not all, of the data for these statements are derived from changes during some period (e.g., a year) in the various balance-sheet accounts of these enterprises - for example, on fixed assets, inventories, cash, accounts receivable, securities held and other financial assets, on the one hand, and on depreciation, various reserves and/or provisions, earned surplus, loans, bonds and shares outstanding and other financial obligations, on the other. Some of the required data can also be derived from profit-and-loss accounts - for example, charges to depreciation, appropriations to various reserves and/or provisions or undistributed profits; and are often abstracted from such statements.

10. To be most useful as sources of data for statements on uses and sources of funds, balance-sheet statements should distinguish clearly between financial obligations to others and various internal reserves and provisions and should show financial assets and liabilities classified according to degree of currentness and type of claim. These characteristics are required so that sources of finance of real investment from current income, increases in external claims of differing character, or decreases in financial assets of differing liquidity may be distinguished from one another. Further, it would be advantageous if the balance-sheet statements furnished data separately on the original value of assets and write-downs or revaluations in these assets - for example, fixed assets and charges for depreciation, in particular, accounts receivable and deductions for bad debts, or inventories and the revaluation of inventories. The same criteria would also hold for liabilities. Otherwise, changes in balance-sheet accounts resulting from transactions in assets and liabilities during a period and the consumption of these assets in income generating activity or losses (gains) on these assets or liabilities could not be distinguished from one another. Profit-

^{2/} For examples of those accounts see: Commonwealth Bank of Australia, Statistical Bulletin, Company Supplements; Reserve Bank of India, Bulletin; Bank of Japan, Analysis of Financial Statements of Main Industrial Corporations in Japan; Reserve Bank of New Zealand, Bulletin, April issue; Central Statistical Office, United Kingdom, Economic Trends; and United States Department of Commerce, Survey of Current Business.

and-loss accounts may be a more suitable source of figures for the latter type of items than balance-sheet accounts.

(b) Combined Profit-and-Loss Statements

11. For some of the countries mentioned above (e.g., India, Japan and the United Kingdom), statements are available on the revenue, expenditure and appropriation accounts of incorporated enterprises that are correlated with the statements on the uses and sources of funds. The former type of statements tend to be rather abbreviated profit-and-loss statements since the main objective is to show operating income (profit) and other sources of income, charges for depreciation and similar items, and the distribution and retention of profits. These statements therefore show the relationship between the product and income transactions of the incorporated enterprises and their real and financial investment. In addition, as reference to Annex I will show, the income tax, company registration, or statistical authorities of a number of countries issue combined profit-and-loss statements for various kinds of incorporated enterprises and, in some instances, partnerships and individual proprietorships, which are not correlated with statements on uses and sources of funds. Many of these tabulations are designed to serve the requirements for basic, general-purpose data on profit-and-loss accounts or for the type of indicators on business conditions that are discussed below.

(c) Combined Balance-Sheets

12. For some of the countries for which statements on uses and sources of funds are available, correlated balance-sheets on the assets and liabilities of incorporated non-financial enterprises are also published - for example, Australia, India, Japan, New Zealand and the United Kingdom. These balance sheets indicate the assortment of assets and liabilities of the incorporated enterprises at various points of time and therefore furnish background, as well as part of the frame for interpreting the changes in holdings shown in the statement on uses and sources of funds. The combined balance-sheets also provide data for purposes of assessing the relative liquidity and the creditor and debtor position of the enterprises. As reference to Annex II will indicate, combined balance-sheet statements for various kinds of non-financial enterprises are published in a

number of countries in addition to those mentioned above. These data are also indicative of the relative liquidity, solvency and creditor-debtor position of enterprises; and are designed to serve other general requirements for balance-sheet information. For these purposes, as well as for use in conjunction with statements on the use and source of funds, it is important to make such distinctions in the balance-sheet data as between tangible and intangible (e.g., goodwill, organization expenses) assets; real and financial assets; reserves and provisions, earned surplus, and paid-in equity and the claims of others; and assets and liabilities according to degree of currentness.

C. ARTICULATED ACCOUNTS ON FINANCIAL TRANSACTIONS AND HOLDINGS

13. An increasing number of countries are compiling, or proposing to compile, articulated accounts on the financial transactions of the various sectors (e.g., incorporated non-financial enterprises, financial institutions, central government, households) of the economy that are integrated with their national income and product accounts. A smaller number of countries are also compiling, or planning to prepare, similarly constructed and related accounts on the financial assets and liabilities of these sectors.^{3/} The statements on uses and sources of funds, which have been dealt with above, are similar in character and scope to a combination of a financial transaction account and a combined capital reconciliation and real investment account of the national income and product accounts. The combined statements on balance sheets which have been covered above are similar in purpose but broader in scope than the articulated accounts on holdings of financial assets and liabilities as they cover real as well as financial assets.

14. Countries do, or propose to, draw on the balance-sheet accounts of enterprises, particularly incorporated units, for basic data in compiling articulated and sectored financial transaction and balance-sheet accounts. For purposes of the financial transaction accounts, most countries are interested in obtaining data on the net transactions during a period (e.g., a year), valued in the terms on which the transactions were consummated, in various categories of

^{3/} For detailed description and discussion of these transaction and balance-sheet accounts, see: Problems and Developments in the Integration of Accounts on Financial and Income Statistics, E/CN.3/290.

financial assets and liabilities. On the other hand, some countries (e.g., the Nordic countries) propose to concentrate on changes, between the end points of the period, in the balance-sheet position in the various classes of financial assets and liabilities. For purposes of determining these changes, these countries are planning to utilize data on holdings of financial assets and liabilities that are valued in a uniform and consistent fashion from one point of time to the next - for example, at face value in all cases and, in addition, at market value in the case of securities. Some of the countries that are interested in compiling figures of the net transactions during a period in various kinds of financial assets and liabilities are, in the absence of such basic data, dependent on figures of changes between the end points of the period in the value of these holdings. These countries are also interested in having balance-sheet data on financial assets and liabilities which are valued in a consistent and known fashion by various enterprises. For example, if these holdings were consistently recorded in terms of the funds actually laid out or received, the compilation of data on transactions from changes in the balance-sheet position would be facilitated. However, for purposes of the balance-sheet accounts, consistent recording at face value, which may differ from the funds actually paid out or received because of premiums, discounts, etc., is generally wanted for such claims as loans, mortgages or credit; and this is the mode of valuation in common use in business accounting. In the case of marketable bonds, recording may be desired at current market values when an asset, and at face value when a liability. Valuation at market may also be wanted in the case of shares when held as an asset.

15. For purposes of the articulated and sectorized financial transaction and balance-sheet accounts, countries do, or plan to, utilize roughly the same, relatively detailed classification of financial assets and liabilities according to degree of currentness, risk and legal type of instrument. In addition, some countries do, or propose to, classify financial assets according to the sector of the debtor.^{4/}

^{4/} For examples of the classification of financial instruments that countries do, or propose to, use, see. Annex II, Problems and Developments in the Integration of Accounts on Financial and Income Statistics, op. cit.

16. In view of the required specifications in the data to be utilized in the articulated financial transactions and balance-sheet accounts, some of the countries which are planning such accounts are developing special inquiries into the balance-sheet accounts of enterprises, usually those that are incorporated. Work on a number of these surveys has not yet reached the stage where the inquiries could be analysed in Annex II of this paper. However, some of the inquiries described in Annex II are, in fact, utilized for purposes of gathering the basic data required in compiling the articulated accounts on financial transactions and holdings. This is the case, in particular, for countries with centrally planned economies, where sector accounts on financial transactions and balances are compiled which are wholly integrated with the accounts on income and product.

D. INDICATORS OF BUSINESS PERFORMANCE AND CONDITIONS

17. Important uses are made of profit-and-loss and balance-sheet data in assessing the activities and condition of various kinds of enterprises and in following economic trends. For both purposes, considerable attention is paid to the variations in profits - preferably, operating profits - classified by kind of economic activity. In order to assist the use of profit-and-loss and balance-sheet data in evaluating the performance and condition of various kinds of enterprises, ratios such as those described below are, in a number of instances, published in conjunction with the basic data. In the case of countries with centrally planned economies, major use is made of data gathered on the financial accounts of state-owned enterprises in order to evaluate and control their activities.

18. The major kinds of analytical ratios or similar devices published on profit-and-loss and balance-sheet data are shown in the following table for selected countries.

Country	Current or Liquidity Ratios	Equity or Solvency Ratios	Activity or Turnover Ratios	Profitability Ratios	Percentage Form of Statements	Other
Argentina	X	X	X	X		
Belgium	X	X				
France			X	X		
Germany (Fed.Rep.)	X	X		X	X	
India				X		
Japan	X	X	X	X	X	X ^{1/}
New Zealand	X			X		
United Kingdom	X	X		X	X	X ^{2/}
United States	X	X		X	X	

1/ Such as ratios of value added to gross receipts or wages and salaries to value added.

2/ Such as ratios of savings to real investment and other ratios in connexion with the analysis of sources of finance.

19. The most common type of current or liquidity ratio issued is the value of current assets to current liabilities. Current assets generally cover cash and bank deposits, government and other readily negotiable securities and short-term notes held, accounts receivable and other payments due; current liabilities usually consist of short-term loans received, accounts payable and accruals. Equity or solvency ratios usually take the form of net worth, often including various reserves, to value of total assets. Activity or turnover ratios issued cover the relationship between sales, on the one hand, and inventories (the most common ratio), accounts receivable, current assets or fixed assets, on the other. Profitability ratios in common use are the ratio of profits to net worth or to sales. Percentage distributions of total assets or liabilities according to currentness and type have been shown for various kinds of enterprises in order to facilitate comparison. The same approach has been utilized to show the way in which revenue from sales is sub-divided among expenditures and operating profit before and after taxes.

III. SOURCES AND FIELD OF COVERAGE OF STATISTICS

20. As may be noted from the annexes to this paper, in the case of countries with market economies, the major sources of statistics on the profit-and-loss and balance-sheet accounts of enterprises are returns filed with governmental authorities which collect income taxes or register non-financial enterprises, statements issued publicly by enterprises, and direct statistical surveys. In a number of countries use is made of a combination of these sources in order to gather the required statistics of the financial accounts of enterprises. Though most of these inquiries cover incorporated enterprises only, a significant number of the inquiries do relate to the profit-and-loss accounts of unincorporated units as well. Data are sought on the balance-sheet accounts of unincorporated enterprises, especially individual proprietorships, in relatively few countries because of the major difficulties involved in separating assets and liabilities into those that are part of the business and those that are part of the other activities of the owners. Certain assets and liabilities (e.g., inventories, fixed assets, trade credit or accounts payable) raise fewer difficulties of this type than other assets and liabilities, and are the major subjects of attention in the balance-sheet inquiries that are taken with respect to unincorporated businesses. A significant number of countries have encountered far less difficulty in distinguishing between the business and other activities of the owners of unincorporated enterprises in the case of profit-and-loss data (i.e., the items relating to operating revenue, expenses and profit) than in the case of balance-sheet data. Nevertheless, other countries have evidently not found it feasible to gather profit-and-loss data on individual proprietorships, in particular.

21. In the case of countries with centrally planned economies, direct inquiries into the financial accounts of state-owned enterprises are the only source of profit-and-loss and balance-sheet statistics.

A. RETURNS FILED WITH INCOME TAX AUTHORITIES

22. In the case of countries with market economies, about ten of the inquiries listed in the annexes to this paper consist of annual data drawn from returns submitted to income-tax authorities. These inquiries are generally designed to yield basic general-purpose statistics which, among other uses, often serve as

benchmarks in designing direct statistical surveys in this field as well as in extending the coverage of the data resulting from these surveys and other sources of information. The statistics derived from returns filed with income-tax authorities relate, in the case of countries such as Finland, France, Norway and the United States, to enterprises of all forms of legal organization (incorporated, partnerships and individual proprietorships) engaged in all, or practically all, kinds of economic activity. Except for Norway and the United States, this is the case for the statistics on both profit-and-loss and balance-sheet accounts. In the case of Norway, data on balance-sheet accounts are not compiled from income-tax returns, and in the case of the United States, these data are not available for individual proprietorship. On the other hand, in the case of Canada, New Zealand and the United Kingdom, statistics derived from income-tax returns relate to incorporated enterprises only since these returns cover business activities and income only.

23. As income-tax returns furnish essentially a census of the field covered, countries have been able to classify the annual statistics that they compile from this source according to rather detailed classes of kind of economic activity or size. Also, the detail in which the profit-and-loss and balance-sheet data are sought or tabulated in the case of a number of these countries suggests that statistical considerations have been taken into account in designing the pertinent parts of the income-tax returns. The regulations and rules on the way in which various kinds of receipts and expenditures should be identified and reported and the scrutiny of the returns by the income-tax authorities should also be of assistance in gathering well-defined consistent basic information for statistical purposes. For example, what is to be considered revenue, how allowances for depreciation are to be computed, or how inventories are to be valued, are common subjects of detailed rules and scrutiny. However, the income-tax authorities may give much less attention to supplementary and supporting data that are requested primarily for statistical purposes than to the data that are most essential in assessing taxes. And, the type and definition of some of the items of data required in assessing income taxes may differ from those needed for statistical purposes. For example, tax-exempt revenue may not be indicated in determining income; provisions for bad debts or losses on inventories or charges for amortizing development expenses or discounts on debentures or bonds issued

may be allowed as business expenses when computing net income for tax purposes but not in national income and related accounting; or most of the balance-sheet data may be of relatively little interest in assessing taxes. Another handicap in the use of the income-tax data for statistical purposes may be the delay with which these figures are made available.

B. STATEMENTS FILED UNDER REGISTRATION ACTS AND REGULATIONS

24. In countries with market economies, statements filed under governmental registration laws or regulations are a more common source of statistics of the financial accounts of enterprises than income-tax returns. At least twelve of the inquiries listed in the annexes are based on such statements. A number of additional governments require the periodic filing of profit-and-loss and balance-sheet statements under registration acts but do not seem to systematically use the statements to compile statistics.

25. In almost all instances the registration or book-keeping acts or regulations require annual profit-and-loss and balance-sheet statements from limited liability enterprises - for example, joint stock companies or corporations. In the case of Finland, France and the United Arab Republic (Egypt), the requirements relate, in addition, to other forms of legal organization. In most instances, also, financial institutions and some or all, kinds of agricultural enterprises are exempted from the statements required of other kinds of incorporated units.

26. In general, countries are able to compile consistently defined, detailed and classified statistics from the statements to be filed or completed under the registration or book-keeping acts. The items to be distinguished in the profit-and-loss and balance-sheet statements, are usually detailed and defined in the rules and regulations issued under these acts and regulations, though allowance is made for alternative concepts and definitions that are in common use in business accounting. Less often, but not infrequently, these rules and regulations deal with the way in which selected items are to be valued and compiled (e.g., those on fixed assets, inventories or marketable securities) and require detailed supplementary statements on some items. Statistical requirements seem to have been taken into account in devising these rules and regulations in a significant number of instances. In fact, statistical authorities evidently

participated in formulating the accounting and reporting requirements in some of these cases. Little information is, however, available about the care with which the accounting and registration requirements are enforced or the extent to which statements filed with the registration or similar authorities are scrutinized.

C. PUBLICLY ISSUED STATEMENTS

27. Statistical tabulations for five countries, which are based on profit-and-loss statements and balance sheets issued to the public, are analysed in Annexes I and II. These statements generally relate to a relatively small number of incorporated enterprises - for example, those with shares traded on a stock exchange. Countries have evidently been able to compile data on a limited number of profit-and-loss and balance-sheet items only from the publicly issued statements. Further, most of these items are summary aggregates. This reflects the lack of detail shown in the statements, as well as the variation in the way in which various items are distinguished and defined. Even in the case of the selected items that are tabulated, statistical authorities have often found it necessary to make estimates and adjustments in order to attain a degree of consistency in the data.

D. DIRECT STATISTICAL INQUIRIES

28. Direct statistical surveys are as common a source of data on the financial accounts of enterprises as registration laws or regulations in the case of countries with market economies and the basic source of such data in the case of countries with centrally planned economies. In six of the countries with market economies (Canada, India, Japan, New Zealand, Sweden, and the United States), the direct surveys complement the data that are compiled from returns filed under income-tax or registration acts. In the case of Canada, India, Japan and the United States, the direct surveys yield more current statistics (quarterly data) than the governmental administrative sources. The items of data sought in the direct surveys of these countries are, in general, less detailed than those obtained in the income-tax or registration returns. However, in Canada, some balance-sheet items are classified in greater detail in the direct survey than in the income-tax returns. In the case of New Zealand and Sweden, the direct

surveys are designed to gather suitable annual data for national income accounting purposes - operating expenditures and surplus, in particular - that are not available from the administrative returns. Very sketchy or no balance-sheet data are therefore sought in these surveys.

29. Except for Japan and Sweden, the same (Canada, India, or New Zealand) or a narrower (the United States) field of enterprises is covered in the direct surveys in comparison with the field covered through governmental administrative sources. In the case of Japan and Sweden, profit-and-loss data on unincorporated units are gathered in the direct survey, whereas the data available from the registration acts relate to incorporated enterprises only.

30. The direct surveys of most of the other market-economy countries, except the Netherlands, that are listed in Annexes I and II are designed to yield all or much of the basic data for estimating national income. Therefore the direct inquiries taken in the case of Panama, Peru and Portugal cover all enterprises irrespective of form of legal organization and focus on the gathering of data from profit-and-loss accounts that are tailored to requirements of national income accounting. If balance-sheet data are gathered in these inquiries, the figures relate to such items as fixed assets or inventories. In the case of the Netherlands, the direct inquiry listed in Annex I essentially relates to the magnitude, distribution and retention of profits by incorporated businesses. On the other hand, the survey analysed in Annex II deals, in detail, with the character and magnitude of the financial assets and obligations of limited-liability organizations.

31. In the centrally planned economies, annual and more frequent (quarterly or monthly) reports are required on the profit-and-loss and balance-sheet accounts of all state-owned enterprises. The annual reports furnish detailed data for compiling articulated national accounts on income and production and on financial transactions and balances, as well as for assessing and controlling the activities of state-owned enterprises. The abbreviated current reports are primarily utilized for the latter purpose.

IV. THE STATISTICAL AND TABULATING UNIT AND ITS CLASSIFICATION

32. In countries with market economies, the statistical and tabulating unit most commonly employed in inquiries into the financial accounts of enterprises is the legal entity - i.e., the corporation, partnership, co-operative, individual proprietorship or other organization which may enter into contractual agreements, own property, incur liabilities for debt, have bank accounts, etc. An equivalent kind of unit is utilized in the reports on financial accounts in the centrally planned economies. There, the unit - the enterprise - is defined as a single administration that has the right to conclude contracts and have a banking account, an independent production plan and a self-contained set of accounts yielding independent balance-sheet and profit-and-loss statements. In view of the nature of registration acts or regulations and of tax administration, the legal entity is most likely to be the unit on which returns are required. However, in the administration of income taxes in the case of the United Kingdom and United States, for example, the filing of a consolidated return for a group of corporations owned by the same interests is, under certain conditions, permitted.

33. In the case of direct statistical surveys of the financial accounts of enterprises, there are no legal restraints on the kind of statistical unit that may be utilized. Nevertheless, the single legal entity is the commonly used unit, in part in order to facilitate the use of the income-tax or registration records as benchmarks for the direct surveys. A few countries, however, employ a broader enterprise-type unit than the single legal entity in these surveys - for example, Canada, the Netherlands and the United States. In these three countries, efforts are made to delineate statistical and tabulating units consisting of families of legal entities that are administered as one unit and take action together and that have common summary records. In the case of the Netherlands, the family of enterprises is identified as the group which in fact functions as a common economic and financial unit. In the case of the United States, the family consists of the group of legal entities tied together by common ownership or control for which common profit-and-loss and balance-sheet statements are prepared.

34. Various advantages and disadvantages are associated with each of the two approaches to delineating the enterprise unit to be employed in gathering profit-and-loss and balance-sheet statistics. The single legal entity is the smallest unit that can be utilized for this purpose and therefore may be classified according to narrower and more homogeneous categories of kind of economic activity than the families of legal entities. On the other hand, the legal entities of a family may have many transactions and relationships with one another which reflect administrative rather than market considerations and, therefore, differ markedly in character, mode of valuation and significance from those between legal entities that are not members of a family of commonly owned units. In fact, some of the legal entities of a family may have been established for administrative convenience and may not function as real economic units. Financial transactions and creditor-debtor relationships between the legal entities of the same family are particularly prone to the foregoing conditions. Therefore, in gathering balance-sheet data on single legal entities, some countries have made certain to gather figures on the creditor-debtor relationships (financial assets and liabilities held) between members of the same family (e.g., parent and subsidiary companies) that are separated from the figures on the debtor-creditor relationships between legal entities that are not so related. In a few of the inquiries analysed in this paper, such distinctions have also been made in the case of profit-and-loss data.

35. A significant number of countries have found it more practical to gather and tabulate data on the single legal entity than on families of legal entities. Single legal entities are easily identified and have complete and independent systems of profit-and-loss and balance-sheet accounts. On the other hand, it may be difficult to delineate families of legal entities for which common accounts are available. Further, the basic data on financial accounts that are available from governmental administrative records generally relate to single legal entities. Other countries, however, have not encountered marked difficulties in identifying families of legal entities for which it is practical to gather consolidated profit-and-loss and balance-sheet data. Such families of legal entities may however not embrace all of the legal entities owned by the same interests.

36. Basic statistics of the financial accounts of enterprises have generally been classified according to the kind of economic activity and size of the statistical unit. Even where the single legal entity is utilized as the tabulating unit, it may in the case of large units, in particular, embrace a range of economic activities wider than that of establishments, local units or kind-of-activity units. It is therefore not feasible to classify profit-and-loss and balance-sheet statistics into relatively narrow and homogeneous categories of economic activity. Most countries have found that the major group (two-digit) level, or even combinations of these groups, of their national classification is the most detailed scheme that can be utilized. In classifying statistics of financial accounts according to the size of enterprises, use has been made of such criteria as total value of assets or value of gross receipts.

V. THE STATISTICS ON PROFIT-AND-LOSS ACCOUNTS

37. Inquiries into the profit-and-loss accounts of enterprises taken by twenty-six countries are set out in Annex I. These inquiries are based on returns obtained through the administration of income-tax or accounting and registration requirements, from publicly issued statements, or through direct surveys. A number of countries make use of more than one of these sources for profit-and-loss data. Very few of the inquiries are based on publicly issued statements. For reasons of convenience in arranging Annex I, the items of data on profit and its appropriation are shown before those on revenue and expenses. It may be noted from Annex I that the detail of the data obtained in the profit-and-loss inquiries, particularly on expenses, varies, depending on the objectives of the inquiry and the source of the information.

A. RECEIPTS

38. The majority of the inquiries analysed yield complete data on the gross revenue of enterprises so that receipts from production (operating) activities during the year, receipts from property (e.g., rent, interest and dividends received) and sources of revenue that are capital gains or losses in character (e.g., gains (losses) on sale of fixed or financial assets, on revaluation of inventories, or recovery of debts written off) may be distinguished from one another. Though revenue from some of these sources may not be subject to tax,

the reporting of such revenue and the drawing of these distinctions is usually required in the returns filed with income-tax authorities. Such distinctions among the various sources of gross revenue are essential to practically all uses of the data on receipts that were discussed above - for example, in income and product and interrelated financial transaction accounts, statements on uses and sources of funds, or in assessing business conditions. Even in the inquiries where few or no data are gathered on the gross revenue of enterprises, figures are usually sought on receipts from the sale of goods and services or on operating (trading) profit - for example, in the inquiries in Australia, Finland and the United Kingdom.

39. Nevertheless, in the reporting forms or tabulations, many fewer countries formally segregate the data on gross revenue into receipts from operating activities and receipts from other sources. All of the countries with centrally planned economies do this in considerable detail. Such segregation is also employed in the case of the returns required under the registration acts or regulations of Argentina, France, India, the United Arab Republic (Egypt) and the United States; the income-tax system of Norway; the direct surveys of New Zealand, Panama, Portugal, Sweden and the United States; and all of the inquiries in Japan. In a few inquiries, additional distinctions are drawn between various types of receipts. For example, in the survey of the Canadian Bureau of Statistics, dividends and interest from foreign and domestic sources are separated from one another. In the annual returns under the regulations of the United States Securities and Exchange Commission, sales of goods and services to subsidiaries are required to be separated from those to other units.

B. EXPENSES

40. There is much less similarity between the inquiries set out in Annex I in the case of items of data on expenses than those on revenue. The completeness and detail with which data on various expenses are sought varies though figures of total expenses may be determined from most of the inquiries. Practically all the inquiries yield data on charges for depreciation in view of the attention devoted to this expense in income-tax administration and the common use of inquiries into profit-and-loss accounts as the source of such figures for various purposes. For national income accounting, data are also often available separately from the

inquiries on such items as payments of rent, interest and indirect taxes. In some inquiries, considerable care is taken (i) to indicate what additions to provisions and reserves (e.g., for amortization of organization, development or other deferred expenses or of discounts on issue of debentures or bonds, for write-offs of bad debts, for revaluations in inventories, or for various kinds of sinking funds) may be treated as expenses and (ii) to obtain separate figures of these charges if included in expenses. In other inquiries, additions to certain provisions and reserves may be treated as expenses but separate figures of these charges do not seem to be sought. In still other instances, instructions and specifications on this question do not appear to be provided. Yet, considerable variation in the treatment of charges to provisions and reserves occurs in business accounting; and separate data on the charges to provisions and reserves that are included in expenses are important for such purposes as adjusting figures of business profits to a national income accounting basis or compiling statements on uses and sources of funds. Separate and complete data on wages and salaries paid and the related costs of labour and on the value of inventories, which are also required in compiling national income accounts, are available from some inquiries only.

41. The variation in the scope and detail of the items of data sought in the profit-and-loss inquiries reflects differences in the purposes served by the inquiries and the organization of accounts on expenses. In the case of direct surveys which are designed to yield most or all of the data required in national income work (e.g., the profit-and-loss inquiries in the case of the centrally planned economies, the New Zealand Department of Statistics, Panama, Portugal or the Swedish Central Bureau of Statistics), the information sought is delineated so that separate and complete data may be compiled on items such as the cost of the various goods and services utilized in production that have been purchased, wages and salaries and related payments, charges for depreciation, or payments of rent, interest or indirect taxes. Further, care is taken that data on items which may be considered business expenses but should not enter into the deductions from revenue in national product and income accounting, such as additions to provisions and reserves other than depreciation, capital losses or donations, are not combined with the type of business expenses mentioned in the preceding sentence. In some of these inquiries, separate data are also gathered on the

value of various inventories at the beginning and end of the period to which the profit-and-loss statement relates. In these circumstances, data are also sought on purchases during the period of materials and supplies or merchandise and the cost of the goods sold is computed by adjusting these figures by the change in the value of the appropriate inventories. In direct surveys, where emphasis is given to trends in operating and/or total profits (e.g., the quarterly inquiries of Canada, the Netherlands and the United States) practically no detail is required on expenses. It should be noted, however, that distinctions are drawn between operating revenue and expenses and non-operating net income in the case of the Canadian and the United States surveys and that data are sought on charges for depreciation and additions to reserve in the case of the Canadian and Dutch inquiries. The last items, as well as undistributed profits after taxes, are also the focus of attention in those profit-and-loss inquiries where data are sought primarily for compiling statements on the uses and sources of funds.

42. In the business accounting practices that are utilized in manufacturing and related activities in some countries, the cost of goods and services sold includes all of the operating expenses directly involved in producing these goods and services - for example, payment of wages and salaries and contributions to social insurance in connexion with direct labour, or cost of repairs and maintenance for machinery and some premises, as well as the cost of the materials, supplies, fuels, etc. consumed and purchased from others. Though in the case of some of the inquiries where this is allowed (e.g., the reports filed under the book-keeping act of Argentina or with the Securities and Exchange Commission and Internal Revenue Service of the United States), efforts are made to gather supplementary data on the various kinds of expenses included in cost of goods sold, the supporting schedules may not be completed or audited.

43. Somewhat similar problems arise in obtaining the detail desired for national income accounting or related purposes where sub-division is permitted of operating expenses other than cost of goods sold on a functional basis. This kind of sub-division of expenses (e.g., into selling expenses, administrative expenses) is also allowed in the returns filed with governmental administrative authorities in countries where such classification of expenses is in use in business accounting. As in the case of a summary item on cost of goods sold, in items on selling, promotional, warehousing, transportation or administrative expenses, distinctions

would not be drawn between payments to other enterprises, payments in connexion with own employees, or payments for repair or rent, etc. Further, in business accounting, these summary items are more likely to include charges to provisions or amortization for deferred expenses than the summary item on cost of goods sold. However, relatively few of the returns required by governmental administrative authorities which are described in Annex I seem to permit the classification of expenses along such functional lines.

44. A more common sub-division of expenses in the case of the inquiries analysed in Annex I is the separation of operating expenses from non-operating expenses. This distinction is made in the inquiries of the countries with centrally planned economies and of Japan, as well as in the annual registration requirements under the Securities and Exchange Act and quarterly inquiries in the case of the United States. The distinction may also be drawn in the case of the detailed data on expenses gathered in some additional inquiries (e.g., that of Portugal) or is implicit in the inquiries where data are sought on net operating profit, but not on the details of expenses. The distinction between operating and non-operating expenses is useful as it permits the computation of gross or net operating surplus (profit), which is wanted in national income accounting and is a suitable indicator of business conditions. However, the expenses which are considered operating expenses in the case of the inquiries described in Annex I range from the direct expenses involved in production to all expenses except those involved in sources of non-operating revenue.

C. PROFIT AND ITS APPROPRIATION

45. Data on profit and its appropriation are available in all of the inquiries described in Annex I. As the discussion of the items on expenses has already suggested, differences occur between inquiries in the meaning of the data on profits, depending on how additions to various provisions other than for depreciation and reserves are treated. Other contributing factors to these differences are whether net profits are computed before or after taking account of certain types of non-operating revenue and expenses and the way in which these items are defined. In the case of the countries with centrally planned economies, a sharp distinction is drawn between net operating, non-operating and total profits. Both operating and non-operating profits (i.e., those from the principal

productive activities and other activities of enterprises, respectively), are computed before additions or deductions that are capital gains or losses in character. Examples of such items are payments of accounts receivable already written off or write-offs in these accounts, returns of fines or penalties paid, gains or losses resulting from revaluation of inventories, gains or losses on sale of fixed assets, or losses due to natural calamities. Further, appropriation to various reserves of the enterprises are accounted for in the distribution of profits. Thus, the concepts of net operating and non-operating profits utilized in these countries are precisely those needed for national income accounting and assessing the current operations of enterprises. Total net profit, in the case of the inquiries of these countries, reflects the additions or deductions that are not part of current production. In additional inquiries shown in Annex I (e.g., those in Australia, Austria, France, India and South Africa), the data compiled on net profits, usually those from production, do not reflect deductions or additions of the capital gains or loss type. In the case of some other inquiries, the separate items of data gathered on revenue and expenses make it possible to compute net operating and non-operating according to the concept wanted for most statistical purposes although summary data are shown on the business accounting concept of net profits.

46. In the case of a number of the inquiries derived from income-tax returns, various adjustments are made to net profit in determining taxable income. For example net losses carried over from preceding years on non-taxable income during the current year are deducted. However, net profit is always shown before and after these adjustments. Adjustments may also be made to the direct taxes due on the taxable income for example, with regard to direct taxes for earlier years. Again, the direct taxes on the taxable income during the current year are shown separately. Various types of direct taxes on income during the current year are generally segregated from one another, and the items on direct taxes, if gathered, are uniformly accounted for on a payable or accrued basis.

47. There is some variation, however, in the basis of accounting utilized for dividends from profits after taxes. A number of inquiries furnish information on provisional or accrued dividends. In a few inquiries, data are sought on dividends actually paid only. In some inquiries, dividends in the form of stock, as well as funds, are shown, or distinctions are drawn between dividends to

residents and to foreigners. Other kinds of profit distribution noted in inquiries described in Annex I are shares in profit paid to directors, bonuses to officers and even other employees, or special additions to reserves for pensions.

48. The extent of sub-division of retained profits into various funds shown in the inquiries also differs. In the case of some inquiries, data are not shown on retained profits; and in most inquiries, where separate data are available on retained profits, sub-division into various funds is not indicated. In some other inquiries, detailed information is gathered on the allocation of retained profits to various provisions and reserves and earned surplus. In the case of the profit-and-loss inquiries in the centrally planned economies, data are gathered on the details of the distribution of total profits to various sources outside the enterprise, as well as to various funds of the enterprise itself.

VI. STATISTICS ON BALANCE-SHEET ACCOUNTS

49. The statistics that are gathered and/or compiled on balance-sheet accounts in twenty-six countries are described in Annex II. As in the case for profit-and-loss data, these statistics are derived from returns required under income-tax or registration and book-keeping rules and regulations, from publicly issued statements or from direct statistical surveys. The completeness and detail of the available balance-sheet data also varies from inquiry to inquiry, reflecting the source of information and primary purpose of each of the inquiries.

50. Direct statistical surveys that are designed to furnish data for national income accounting, yield few, if any, balance-sheet data. At most, the statistics on balance-sheet accounts sought in these surveys relate to inventories, fixed assets and charges for depreciation, and other provisions, and additions to reserves and the elements of net worth that are useful in estimating the retained profits (i.e., the savings) of incorporated enterprises. Data that are compiled from publicly issued statements or income-tax returns cover the asset and liability sides of the balance sheet completely but lack, in a significant number of instances, the detail in classification for financial assets and liabilities that is desired in compiling, for example, articulated and sectored accounts on the financial transactions and balance sheets. Nevertheless, these sources of information generally furnish adequate information for purposes of compiling less detailed statements on the uses and sources of funds and the liquidity and

creditor-debtor position of incorporated enterprises; and these are important and common uses of data on balance-sheet accounts. The most detailed balance-sheet data are available from the returns required under registration or book-keeping acts and regulations or in the few direct statistical surveys analysed in Annex II that are designed to furnish rather detailed data on financial assets and liabilities. In view of the differences between the inquiries set out in Annex II in completeness of coverage and detail of classification for financial assets and liabilities, it is convenient to sub-divide the discussion of the asset side of the balance sheet into real and financial assets classified according to type rather than according to currentness. There is of course a close, though not precise, relationship between these two approaches to classification.

A. ASSETS

(a) Inventories and Fixed Assets

51. As already indicated above, all of the inquiries listed in Annex II yield separate figures of the value of inventories, included in current or circulating assets, and of fixed assets, covered under non-current tangible or capital assets. Circulating and capital assets or equivalent terms are utilized in accounting in the centrally planned economies. In the balance-sheet inquiries of these, as well as a number of other countries, the stocks of goods and fixed assets held are sub-divided, in some detail, according to stage of processing and type of capital assets, respectively. In some of the inquiries where emphasis is placed on data for national income accounting, separate figures are also sought on transactions in fixed assets during the year - for example, acquisitions of, work-in-process on and other additions to the stock of fixed assets and sales of fixed assets. In most of the inquiries dealt with in Annex II, separate data are gathered on the value of the fixed assets in original condition and on charges for depreciation or similar reductions in these assets though, in a number of instances, the summary figures on the value of fixed assets reflect these deductions. In other cases, an account on depreciation is shown on the liability side of the balance sheet. Separate figures on the value of fixed assets in their original condition and on charges for depreciation facilitate use of the data in statements on uses and sources of funds as well as in national income work. In the case of some of the

inquiries, specifications are available on how stocks of fixed assets or other goods should be valued. These specifications provide for valuation at original and/or replacement cost. Where revaluation is permitted, the results are often required to be shown separately, either in a reserve or provisions account or in the inventory or fixed asset account itself.

(b) Investments and Loans

52. In a significant number of the inquiries listed in Annex II where data are sought on financial investments held and loans receivable, distinctions are drawn between these data according to degree of currentness. Bills of exchange, acceptances and similar paper are generally treated as current assets. In the case of loans or notes, this distinction is based on whether or not they are due in one year or less. In the case of debentures, bonds or similar instruments, only government bills, notes and bonds, marketable debentures or bonds, or financial paper and securities held for short-term investment are considered current assets. Claims held on government bodies are not infrequently separated from claims held on others. The criteria of marketability or intention are also applied in classifying shares held according to degree of liquidity. In general, if loans to or securities in subsidiaries or affiliates are distinguished, they are classified as non-current assets. In some other inquiries, the data sought on financial investments held and loans receivable are not classified according to liquidity, perhaps because enterprises do not commonly make such comprehensive distinctions in their accounts. An additional way of classifying securities and other financial paper held that is utilized in a few inquiries is according to domestic and foreign debtors.

53. Where the method of valuing securities is specified, this also varies from one inquiry to another. The modes of valuation suggested are cost of the securities when acquired, current market value, the nominal (face) value of the securities, or some combination of these forms of valuation. In a few instances, separate figures are sought on any revaluations of securities in terms of current market values.

(c) Cash, Accounts Receivable and Pre-payments

54. In the inquiries where relatively complete balance-sheet data are gathered, separate categories are provided for cash and deposits and accounts receivable and,

less frequently, pre-payments of expenses and taxes. In most instances, cash on hand is separated from deposits in banks and like financial institutions; less frequently, distinctions are drawn between current and time (fixed) deposits. In a few inquiries, deposits and even cash are sub-divided into domestic and foreign. Accounts receivable from customers are usually distinguished from other types of accounts receivable; and write-offs in these accounts are, on the whole, shown separately.

(d) Intangible Assets

55. In more than half of the complete balance-sheet inquiries of countries with market economies, care is taken to separate data on intangible assets from data on other kinds of assets. Intangible assets are defined to consist of goodwill, patents, trade marks, concessions, licences and the like, organization and development expenses, expenses incurred and discounts given on issue of debentures or bonds, and other deferred expenses which are amortized over a number of years. Intangible assets are not covered in most statistical uses of balance-sheet data; and it is therefore important to avoid intermingling these business assets with other kinds of assets. It should be noted that intangible assets do not exist in enterprise accounting in the centrally planned economies.

B. LIABILITIES

(a) Classification According to Currentness and Other Criteria

56. Unlike the asset side of the balance sheet, where data are gathered on liabilities in the inquiries listed in Annex II, these items are, or may be clearly classified according to degree of currentness. In some inquiries, the criteria for classifying loans, notes, debentures, bonds or mortgages into current or non-current is whether or not they are payable in one year. In most other inquiries, this criterion is applied to loans and notes but not to debentures, bonds or mortgages. The latter are always considered non-current liabilities. Bank overdrafts, bills of exchange, accounts payable and accrued taxes, wages and salaries, interest, dividends and other items payable, are classified as current liabilities. Bank loans are usually separated from other kinds of loans, and accounts payable are often classified into payable to suppliers and to others.

The majority of the balance-sheet inquiries analysed take an accrued, not a cash, approach to accounting. Accounts for provisions and reserves, if included among liabilities, are classified as non-current liabilities.

57. It is evident from the preceding paragraph that distinctions are also drawn between the various liabilities according to legal type of financial instrument. Distinctions are not infrequently made according to class of creditor in the case of loans or accounts payable. In one or two inquiries (e.g., the Dutch financial survey) loans are classified into payable to domestic and foreign sources.

(b) Reserves and Provisions

58. The inquiries set out in Annex II exhibit the various approaches to accounts on reserves and provisions that are in common use in business accounting in countries with market economies. In some of the inquiries, separate accounts on provisions for depreciation, bad debts or similar business expenses do not appear under liabilities because these items are treated as deductions in the appropriate account on the asset side of the balance sheet. In some instances, this is also the case for accounts on the revaluation of inventories, fixed assets or securities held. In other inquiries, separate accounts on provisions for items that are internally incurred business expenses are shown under non-current liabilities and, in a few instances, under net worth. Accounts for revaluation of inventories, fixed assets or securities are shown more often under net worth than under non-current liabilities. Reserves or sinking funds for retirement of long-term indebtedness (e.g., debentures or bonds) are also shown under either non-current liabilities or net worth. In the case of countries with centrally planned economies, provisions for allocations from current-year total profits, as well as current-year depreciation charges, to external sources (e.g., to the State budget, to specified kinds of banks for use in capital formation or repair, or to immediate superior bodies) and to internal funds of the enterprise are dealt with under the section on capital of the liability side of the balance sheet and are shown under non-current liabilities in Annex II. Grants from the State budget, capital investment banks and similar sources in starting the enterprise, for current subsidies and for capital formation are also dealt with in the same section of the balance sheet.

59. It has already been emphasized that for purposes of the statistical use of balance sheet data, accounts on provisions, reserves and sinking funds should be clearly segregated from other types of accounts. This is the case primarily because these accounts cover part of the gross or net savings of enterprises and represent an internal source of finance of investment. In order to help ensure that separate data are available on these items, it seems best that they all be accounted for on the liability side of the balance sheet, preferably in separate accounts on the various kinds of provisions, reserves and sinking funds. Whether this is done under non-current liabilities or net worth does not seem to be too important, though in the case of market economies, there are advantages to classifying accounts on provisions for depreciation charges, write-offs for bad debt and similar operating expenses under non-current liabilities and accounts on other provisions and reserves under net worth.

C. NET WORTH

60. In most of the inquiries listed in Annex II, data are available on the par (face) value of the shares issued in the case of incorporated enterprises. Premiums on or discounts from par value in paid-in capital are shown in a separate account under net worth. In the case of some of the inquiries, entries appear on paid-in capital only or on authorized and subscribed capital in addition to the par value of shares issued. In a few inquiries, treasury stock is distinguished from stock held by others.

61. The detail shown in the case of reserves and earned surplus under net worth varies from one inquiry to another, depending, in part, on which of the approaches to reserves and provisions discussed above is adopted. Balance-sheet inquiries in such countries as Australia, France, the Federal Republic of Germany, India, Italy, New Zealand, Sweden, the United Arab Republic (Egypt) and the United Kingdom furnish comprehensive and detailed data on reserves and earned surplus under net worth. This is particularly the case in inquiries that are designed to provide data for statements on uses and sources of funds. On the other hand, the balance-sheet inquiries in such countries as Argentina, Finland, or Iceland reveal relatively less detailed information on reserves.

VII. CONCLUSION

62. This study of statistics on profit-and-loss and balance-sheet accounts has indicated that national requirements for these data stem from a number of different sources - for example, to compile various types of interrelated accounts and statements on the income, real and financial investment and holdings of assets and liabilities of non-financial enterprises and to have indicators of business conditions. In recent years, national statistical authorities have therefore been giving increasing attention to the gathering of statistics on the profit-and-loss and balance-sheet accounts of these enterprises. For example, the number of such inquiries that are designed to provide data for national income accounting or statements on uses and sources of funds has increased; and a number of countries are now planning additional inquiries in order to gather data for articulated accounts on financial transactions and holdings that are interrelated or integrated with real investment, income and product accounts. In devising these inquiries, problems of reconciling statistical requirements with the accounting practice arise. The survey of national practice in this paper suggests that in a number of countries, these problems have been successfully resolved, at least in the case of incorporated enterprises, and that sources of profit-and-loss and balance-sheet data which have not yet been exploited are available in other countries.

63. In view of the increasing national interest in and work on statistics of the financial accounts of non-financial enterprises, the Statistical Commission may wish to continue to provide means for the exchange of national plans, practices and experience in this field. Further, the Commission may wish to develop guide lines concerning the statistics that might be abstracted from the profit-and-loss and balance-sheet accounts of non-financial enterprises which take account of both the requirements for these data and the way in which these accounts are organized and maintained. The Commission may therefore wish to invite the Secretary-General:

- (i) To continue the study of national requirements, practices and problems in the collection and compilation of statistics of the revenue and expenditure and assets and liabilities of non-financial enterprises;

- (ii) To develop, on the basis of this study and consultations with national statistical authorities, professional accounting organizations and others and with the aid of experts, where necessary, suggestions as to the items of data to be gathered from the profit-and-loss and balance-sheet accounts of non-financial enterprises, including their definition and classification, taking account of the related work of the International Monetary Fund.

ANNEX I INCOME STATEMENT DATA PUBLISHED OR OBTAINABLE FROM BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry	Nature of Inquiry	A. Net Profit And Its Appropriation			
		Net Profit	Direct Taxes	Distribution of profits after Taxes	Retained Profits
<u>Argentina</u> National Statistical Service-- "Official Form of Balance Sheet and Profit-and-Loss Statements (1954) "	Limited liability companies in all activities except banking finance and insurance	Receipts minus expenditures for the financial year. Includes separate items on retained profits for preceding years	Tax provisions if not previously deducted	Provisional dividend	Net profit for appropriation
<u>Australia</u> Commonwealth Reserve Bank-- Supplement to Bulletin of Commonwealth Reserve Bank	Annual compilation of published company reports, all companies listed on stock exchange excluding banking and insurance. Presented in form of Sources and Uses of Funds Statement	Net profit covering trading profit and net income from investments. Capital gains are shown separately under "Other Funds Available"	Tax provision on the year's profits, plus tax adjustment representing the difference between provisions for tax in previous years and actual tax paid	Ordinary dividend and preference dividends are shown separately	Company practice varies in entering reserves before or after profit disclosure. The tabulation provides for appropriations to reserves (except depreciation) to be brought together here. These reserves and the "net balance" are carried into the balance sheet
<u>Austria</u> Central Statistical Office-- Statistical Handbook (1958).	Survey of joint stock companies in all industries, except banks and insurance companies, based on direct reports. Reports may be consolidated or unconsolidated	The appropriation account shows profit for the year, profit or loss carried over from last year and items shown on right. Profit includes profit from participation in other firms, net interest and other receipts. Capital gains and losses are included with appropriations to reserves	Direct taxes, plus other taxes and rates. Tax corrections on previous years' net profit.	Dividends and profit shares paid to board of directors.	Amounts appropriated to reserves and amount carried over to next year are shown separately
<u>Brazil</u> (a) "Company Law of 1940"	Regulations covering joint stock companies in all industries except those governed by special laws.	Net amount after all operating and non-operating receipts and expenditures have been taken into account	Direct taxes, plus other taxes.	Dividends to be distributed	Balance of profit or loss from previous year, special reserves and funds and undistributed profits brought forward to next year
(b) Brazilian Institute of Economics--Conjuntura Economica (February, 1960)	Analytical tables based on published company reports, designed to show sources and uses of funds for investment purposes	Net profit is shown after taxes, followed by a breakdown into distributed and retained earnings		See also Balance Sheet, Annex II	
<u>Canada</u> (a) Department of National Revenue--Taxation Statistics	Tabulation of income tax reports filed by corporations. Tabulations are based on a stratified sample and cover all industries. Consolidation of reports is not permitted	Total revenues minus total expenses equals current year profit. Further adjustments for previous years' losses and non-taxable dividends received from other companies are deducted here before calculating tax.	Net tax payable after certain tax allowances for Provincial, Foreign and Other credits	Cash dividends charged. Stock dividends charged as a result of capitalizing a portion of undistributed income and paying the special tax thereon	Not tabulated
(b) Dominion Bureau of Statistics--"Quarterly Survey of Corporation Profits".	Direct questionnaire addressed to non-financial corporations, on a sampling basis. Excludes finance, insurance crown corporations, etc	Profit before taxes	Provision for income taxes, subdivided into (a) Income Tax on current year profits (b) Additions to, or deductions from, reserve for future taxes	Cash dividends paid	Not shown

ANNEX I (CONT'D) INCOME STATEMENT DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

B. Receipts And Expenditures

Country	Receipts Including Capital Gains and Losses	Expenses				Other Expenses
		All Expenses	Cost of Goods Sold (Materials)	Labour Costs	Depreciation and Other Provisions	
<u>Argentina</u>						
National Statistical Service	Operating and non-operating receipts are shown separately. Operating revenue consists of net sales. Non-operating revenue consists of dividends, income from other securities, rents received, recovery of debts, and capital gains and losses separated into sales of real estate and sales of securities.	No clear distinction between operating and non-operating expenses, though items of operating and non-operating expenses are generally separated from one another.	Cost of merchandise or products sold. The purchases of commodities and services, wages paid to direct labour, other direct expenses and changes in inventories from which this cost is computed, are to be shown in an annex statement.	Salaries, social insurance contributions and remuneration of directors and managers. Wages paid to direct labour included in cost of merchandise or products.	Depreciation according to standard practices in each trade or industry.	General office expenses, commissions, payments for advertising, payments of interest, taxes paid.
<u>Australia</u>						
Commonwealth Reserve Bank	No detail is given apart from trading profit and income from investments. Profits of a capital nature are brought into account as "Other Funds Available".				As shown in company statements. Estimate is made by Reserve Bank, if not otherwise available, based on industry ratios.	Includes staff provident funds, write-off of intangible assets, etc. Company practices differ in making these entries before and after trading profit.
<u>Austria</u>						
Central Statistical Office	The profit and loss account is a single step, e.g. "Revenue" begins with gross profit (sales minus cost of goods sold) and adds various non-operating revenues such as interest and profit from participation in other firms. A separate account for appropriation items is shown in part A of the table.			Salaries and wages. Social insurance contributions. Voluntary social expenditure.	Depreciation allowances on permanent assets according to tax laws.	Obligatory payments to other corporations. Extra-ordinary (tax deductible) expenditure.
<u>Brazil</u>						
(a) "Company Law of 1940"	Operating and non-operating revenues are separated. Operating revenue consists of net receipts from sale of goods and services. Non-operating revenue subdivided into subsidies received from government, interest on capital not used currently and miscellaneous profits. Capital gains and losses are shown separately.	Combined operating expenditures are requested, consisting of cost of goods sold, wages, depreciation and other.	Purchases plus beginning inventory minus closing inventory, plus cost of work given out. Closing inventories should be valued at lower of cost or market. Inventory gains due to price increases not allowed to be taken until products sold.	Wages and salaries excluding payments to boards of directors, which are given under appropriation.	Depreciation and other allowances. Write-off can be 20% of capital stock each year. Installation expenses can be written off at 6% per year.	Rents and royalties, interest paid, net losses on accounts receivable and other operating expenses.
(b) Brazilian Institute of Economics, Conjuntura Economica	No receipts and expenditures are shown.					
<u>Canada</u>						
(a) Department of National Revenue	Revenues tabulated separately for sales, bond interest, mortgage interest, foreign dividends and other revenues. Tables cross-classified by industry. Sales exclude capital items and inter-branch sales. Sales exclude sales taxes and excise taxes. Construction industry sales are gross receipts minus payments to sub-trades.	Expenses are tabulated separately for cost of sales, rents paid, bond interest, other interest, mortgage interest, capital cost allowance, depletion, charitable donations, pension contributions, group insurance contributions and other expenses.	Purchases plus opening minus closing inventories. Purchases are at laid-down cost, including freight, customs duties, etc. Prevailing accounting practice is to value inventories on FIFO basis and within this method at lower of cost or market.	Not shown separately but see "Other expenses". Various payments by employers into pension and insurance funds are separately shown.	Capital cost allowances are charged at rates specified in Income Tax Act. Depletion is allowed in certain cases.	Includes salaries and wages, or direct and indirect labour and factory overhead, including repairs. See also detail listed for financial expenses under "All Expenses".
(b) Dominion Bureau of Statistics	Net sales excluding sales and excise taxes are tabulated. Operating income (after deduction of operating expenses) is shown. Other income is subdivided into (a) dividends from subsidiaries outside Canada, (b) from other companies outside Canada, (c) from all companies in Canada and (d) other non-operating income.	Expenses are not shown, other than depreciation and reserves, as shown, plus provisions for income taxes.	Not shown.	Not shown.	Depreciation. Depletion.	Amounts charged to inventory and other reserves, except those for taxes.

ANNEX I (CONT'D) INFORMATION ON THE STATE OF FINANCIAL ACCOUNTING AND TAXATION OF ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry	Nature of Inquiry	A Net Profit And Its Appropriation			
		Net Profit	Direct Taxes	Distribution of profits after Taxes	Retained Profits
<u>Czechoslovakia</u>					
State Statistical Office-- (a) Annual Financial Statements	All state-owned enterprises subdivided by type of principle activity. Financial portion of annual returns.	Total subdivided into profits from principal activity, and from other activities. Totals shown before deduction of losses such as bad debts and other claims, calamities and cost of provisions for employees. Excludes Turnover Tax.		Allocation from profit paid into State Budget. Allocation from profit for temporary financial help to other enterprises. Allocation from profit to other special and general funds of enterprises. Allocation from profit for increasing working capital fund. Allocation from profit for capital investment fund.	
(b) Monthly Financial Statements	All state-owned enterprises subdivided by type of principal activity.	Total subdivided into profit from principal and other activities. Before losses as described above.		Allocations to other agencies, or for the use of the concern itself, and to cover "losses" as described.	
<u>Denmark</u>					
Statistical Department-- reports of registered companies	Tabulation of reports of registered companies in all industries.	Net profit before taxes.	Not shown.	Dividends, bonuses, commissions on profit.	Not shown.
<u>Finland</u>					
Ministry of Trade and Industry and Tax Authority--"Law regarding bookkeeping" (1945) and Income tax forms.	Taxation and bookkeeping, regulations covering joint stock companies, partnerships, co-operative and individual enterprises (different forms)--all industries except agriculture, forestry and fishing.	Profit or loss.	Taxes on property and income (note for this preparatory use by both municipality and central government) annual turnover, turnover taxes and excise duties collected shall be shown outside the column.	Not shown.	Not shown.
<u>France</u>					
(a) Ministry of Finance--"Statistiques et Bilans Financiers"	Annual tabulation of statistics of income of all companies and other enterprises, based on tabulation report. Ten types of enterprise are listed. Rules are cross-classified of industry.	Net taxable profit after allowances for inventory gains and losses, provisions and amortization accounts.	Not shown.	Dividends, yields and other payments to shareholders. The distribution of income is required on tax forms.	Not shown.
(b) Conseil National de la Comptabilité--"Annuaire Comptable Général" (Following information refers to 1957)	Tabulation of financial statistics of enterprises in all industries in which enterprises report. A standardized presentation of individual reports is recommended, although actual practices are diversified.	Net profit or loss of current year and profits or losses of previous years. Exceptional profits or losses.	Duties and taxes.	Not shown.	Not shown.
<u>Germany (Federal Republic)</u>					
Law on joint stock companies and joint stock companies in Commandite, 1937 and 1942 and subsequent amendments.	Regulations regarding uniform balance sheets and profit and loss statements for joint stock companies, in all industries.	Net profit.	Taxes on incomes, subdivided into (a) taxes on sales, (c) taxes on property and (c) other taxes.	Not shown.	Not shown.
<u>Hungary</u>					
Central Statistical Authority-- General industrial accounting report	Quarterly report, with additional detail required annually on supplementary forms. Filed by state enterprises with appropriate ministry. Interim report may be subdivided into industrial establishments or enterprises, using state forms.	Profits from principal activity, after excluding turnover taxes, before deduction of losses, such as on bad debts, revaluation of inventories, natural calamities. Profits (losses) from other activities. Net profit from all activities, excluding turnover taxes, after deduction of losses.		Allocations to management fund, to technical development fund, to socialist emulation fund and to profit fund of enterprises. Remaining difference between net profit and sum of preceding items allocated to supervising body and State.	

ANNEX I (CONT'D) INCOME STATISTICAL DATA PUBLISHED OR COLLECTED BY BUSINESS ENTERPRISES OF SELECTED COUNTRIES

B Receipts and Expenditures

Country	Receipts Including Capital Gains and Losses	All Expenses	Expenses			Other Expenses
			Cost of Goods Sold (Materials)	Labour Costs	Depreciation and Other Provisions	
<u>Czechoslovakia</u>						
State Statistical Office-- (a) Annual	Receipts are subdivided into receipts from principal activity, receipts from other activities, receipts from sources such as reverses of bad debts, rebates on loans paid and other items paid Note: substantial detail is provided for receipts from principle and other activities, for example, receipts from goods and services rendered to others and non-operating receipts classified according to source such as for housing, public utilities, and communal feeding. Turnover taxes are excluded from receipts on sales of goods.	Total costs are separated into those of main activity and other activities and details are provided similar to those for reverses described in note below	Purchases of raw and ancillary materials, fuel and power - change in inventories, the latter subdivided by stage of processing	Labour costs subdivided into production workers and other, together with occupational and functional details re work force. Health insurance and other social provisions.	Depreciation of fixed assets.	Payments for transportation, administrative supplies, and detail of other payments, not specified in previous columns connected with principle activity. Also non-operating expenses in detail.
(b) Monthly	Revenue of main activity at prices realized before turnover tax. Also revenue from other activities	Total costs separated into those of main activity and other activities				
<u>Denmark</u>						
Statistical Department	No detail is provided on receipts and expenditures or how they are subdivided into operating and non-operating items					
<u>Finland</u>						
Ministry of Trade and Finance	No major headings are provided for operating and non-operating revenues or expenditures, although individual items within these classes are requested. Turnover (or sales) is the principal item of income required to be noted in the margin of the form for corporations. Total income including non-operating income is requested.		Value of merchandise and materials bought - change in inventories	wages and salaries.	Depreciation	Rents paid, other "ordinary" expenses, e.g. repair and maintenance, transport, heat and electric power. Interest payable.
<u>France</u>						
(a) Ministry of Finance	No formal distinction is made between operating and non-operating revenues. The main income item is "turnover" or sales and it may include the tax on value added.	No separation of operating and non-operating expenses. Certain items are separated for analytical purposes as shown.	Purchases + change in inventories. Note: purchases may include or exclude tax on value added, depending on previous practice. Inventories are shown at cost, before adjustments of various kinds.	Cash wages net of payroll tax and of employer contribution to social security funds. Employer contribution to social insurance funds.	Allocations to amortization, reserve for liquidation of initial expenses, and other provisions.	All other expenses which may include payroll tax and tax on value added.
(b) Conseil National de la Comptabilité	Sales of merchandise, subsidies received, discounts and commission obtained, financial revenue and other income items are distinguished.	No distinction between operating and non-operating expenses, although items of operating and non-operating expenses are generally separated from one another.	Purchases of materials + change in inventories. Includes cost of work given out.	Wages and other personnel expenses.	Provisions for depreciation. Other provisions.	Administrative expenses, transport and other purchased services and financial expenses.
<u>Germany (Fed. Rep.)</u>						
Law on Joint Stock Companies	Operating revenue items included are sales (turnover) and other income from own activities and gainful contracts. Non-operating revenue items included are income from participation in other companies, interest and dividends on securities and interests from reserves. Capital gains or losses from disposal of fixed assets and financial instruments are required to be shown.	No formal distinction of operating and non-operating expenses.	Cost of raw materials, fuels and purchased services from outside - change in inventories of semi-finished and finished products.	Wages and salaries and social security payments by employers. Other social payments.	Depreciation and other provisions on fixed assets and inventories. Payments into reserves are classified into legal and voluntary reserves.	Depreciation and valuation adjustments on participation and other securities.
<u>Hungary</u>						
Central Statistical Authority	Receipts are subdivided into those from principle activity and those from other activities (non-operating). Also shown are losses-repaid, price supporting subsidies received, interest, penalties received, etc. Turnover taxes are kept separate.	Operating and non-operating expenses distinguished. Planned and actual figures shown separately.	Cost of raw and ancillary materials, fuels and power consumed. Inventories subdivided by stage and kind. More detail for closing inventories.	Sufficient detail provided to separate production and other employees according to function and type of payment. Taxes on wages and salaries paid by management. Contributions to social insurance funds.	Depreciation for past investment and renewals.	Cost of repairs, freight, administration, office supplies, telephone, selling, etc. Costs that were not planned. Costs of subsidizing hot meals, etc. Costs of re-organization and technical development.

ANNEX I (CONT'D) INDUSTRY STATISTICAL DATA FURNISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry	Nature of Inquiry	A. Net Profit And Its Appropriation			
		Net Profit	Direct Taxes	Distribution of profits after Taxes	Retained Profits
<u>India</u>					
(a) "Indian Companies Act, 1937" and later revisions.	Regulations regarding uniform balance sheet and profit and loss statements for joint stock companies, in all industries, but excluding companies covered by special legislation.	Profit brought forward from previous year. Profit for current year. Income transferred from general reserve and provisions no longer required.	Taxes subdivided into those on (a) regular profits and (b) excess or abnormal profits.	Dividends paid or proposed	Amounts set aside for reserves. Reserve for repayment of debentures. Reserve for repayment of share capital. Balance transferred to balance sheet to be brought down to next year.
(b) Reserve Bank of India-- Reserve Bank of India Bulletin	Annual tabulation of large sample of company profit and loss statements. All industries except banks, insurance and investment companies.	Net profit, excluding certain items of non-recurring income such as capital gains and losses or profit on sales of investments.	Tax provision	Dividends.	Retained profits including transfers to reserves as indicated above.
<u>Japan</u>					
(a) Securities and Exchange Commission--"Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements"	Accounting regulations for joint stock companies in all industries except banking and insurance.	Net profit	Direct taxes	Dividends, officers' bonuses	Appropriation to earned surplus separated from those of capital reserve. Capital reserve equals five per cent of retained profit until one-quarter of stated capital is set aside.
(b) Ministry of Finance--"Survey of Corporate Enterprises"	Stratified random sample, by direct quarterly questionnaire, covering all corporations in industries except banking and insurance.	Net profit	Direct taxes	Dividends, officers' bonuses.	Profit reserve, voluntary reserves, remaining undivided surplus at end of period.
(c) Bureau of Statistics--Unincorporated Commercial and Manufacturing Enterprise Survey.	Quarterly sample survey of unincorporated manufacturing, wholesale and retail trading enterprises.	Net profit	Direct taxes	Dividends, officers' bonuses	Profit reserve, voluntary reserves and remaining undivided surplus at end of period.
<u>Netherlands</u>					
Central Bureau of Statistics--Inquiry into profits, dividends reserves and depreciation.	Direct inquiry sent to limited companies listed on Amsterdam Stock Exchange, plus large sample of unlimited companies in all industries.		Taxation on profits for year, plus tax accounting for previous years' profits.	Dividends subdivided into preference and other shares. Payments to directors and special payments to pension reserves requested.	Undistributed profit.
<u>New Zealand</u>					
(a) Companies Act, 1955, and Amendment, 1959	Taxation regulations for companies in all industries.		Provision for taxes on current income.	Dividends	Amount set aside or proposed to be added to or withdrawn from reserves.
(b) Reserve Bank of New Zealand--Bulletin of the Reserve Bank	Tabulation of published profit and loss data for companies in all industries.	Net profit (after tax)		Distributed as dividends	Net retained profit.
(c) Department of Statistics--National Income Statistics of Companies	Direct inquiry based on taxation registers, for companies in all industries.			Dividends preference and ordinary	
<u>Norway</u>					
Central Bureau of Statistics--National Tax Administration and Income Statistics For Non Personal Tax Payers	Income statistics of business enterprises other than those in agriculture, forestry and fishing.	Net profit or loss. Note: a number of special adjustments are allowed for tax purposes and are shown in a separate part of the income statement.	Direct taxes	"Payments on Norwegian stocks and bonds" is shown in the last part of the income statement.	Net profit undistributed.
<u>Panama</u>					
Directorate of Statistics and Census--Investigation of Income and Expenses and Gross Capital Formation of Industrial Enterprises for the calculation of National Income	Direct questionnaire addressed to enterprises, all industries. Gross capital formation is obtained in an annex to the above questionnaire.	Net profit.	Income tax.	Distribution subdivided into (a) Panama residents and (b) abroad.	Net profit undistributed.

5. Receipts and Expenditures

Country	Receipts Including Capital Gains and Losses	Expenses				
		All Expenses	Cost of Goods Sold (Materials)	Labour Costs	Depreciation and Other Provisions	Other Expenses
<u>India</u>						
(a) "Indian Companies Act"	Operating revenues are not distinguished from non-operating revenues. Operating revenues consists mainly of sales proceeds, but detail specified on different forms varies. Non-operation receipts consist of income investments, interest, transfer fees, capital gain on investment, etc.	Operating and non-operating expenses not distinguished. Total includes various fees and miscellaneous costs of other operations than the main one.	Purchases of raw materials. Inventories are subdivided into raw materials, goods in process and finished goods and shown separately for opening and closing.	Wages, salaries and bonuses, including managerial compensation and travelling expenses, etc. Contribution to provident and other funds.	Depreciation provision for fixed assets shown separately from other provisions.	Numerous individual items shown. Power and fuel purchases, freight and transportation charges, repairs to plant and machinery, insurance premiums, royalties, rents and local taxes, etc., excise duties, interest paid, bad debts, etc.
(b) Reserve Bank of India	Sales (main income) and "other income" are distinguished. "Other income" consists mainly of non-operating income. Closing inventories of finished goods and goods in process are shown here as an income item.	Combined total of all expenses.	Opening stock of finished goods and work in progress. Raw materials consumed and other manufacturing expenses.	Wages, salaries and other payments as above, all combined.	Depreciation provision.	Interest. Excise duties.
<u>Japan</u>						
(a) Securities and Exchange Commission	Operating and non-operating revenues are distinguished. Operating revenue consists of income from sales or services rendered. Non-operating revenue consists of interest, discounts earned, dividends received, profits from sale of securities, etc. The above items are listed separately on basic form.	Operating and non-operating expenses are separated. Details of each are shown according to appropriate accounting titles. Non-operating expenses consists of interest paid, bad debts written off, amortization of organization expenses, loss from sale of securities, etc.	Cost of sales equals purchases plus opening minus closing inventory. Method of inventory accounting to be stated.	Wages and salaries plus welfare expenses and officers' salaries and bonuses.	Depreciation.	General administrative and selling expenses. Repair and maintenance. Rent paid. Local taxes and dues.
(b) Ministry of Finance	As above.	As above.	As above.	As above.	As above.	As above.
(c) Bureau of Statistics	As above, plus proprietors' income from sub-business in agriculture, fishing or forestry.	As above.	As above.	As above.	As above.	As above.
<u>Netherlands</u>						
Central Bureau of Statistics--Inquiry into Profits, etc.	No detail on operating or non-operating revenues or expenditures.				Depreciation on fixed assets.	
<u>New Zealand</u>						
(a) Companies Act and Amendment					Provision for depreciation, renewals, or diminution in value of fixed assets.	
(b) Reserve Bank					Depreciation.	
(c) Department of Statistics	Income from sales, income from services, interest received, rent and royalties received, are shown separately.	No distinction is made between operating and non-operating expenditure.	Purchases less discounts \pm change in inventories.	Wages and salaries.	Depreciation.	Interest paid, rentals and royalties paid.
<u>Norway</u>						
National Tax Administration and Central Bureau of Statistics	Sales of goods and services, freight income, interest and dividend receipts, rental income, recoveries of bad debt, etc. are shown separately. Capital gains from sale of operational assets are shown.	No distinction is made between operating and non-operating expenses, other than by listing of items shown.	Goods purchased \pm change in inventories.	Cash wage payments. wages in kind, subsidies and other charges to pension funds. Travel and representation expenses.	Depreciation on buildings, machinery, etc. and other provisions.	Power consumed, repairs to machinery (etc.), but not buildings, port and pier expenses, sales and other indirect taxes and fees.
<u>Panama</u>						
Directorate of Statistics and Census	Income from sales and other income are distinguished. Sales are subdivided according to Republic, Canal Zone and abroad.	Expenses are subdivided into items shown on right.	Purchases plus initial inventory minus final inventory.	Direct and indirect labour costs separated. Employers contributions to Social Security.	Depreciation on buildings, equipment and other provisions.	Rent on premises. Indirect taxes, other expenditures.

ANNEX I (CONT'D) II SOURCE STATEMENT DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry	Nature of Inquiry	A Net Profit and Its Appropriation			
		Net Profit	Direct Taxes	Distribution of profits after Taxes	Retained Profits
<u>Peru</u> Central Reserve Bank of Peru-- <u>National Income Statistics</u>	Direct questionnaire to all enterprises including those individually owned, collectives and subsidiaries of foreign enterprises, in all industries including banking and agriculture	Net profit or loss.	Provision for direct taxes	Dividends to shareholders Bonuses to employees and directors Distribution to partners and owners Profit remitted abroad.	Reserve funds Profit not appropriated or capitalized A separate question gives capital equipment purchases.
<u>Poland</u> Central Statistical Administration-- <u>Financial Statements</u>	Quarterly financial accounts of state-owned enterprises Reports are classified by main kind of activity Fourth quarter report constitutes the annual report	Profits subdivided into profit from principal activity (operating profit) and profit from other activities (non-operating profit), before deduction of certain losses such as bad debt losses and other claims or damages from natural causes, cancellation of contracts and cost of providing employee housing, meals, etc Capital gains or losses on sale of fixed assets also excluded from figure of profits Profits excludes Turnover Tax		Allocation to capital investment fund Allocation to working capital fund allocations to other funds of enterprise	
<u>Portugal</u> National Institute of Statistics-- <u>"Statistics of Companies"</u> (tabulated)	Direct questionnaires to corporations, partnerships, limited liability companies and co-operatives in all industries, excluding financial institutions for which separate report is provided	Position of profit and loss account at end of year	Taxes subdivided into local, state and other	Legal reserve funds, other funds, bonuses, dividends and other	Appropriations to legal reserve and other funds, remaining undistributed profit.
<u>South Africa</u> Bureau of Census and Statistics-- <u>National Accounts Memorandum,</u> <u>no 23</u>	Accounts of 341 public companies in manufacturing, commerce and services, the shares of which are listed on the Johannesburg stock exchange, plus 45 other companies, 1959-60 Consolidated reports permitted Domestic activities recorded.	Net profit adjusted to National Accounts basis, "excludes interest and dividends received, profit or loss on sale of fixed assets, insurance claims paid and adjustments for over or under payments of taxation"	Direct taxes (by industry)	Dividends (by industry)	Retained earnings analyzed by detailed branches of industry
<u>Sweden</u> (a) "The Stock Corporation Act of 1944"	Tax regulation for joint stock companies in all industries except railways, banking and insurance.	Net profit or loss.			
(b) Central Bureau of Statistics-- <u>Income, Expenditure and Profits of Business Enterprises, 1958</u>	Annual direct questionnaire to 4,000 incorporated and unincorporated enterprises covering all medium and large firms and sample of smaller ones, except agriculture, banking and insurance.	"Gross profit" (i.e. before income taxes).	Taxes paid minus restitution of taxes and other refunds.	Dividends proposed and dividends paid are given in a subsidiary table.	Not shown, out may be calculated.
<u>United Arab Republic (Egypt)</u> Ministry of Commerce and Industry-- <u>"The Companies Law, 1954"</u>	Tax return of joint stock companies and partnerships in all industries.	Net profit	Appropriation for taxes.	Stock dividend, board of directors' allowance.	Legal reserve bond-sinking fund, general reserve and balance carried over to next year
<u>United Kingdom</u> (a) "The Companies Act (1948)".	This legislation specified the form, content and definitions to be used in company reports Since the profit and loss account began only at the stage of trading profit, no detail of operating revenue and expenditure can be shown		United Kingdom Income Tax and other taxation on profits and deductions claimed on account of taxes paid outside the United Kingdom.	Aggregate amount of dividends paid and proposed Resolution of directors	Amount proposed to be set aside or withdrawn from reserves Reserves provided for redemption of share capital and loans.
(b) Board of Inland Revenue, <u>"Report of the Commissioners of Her Majesty's Inland Revenue "</u>	Tabulation of income tax returns of public and private companies in all industries except agriculture, water undertakings, shipping, professional services, insurance, banking, finance and overseas undertakings.	Net profit.	Profits tax, income tax	Dividends, interest, royalties, etc.	Balance.
(c) Central Statistical Office, <u>Economic Trends</u> --selected issues contain "Income and Finance of Public Quoted Companies "	Tabulation of company reports, covers over 3,000 companies, mainly in manufacturing, distribution, construction, transport, etc Consolidated accounts of groups of companies used wherever possible	Income to be appropriated.	Tax on current income	Dividends (net), share due to minority interests.	Balance retained in reserves.

ANNEX I. (CONT'D) INCOME STATEMENT DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

B. Receipts and Expenditures

Country	Receipts Including Capital Gains and Losses	Expenses				
		All Expenses	Cost of Goods Sold (Materials)	Labour Costs	Depreciation and Other Provisions	Other Expenses
<u>Peru</u>						
Central Reserve Bank	Operating and non-operating items in both receipts and expenses are not distinguished, except for items shown. Gross income from sales is shown.		Cost of materials or other purchases \pm change in inventories. Includes cultivation, extraction and exploration.	Wages and salaries	Not shown	Taxes and excise Administration expenses
<u>Poland</u>						
Central Statistical Office	Operating and non-operating receipts and expenses are separated into two statements, one concerned with the principle activity of the enterprise, the other relating to other activities of the enterprise. Gross profit on sales of goods are shown, excluding Turnover Taxes		A complete, separate statement gives details of material costs of sales, including purchases, subsidies, inventory accumulation and turnover tax.	Wages and salaries and other labour costs (e.g. contributions to social insurance schemes) shown in detail	Charges to depreciation fund	Other expenses subdivided and shown on separate statements, (a) those pertinent to principal activity and (b) those related to other activities
<u>Portugal</u>						
National Institute of Statistics-- "Statistics of Companies"	Detailed schedule would permit separation of operating and non-operating revenues and expenditures although this formal distinction is not made. Receipts from sales are separated from financial receipts such as rent on property, profit from other companies, interest and other receipts, including subsidies.	No formal separation of operating and non-operating expenses but expenses are shown in detail	Purchases \pm change in inventories (raw materials and finished goods separated)	Salaries, wages, payments into provident funds and other social charges met by company	Normal or statutory depreciation. Other amortization to be shown as profit distribution.	Other expenses such as water charges, insurance premiums, transportation, postage, etc., financial commitments subdivided into rent, interest paid, bad debts donations.
<u>South Africa</u>						
Bureau of Census and Statistics	No detail of income and expenditure is required					
<u>Sweden</u>						
(a) "Stock Corporation Act, 1944"	The statement starts with operating profit. Non-operating receipts such as interest, dividends profit on sale of fixed assets, other receipts are then shown separately. Following these receipts non-operating expenses such as interest paid extraordinary expenses and losses on sale of fixed assets are indicated.				Appropriation to depreciation reserve account shown as non-operating expense or included in computing operating profit.	General administration expenses are shown as non-operating expense or included in computing operating profit.
(b) Central Bureau of Statistics	Proceeds from goods of own make are separated from other operating income. Interest and dividend receipts and income from other activities are also shown.	Manufacturing and selling expenses.	A side item provides for inventory detail in value and volume. The respondent estimates the percent change in fixed prices.	Special schedule on detail of labour costs.	Depreciation on tangible assets separated from other depreciation. Other provisions also shown.	Administrative expenses and excise duties. Interest paid.
<u>U.A.R. (Egypt)</u>						
Ministry of Commerce and Industry	Operating net income is separated from other forms of income such as income from securities and subsidiaries.	No formal distinction of operating expenses, but some details are outlined as shown.			Depreciation allowances. Other provisions to be listed separately.	Administration expenses. Interest payments. Net capital gains or losses.
<u>United Kingdom</u>						
(a) "The Companies Act (1948)"	Trading income and income from investments to be shown separately.		No detail of expenses provided for, except auditors remuneration, interest on debentures and fixed loans, provisions for depreciation and other			
(b) Board of Inland Revenue	Total receipts from sales of goods and remuneration for services less discounts plus proceeds payments also other total income including interest, dividends and rents.	Data not shown on expenses other than depreciation allowances. However, gross and net trading profit (before and after allowances for depreciation) is shown.			Depreciation allowances, (initial and annual allowances in respect of machinery, plant, industrial buildings, etc.) Note the above are carefully specified by type of asset and may be altered from time to time.	
(c) Central Statistical Office	The manner of presentation of tabulations is as follows: Gross trading profit less depreciation and other provisions, plus other income, less interest (gross) on long term liabilities, equals "income to be appropriated"				Depreciation allowances and other provisions.	Interest paid on long-term liabilities.

ANNEX I (CONT'D) INCOME STATEMENT DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry	Nature of Inquiry	A Net Profit and Its Appropriation			
		Net Profit	Direct Taxes	Distribution of profits after taxes	Retained Profits
<u>U.S.S.R.</u>					
Central Statistical Board-- (a) Annual Financial Statement	State-owned enterprises classified according to type of principal activity for example, industrial, construction, trade	Total subdivided into profits from principal activity and from other activities. Totals shown before deduction of losses such as bad debts and other claims and calamities. Net profit excludes Turnover Tax.			Allocations from profit (a) paid into State Budget, (b) for temporary financial help to other enterprises, (c) special funds of enterprises, (d) for increasing working capital (e) paid into construction bank
(b) Quarterly Financial Statements	The quarterly financial statements are a considerable abbreviated version of the annual statements which are analyzed here				
<u>United States</u>					
(a) Securities and Exchange Commission--Regulation S-X "Form and Content of Financial Statements (August 1958)	Securities regulation for industrial and commercial companies other than financial institutions. Parent and subsidiary companies may file a consolidated statement.	Net profit	Provision for income and excess profit taxes (Federal normal income tax and surtax. Federal excess profits tax and other income taxes to be stated separately)	Dividends classified into cash and other	Deductions from surplus appropriated to provisions and reserves not treated as expenses to be shown separately. Balance at beginning and end of period.
(b) Internal Revenue Service--"Statistics of Income Corporation Income Tax Returns, 1958-1959"	Tabulation of corporation income tax returns in stratified sample.	Taxable net profit or loss.	Income tax	Distribution to stockholders in (a) cash and assets other than own stock and (b) corporations own stock.	Earned surplus and undivided profits.
(c) Internal Revenue Service--Partnership Income Tax Returns.	Income tax regulation and tabulation of partnership income tax returns.	Ordinary net income is subdivided to show each partner's share. This plus payments to partners in form of salaries and interest, and other adjustments is carried on to each partner's personal income tax return.	Personal direct taxes are assessed on each partner for his respective share, plus other income and adjustments.	Distribution is considered before personal direct taxes, as described.	"Ordinary income", i.e. the net income of the business after deducting salaries and interest paid to partners, but before personal income tax calculation.
(d) Internal Revenue Service--Sole proprietorship Income Tax Returns.	Income tax regulation and tabulation of returns of sole proprietors (e.g. businesses, professionals, farmers, etc.)	Net profit or loss, without deduction for wages, salaries, interest or withdrawals of sole proprietor.	Personal direct taxes are assessed on the sole proprietor, including other forms of income than that of the business or profession described.	Distribution is made prior to tax calculation, as described.	
(e) Federal Trade Commission and S.E.C.--"Quarterly Financial Report for Manufacturing Corporations"	Quarterly direct sample survey of manufacturing corporations, except newspapers.	Net profit (before and after taxes shown)	Provision for Federal income taxes.	Cash dividends charged to surplus.	Other direct charges or credits to surplus.

B. Receipts and Expenditures

Country	Receipts Including Capital Gains and Losses	Expenses				
		All Expenses	Cost of Goods Sold (Materials)	Labour Costs	Depreciation and Other Provisions	Other Expenses
U.S.S.R.	Receipts are subdivided into receipts from principal activity, receipts from other activities, receipts from sources such as recovery of bad debts or rebates on fines, and other items. Substantial detail is provided for receipts from principal and other activities, for example receipts from sale of goods and from services rendered to others and non-operating receipts classified according to source such as for housing, public utilities and communal feeding. Turnover taxes are excluded from receipts from sales of goods.	Expenses are subdivided into operating and non-operating expenses, with details similar to those described under revenues.	Consists of purchases of raw and ancillary materials, fuel and power consumed and purchased from other enterprises.	Labour costs subdivided into production workers and other, together with occupational and functional details regarding employees. Health insurance and other social provisions.	Depreciation of fixed assets.	Payments for transportation, administrative supplies, and detail of other payments not specified in preceding columns connected with principal activity. Also non-operating expenses in detail.
United States						
(a) Securities and Exchange Commission	Gross sales less discounts, returns and allowances, if possible subdivided into (a) sales to parents and subsidiaries (b) other (this subdivision applies throughout). Other operating revenues may be combined with sales revenue if under 10%. Other revenue subdivided into dividends, interest on securities, profit on securities and miscellaneous.	Operating expenses (other than cost of goods sold) subdivided into purchases from and services rendered by (a) parents and subsidiaries and (b) others, other operating expenses subdivided into selling, general and administrative expenses, provision for doubtful accounts and other general expenses. Non-operating expenses are separated and subdivided into interest paid, net losses on securities, amortization of debt discounts, expenses or premiums, net losses on securities and miscellaneous.	Cost of goods sold as regularly computed under the system of accounting followed. Inventory accounting method to be stated. Merchandising organizations may include occupancy and buying costs here. Purchases of goods in change in inventories shown in supplemental schedule on cost of goods sold.		Reserves for depreciation, depletion and amortization of property, plant and equipment.	
(b) Internal Revenue Service--Corporations.	Gross receipts less returns and allowances. Non-operating receipts in such detail as interest on government obligations, other interest, rents, royalties, net capital gains (losses), net capital gain on other than capital assets, dividends from domestic corporations, dividends from foreign corporations, and other receipts.	Total expenses subdivided into cost of goods sold and other expenses as detailed on right. Net loss on sales other than capital assets.	Cost of goods sold may include, in addition to costs of goods and services utilized and purchases from others, wages and salaries and payments to direct labour and other direct internal costs. The subdivision of items into purchases of goods, etc. in change in inventories is shown on a separate schedule.	If wages and salaries to direct labour are included in cost of goods, then wages and salaries and other payments to administrative and other indirect employment are listed separately.	Depreciation and similar provisions supported by detailed schedule on charges made against reserves for fixed assets.	Detailed listing is required for items such as compensation of officers, rent paid on business property, taxes on property and other indirect taxes, advertising, interest paid, bad debt losses, losses through natural and other calamities, repairs, donations, contributions to private pension plans, and other deductions.
(c) Internal Revenue Service--Partnerships	Gross receipts less returns and allowances, less related expenses, equals "ordinary income." Other income detailed as follows: Income from other partnerships, syndicates, etc. Interest received, except interest wholly and partly exempt and interest on tax free covenant bonds. Income from rents with supporting detail. Royalties. Non-qualifying dividends. Other income.	Expenses subdivided into cost of goods sold and other groups shown on right.	Purchases in change in inventories. Inventory accounting method cannot be changed without permission. If LIFO used, special form required.	Salaries and wages other than those included in cost of goods sold. Payments to partners in the form of regular salaries, which are not considered part of distributive shares. (These are added back in calculating income for tax purposes.)	Depreciation and amortization. Depletion of mines, oil wells, etc.	Interest other than that considered as a payment to partners. Rent on business property. Taxes. Repairs. Losses by fire, shipwreck, storm, etc., not otherwise claimed as repairs or covered by insurance. Other deductions authorized by law, including losses not connected with business.
(d) Internal Revenue Service--Sole Proprietorships	Total receipts less returns, rebates and allowances.	Expenses subdivided into items shown on right.	Purchases in change in inventories, subject to same provisions as above. Purchases to be net of items withdrawn for personal use. Cost of labour included in cost of goods sold.	Salaries, wages and employer contributions to pension and other funds, other than wages, etc. already included in cost of goods sold and excluding any salary withdrawn by proprietor.	Depreciation and amortization. Depletion of mines, oil wells, etc.	Rent on business property. Taxes on business and business property. Interest on business indebtedness. Repairs. Bad debts arising from sales and services. Other business expenses.
(e) Federal Trade Commission and SEC (quarterly)	Net sales. Other income or deductions (net).	Operating expenses including general administrative expenses, depreciation and depletion. Not subdivided.				

ANNEX II BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry ^{1/}	Assets											
	Current Assets				Non-Current Tangible Assets			Intangible Assets				
	Cash and Near Cash	Short-Term Investments and Loans		Accounts Receivable	Inventories	Other Current Assets	Investments	Fixed Assets	Other Non-Current Tangible Assets	Intangible Assets		
	Cash and bank deposits, cheques, sight drafts	Government securities and other shares	Other	Trade credits classified into secured and unsecured and whether or not overdue	Inventories subdivided into merchandise, raw materials, other materials, work in progress and finished products		Long-term loans, subdivided into mortgages secured and unsecured, less provision for bad debts	All fixed assets valued at original cost less depreciation		Trademarks, patents, concessions, goodwill, anticipated expenses, organization expenses and expenses incurred in sale of debentures		
<u>Argentina.</u> National Statistical Service—Official form of Balance Sheet and Profit and Loss Statements (1954).		Government and non-government securities and other shares	Nominal cost, book and quoted values of securities shown in separate statement.	Also subscriptions for shares and debentures, advances to suppliers, income due and miscellaneous credits granted	Provisions for bad debts deducted		Life insurance valued at cash surrender	Includes improvement of land and forests	Value at beginning of year, acquisitions and sales during year and value at end of year, all at original cost	accumulated depreciation at beginning of year and charged during the year shown in separate statement for each kind of fixed asset.		
<u>Australia</u> Commonwealth Reserve Bank— <u>Supplement to Monthly Bulletin</u>	Cash on hand, bank deposits Fixed deposits	Commonwealth government and local and semi-government securities		The term "debtors" as used to cover accounts receivable including prepayments, etc	Outstanding balances of hire purchase companies and housing loans of building societies are included here.	Work in progress and trading stock, net of provisions for loss on realization	Investments include mortgages, debentures, notes, and other loans	Shares in subsidiaries which give parent company a controlling interest are shown if returns not consolidated	Shares in other companies shown separately	Other assets	Goodwill, patent rights, issue and formation expenses, etc	
<u>Austria</u> Central Statistical Office— <u>Statistical Handbook</u>	<u>Note</u> Assets and liabilities are given in "inverse order of liquidity", i.e. beginning with fixed assets and ending with current assets			Securities which are not considered permanent assets.	Accounts receivable	Raw, semi-finished and finished products are shown separately	Other current assets	Participation in other firms	Shares not paid for other financial investments	Fixed assets include land, buildings, machines, tools, furniture and fixtures and other real assets and assets under construction, all of which is given in detail	Advance payments on construction work in progress	Rights, (e.g. water rights) Leases Participation in other firms Development expenses
<u>Brazil</u> (a) "Company Law of 1946".	<u>Note</u> The regulation provided for a subdivision into short-term, long-term, and fixed assets, with instructions regarding valuation of assets and setting up of reserve											
(b) Brazilian Institute of Economic— <u>Conjuntura Economica</u>	<u>Note</u> The columnar headings in these sources and uses of funds statements are cross-classified by about 40 industries in commerce, manufacturing, transportation and utilities and other											
	Cash	Short-term investments and accounts receivable combined.				Inventories.	Other					

^{1/} For nature of inquiry or legal entity and industrial coverage, see Annex J. A

ANNEX II (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country (cont'd.)	Current Liabilities			Non-Current Liabilities			Net Worth		
	Short-Term Loans and Notes Payable	Accounts Payable	Accruals and Other Liabilities	Bonds, Debentures and Mortgages Outstanding	Long-Term Loans Payable	Other Non-Current Liabilities	Paid-In-Capital	Earned Surplus and Reserves	Other
<u>Argentina</u> National Statistical Service	Bank loans on current accounts classified according to whether or not secured	Trade debts classified into suppliers and other, and whether or not secured.	Accruals and provisions for social insurance contributions and taxes, prepayments on orders, and dividends payable.	Bonds, debentures, mortgages and other long-term loans payable.		Anticipated income and capital gains	Subscribed capital subdivided into shares in circulation and shares in portfolio.	Legal reserves, reserves for replacement of fixed assets, premiums renewed on shares, reserve for future dividends, other reserves. Retained profits less provisional dividends.	
<u>Australia</u> Commonwealth Reserve Bank	Bank overdraft and other borrowing such as deposits lodged with companies. If possible, loans by banks are shown under specific headings.	The term "creditors" is used to cover trade and sundry creditors, client's deposits, bills payable and accruals.	Accumulated provisions for tax on profits of current year and prior years. Loans from subsidiaries, branch suspense accounts, etc. are shown only when consolidated accounts are not available.	All debentures and notes including convertible notes, registered notes, etc. are included. Mortgages are included as described on Company balance sheets.			Ordinary capital including employee's shares, deferred ordinary shares, application money and calls paid in advance but excluding bonus issues. Preference capital includes all types of preference capital, cumulative and non-cumulative, participating preference and preferred ordinary shares and application money and calls paid in advance. Premium on share issues is stated separately.	Reserves include all free reserves for distribution to shareholders in the event of liquidation except specific provisions such as those for taxation, dividends, bad and doubtful debts. Unexplained additions to reserves are shown separately. Where reserves are created by revaluation of assets or by capitalizing bonus issues, these changes are removed before valuation.	Provisions for dividends. Minority interests (representing capital of subsidiaries held by persons outside the group of companies, and their share of retained profits and reserves). Unappropriated profits.
<u>Austria</u> Central Statistical Office	Bank debts, bills of exchange payable.	Accounts payable. Advanced payments received.	Provision for taxes, pensions, etc.	Bonds, debentures, mortgages and other long-term loans payable			Share capital.	Reserves. Undistributed profit carried over from previous years, including reserves.	It is not clear whether depreciation reserves are kept separate or deducted from the individual items shown under fixed assets. A separate item for unallocable depreciation is shown.
<u>Brazil</u> (a) "Compan, Law of 1940"	Note								The regulator provided for the separation of short-term and long-term liabilities, paid-in capital and statutory and other reserves.
(b) Brazilian Institute of Economics	Bank loans.						Shown at par and paid in.	Reserves and provisions.	

ANNEX II (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry ^{2/}	Assets									
	Current Assets				Non-Current Tangible Assets			Intangible Assets		
	Cash and Near Cash	Short-Term Investments and Loans		Accounts Receivable	Inventories	Other Current Assets	Investments	Fixed Assets	Other Non-Current Tangible Assets	Intangible Assets
Canada										
(a) Department of National Revenue--Taxation Statistics	Cash on hand and bank deposits net of outstanding cheques and overdrafts	Federal government securities		Accounts receivable after deducting reserve for bad debts, excludes loans to officers, employees, etc	Inventories before deduction of reserves, the latter being shown under surplus	Prepaid expenses, goodwill, leases, cash surrender value of insurance, etc., all combined in one group of "other assets"	Investment in affiliated companies, other securities comprising bonds, stocks, mortgages, notes, premiums for sale and other negotiable securities	Land (mainly timber and mineral rights), buildings and equipment at original cost. Depreciation reserves listed as a liability		See "other current assets"
(b) Dominion Bureau of Statistics--"Quarterly survey of corporation assets, liabilities and net worth"	Cash on hand and in bank deposits, subdivided into Canadian and other	Canadian federal government treasury bills Other Canadian federal government direct and guaranteed debt	Short-term notes of finance companies and of other unaffiliated companies incorporated in Canada	Accounts receivable less bad debt provisions. Includes accounts receivable from subsidiary and affiliated companies (when not consolidated)	Inventories, including raw materials, fuel and supplies, goods in process and finished goods	Prepaid expenses and other current assets	Other Canadian bonds and debentures--provincial and municipal direct and guaranteed issues, issues of companies incorporated in Canada and of institutions. Other Canadian investments--stocks, mortgages, notes, long-term advances, etc. Investments in foreign bonds, debentures, treasury bills, stocks mortgages, notes, long-term advances, etc. Investments in and advances to subsidiary, affiliated or associated companies	Plant, machinery, equipment, land, mineral and timber rights, etc. Less accumulated depreciation and depletion	A group of "other assets" is shown consisting of deferred charges, intangible assets, trust or earmarked funds, and other non-current assets.	
	<i>Note</i> Above detail refers to corporations in general, while separate forms are being developed for trust and mortgage loan companies and instalment and other finance companies. Consolidated reports are obtained whenever possible.									
Czechoslovakia										
State Statistical Office--(a) Annual Financial Statement of State Enterprises	Cash and deposits at State bank.		Letters of credit	Accounts receivable subdivided into nine classes, according to type of customer, state agency, etc	Internal accounting of "circulating assets", (raw materials, fuel, goods in process, finished goods, etc.)	Goods in transit Accounts in special funds.		Fixed assets, building sites, etc.	Allocations from profit to State budget, investment bank, and to various funds for increase of own circulating assets, for finance of investment, etc.	
(b) Monthly statements as above	<i>Note</i> These are similar to above, but less detailed									
Denmark										
Statistical Department--Reports of Registered Companies	Cash and bank deposits						Bonds and shares, including holdings of own shares.			
Finland										
Ministry of Trade and Industry and Tax Authority, "Law regarding Bookkeeping (1945)".	Cash and bank deposits		Bills of exchange at acquisition value.	Accounts receivable	Inventories are to be valued at higher of cost or replacement value. In case of deterioration or other fall in value, they may be written down			Land and forests, buildings and machine installations, valued at higher of acquisition or reproduction value. Less depreciation according to a detailed schedule of rates	Other reserves	Organization expenses may be written off in five years.

^{2/} For nature of inquiry, see Annex I.

ANNEX II (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country (cont'd.)	Liabilities						Net Worth		
	Short-term Loans and Notes Payable	Current liabilities Accounts Payable	Accrual and Other Liabilities	Bonds, debentures and Mortgages Outstanding	Non-Current Liabilities Long-term Loans Payable	Other Non-Current Liabilities	Paid in Capital	Earned Surplus and Reserves	Other
<u>Canada</u>									
(e) Department of National revenue	Bank loans and credits extended by banking institutions except mortgage loans.	Accounts and bills payable, excluding taxes.	Tax liabilities consisting of municipal, provincial and federal taxes	Bonds, debentures, mortgages and other long-term loans payable, all having a term greater than one year.		Depreciation and depletion reserves are shown here as a liability, i.e. are not deducted from the corresponding assets.	Capital stock.	Surplus accounts of all kinds, including general and contingency reserves, bond redemption and inventory reserves, less operating or capital deficits.	
(b) Dominion Bureau of Statistics	Short term loans and notes payable (a) to chartered banks in Canadian currency (b) other.	Income and other taxes payable Current payables to subsidiaries and affiliated companies Other accounts payable.	Prepayments received. Other current liabilities.	Long-term debt subdivided into (a) bonds and debentures (b) mortgages and agreements of sale and (c) other long term debts.			Paid-in capital consisting of capital stock and premium or discount on shares.	Surplus including reserves which are regarded as part of shareholder's equity. Surplus is subdivided into (a) retained income (or deficit) and (b) Surplus arising from appraisals of fixed assets, etc.	Interest of minority shareholders in subsidiaries.
<u>Czechoslovakia</u>									
State Statistical Office (a) Annual Financial Statement	Short term bank loans and other liabilities subdivided into large number of separate accounts according to purpose.	Accounts payable subdivided according to purpose or creditor	Continuing liabilities for wages, national insurance, etc		Long-term loans from ministry, investment bank and other sources, and own resources in basic fund or reserve.				
(b) Monthly Financial Statement	Note	The monthly statements are similar to above, but less detailed							
<u>Denmark</u>									
Statistical Department	Bank debts.						Paid-in share capital.		
<u>Finland</u>									
Ministry of Trade and Industry, etc.	Bills of exchange Bank loans payable	Accounts payable.	Estimated tax liability	Mortgage loans and other long-term loans.		Depreciation reserves may be shown here or as a deduction from fixed assets. Reserve for adjustment of inventory values.	Shares or participation capital. Paid-in capital.	Reserve funds. Previous years' profit and loss. Earned surplus and reserves.	Other net worth.

ANNEX II (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry 2/	Current Assets					Non-Current Tangible Assets			Intangible Assets	
	Cash and Near Cash	Short-Term Government Obligations	Investments and Loans Other	Accounts Receivable	Inventories	Other Current Assets	Investments	Fixed Assets	Other Non-Current Tangible Assets	Intangible Assets
France										
(a) Ministry of Finance--Statistiques et Etudes Financières	Cash on hand, bank deposits and postal cheques.				Inventories valued at cost, before deductions or allowances permitted under tax laws. Tax on value added may be included.			Fixed assets may be valued at original cost or revalued. Accumulated amortization may be deducted here.		
(b) Conseil National de la Comptabilité--Plan Comptable Général	Cash subdivided into franc and other Bank deposits by kind of bank Postal cheques, other cheques and coupons	Treasury bonds by type	Loans due within one year Bills receivable and warrants	Customers' accounts by type of account. Dealers accounts Other accounts receivable	Supplies, raw materials, finished goods, etc valued at market prices	Prepaid taxes.	Bonds and equities shown separately and valued at purchase price. Loans over one year according to security held.	Land, buildings, machinery, tools, equipment, furniture and fixtures. Plus fixed assets in process of construction may be valued at original cost or revalued.		Organization expenses and acquisition of other assets such as titles and deeds.
Germany (Federal Republic)										
Law on Joint Stock Companies, 1937 and later amendments.	Note Country presentation is in inverse order of liquidity, beginning with fixed assets, etc.									
	Cash Deposits with Reichsbank and Postal Cheque Office. Other bank balances and bills of exchange		Investments and short-term loans (long-term investments not separated)	accounts receivable, for goods delivered and services supplied	Inventories subdivided into raw materials, finished goods in process, and finished goods Valued at lower of cost or market.		Mortgages and annuities held Investments in associated businesses. Participation, own shares, shares of parent company and other securities.	Land, buildings, plant, machinery, tools and equipment, valued at higher of purchase cost or replacement. Account is designed to show additions as well as cumulated value. See note under depreciation.	Shares not completely taken up or paid for.	Concessions, trade marks, patents, licences, etc., valued at purchase price or other value.
Hungary										
Ministeries, directorates or trusts of ministeries General industrial accounting report	Note Country presentation is in inverse order of liquidity									
	Cash and bank balances. The term "single account" is used for bank accounts.			Accounts receivable.	Raw materials, fuel and supplies semi-finished and finished products	Accrued expenses Prepaid expenses Accounts representing connections with centralized (budgetary) agencies		Real estate and fixed assets by type, e.g. machinery, vehicles, etc. Valued at gross cost of acquisition, less balances accumulated as depreciation.		
India										
(a) Indian Companies Act, 1937 and later revisions	Note Balance sheet items are presented in inverse order of liquidity, and in considerably more detail than shown here.									
	Cash Bank deposits subdivided into current, call and deposit accounts.	See "investments"	Bills of exchange Advances recoverable, e.g. for pre-paid rates and taxes	"Current assets" include inventories which are subdivided as shown in Annex I, B. They include stores and parts, work in progress and stock in trade. The method of valuation is to be stated. "Current assets" also include sundry debtors. Related reserves are shown, and deducted here.			The term "investments" is used to cover the combined total of fixed assets investments, other tangible assets and intangible assets. For each item, original cost is to be shown, together with additions or deductions during year. Depreciation is deducted from values shown here. Valuation on above items is at original cost where possible, but if other bases of valuation are used, they are to be stated. Government and other securities, bonds, debentures and shares are to be listed.			
(b) Reserve Bank of India--Reserve Bank Bulletin	Cash and bank balances separated. Fixed deposits with banks separated.	Combined into	single total of other assets		raw, semi-finished and finished goods, method of valuation to be stated	Advance payments of income and other taxes	Investments not separated from other current assets	Land, buildings, machinery and equipment, less depreciation.		

2/ For nature of inquiry, see Annex I

ANNEX II (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country (cont'd.)	Liabilities						Net Worth		
	Current Liabilities			Non-Current Liabilities			Paid-in Capital	Earned Surplus and Reserves	Other
	Short-Term Loans and Notes Payable	Accounts Payable	Accruals and Other Liabilities	Bonds, Debentures and Mortgages Outstanding	Long-Term Loans Payable	Other Non-Current Liabilities			
France.							Registered social capital.	Reserves and allowances for transfers to provision accounts (not deductible for tax purposes.)	
(a) Ministry of Finance									
(b) Conseil National de la Compabilité	Short term debt in form of bonds and debentures payable within one year. Bills payable and warrants.	Accounts payable, sub-divided into suppliers' accounts (for prepayments received) and other.	Adjustment account to allocate expenses to period in which incurred.	Obligations and bonds payable in over one year, sub-divided by kind.	Other debts maturing in over one year.	Provisions for risk, guarantees to clients, losses, fines and penalties. Provisions for renewal of fixed assets for leased enterprises. Provisions for expenses, obligatory retirement expenses to personnel, etc.	Social or personal capital, classified into capital called in and capital not yet called in, measured by nominal capital for companies and by net assets for individual enterprises. Premium on the issue of stocks representing the excess of actual proceeds over nominal price.	Reserves including all profits retained at the disposition of the enterprise and not incorporated in the capital, classified into legal reserve, statutory and contractual reserve, reserves arising out of subsidy to equipment, special reserve of valuation, and reserve corresponding to contribution of government to war damages.	Balance brought down representing balance of the previous period not distributed or transferred to reserve account or, in case of loss, not compensated by deduction from profits. Reserve for capital. Subsidy received to acquire fixed assets, less subsidy registered in the profit and loss account.
Germany. (Fed. Rep)	Liabilities to banks and from acceptance of drafts and bills of exchange.	Accounts payable.	Accruals. Liabilities to trust enterprises. Advance payments made by customers. Liabilities re savings deposited with the company.	Debentures issued, mortgages, land charges and annuity charges.		Depreciation reserves on fixed assets to be kept separate from fixed assets. Opening amounts, write-offs during year and closing amounts of accumulated depreciation are to be shown.	Share capital is to be described in detail in an accompanying statement.	Reserves classified into statutory reserves including premiums obtained from issue of shares, gain from conversion of convertible bonds and additional payments by shareholders for acquisition of preferential rights, and voluntary reserves.	
Hungary:									
Ministries, Directorates or Trusts of Industries. General Industrial Accounting Report.	credits granted by central bank for carrying on business and for financing stocks.	Accounts payable.	Circulating fund. Accrued wages, taxes on wages and salaries and social security contributions due.		Investment fund. Withdrawals from Investment Bank or Central Bank (renewals). Other loans for investment purposes.	Deferred liabilities.			
India:									
(a) Indian Companies Act, 1937, etc.	Advances from banks and other loans and advances, secured and unsecured shown separately. Short term loans are defined as one year or less.	Accounts payable to sundry creditors. Accounts payable to subsidiary companies.	Accrued interest. Provision for taxes. Provision for dividends. Note Additional provisions such as those for claims against the company and uncalled liability on shares are listed under "current liabilities".				Paid-up capital classified into ordinary and preference shares, excluding share application money, amounts received on forfeited shares and share premium money.	Surplus and reserves classified into capital reserve, and general and other reserves. Depreciation reserve.	
(b) Reserve Bank of India	Liabilities not subdivided into current and non-current. Borrowings subdivided into secured and unsecured and whether owed to banks, industrial finance corporations and other.						Paid-in capital.	Earned surplus and reserves.	Other net worth.

ANNEX II. (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry ^{1/}	Current Assets					Non-Current Tangible Assets			Intangible Assets	
	Cash and Near Cash	Short-Term Investments and Loans Government Obligations	Other	Accounts Receivable	Inventories	Other Current Assets	Investments	Fixed Assets	Other Non-Current Tangible Assets	Intangible Assets
<u>Italy</u>										
"Civil Code"	<u>Note</u> Balance sheet is arranged in inverse liquidity order.									
	Cash and bank deposits		Other assets to be valued at presumed value to be realized.		Raw materials and finished goods at end of financial year, to be valued at lower of cost or market price		Fixed revenue bonds of which value to be determined by the directorate's shares or participation values if a sum not higher than that resulting from the last balance of the enterprise to which it refers	Fixed assets classified into real estate, installations and machinery, and furniture, valued at not more than cost price. Depreciation is not deducted here, but accumulated as a liability	Credits from shareholders for payments still due, less capital now paid up less liability side for shares issued, at nominal value	Patents, conceptions and trade marks, value not higher than buying or cost price and to be written off each year in proportion to their duration or to waste and amortization thereof. Intangible Goodwill, valued at price paid for it
<u>Japan</u>										
(a) Securities and Exchange Commission—"Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements"	Cash on hand and in banks.	Marketable securities excluding those of subsidiaries. Notes and bills receivable less discounts	Accounts receivable, excluding those receivable from subsidiaries.	Closing inventories subdivided into raw materials, finished goods and work in process	Prepaid expenses to be written in in one year, except subsidiaries' accounts	Investment consisting of stocks, bonds and debentures and direct investment, distinguishing between those of subsidiaries and of non-subsidiaries, and long-term loans and other investments	Fixed assets classified into buildings, structures, machinery and installations, ships, rolling stock, tools, apparatus and fixtures, land, construction work in progress, other fixed tangible assets. Depreciation reserves for fixed assets to be listed as deductions			Intangible assets classified into goodwill, patent rights, leasehold trade marks, utility model patents, design rights, mining rights, fishing rights, and other similar intangible assets. Deferred accounts classified into prepaid expenses, unamortized expenses incurred in issuing stocks or debentures and bonds, unamortized development expenses unamortized experimental and research expenses, and unamortized contribution interest. Amortization expenses to be deducted from value of intangible assets.
	<u>Note</u> Although there is no regulation regarding consolidation, several items of information are requested to be broken down into separate accounts with subsidiaries and others.									
(b) Ministry of Finance—"Survey of Corporate Enterprises"	Cash on hand and in banks		Accounts receivable including bills receivable (but excluding accommodation bills and discounted bills), less provision for bad debts.	Inventories classified into merchandise or finished goods, work in progress and raw materials and supplies	Other current assets, less provisions for unpaid loans and similar items.	Investment consisting of securities, participations, investment securities, long-term loans, and real estate for investment, less provision for bad debts.	Fixed assets classified into land (including land improvement expenses), and other tangible fixed assets (including construction work in progress), less accumulated depreciation			Intangible assets. Deferred accounts consisting of prepaid expenses (excluding those written off within one year), organization expenses, premium in issuing debentures and bonds, expenses in issuing stocks, development expenses and experimental and research expenses
(c) Bureau of Statistics—Unincorporated Commerce and Manufacturing Enterprise Survey.	No balance sheet data collected.									

^{1/} For nature of inquiry, see Annex I.

ANNEX II (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country/ (cont'd)	Liabilities						Net worth		
	Current liabilities			Non-Current liabilities			Paid-in Capital	Earned surplus and Reserves	Other
Short-Term Loans and notes Payable	Accounts Payable	Accruals and Other Liabilities	Bonds, Debentures and Mortgages outstanding	Long-Term Loans Payable	Other Non-Current Liabilities				
<u>Italy.</u> "Civil Code"	Liabilities are not designated as current or non-current. Debt to banks and other short-term debts.	Debt to curvators, associated firms and other debts.	Debt with real guarantee. Bonds issued and not yet redeemed.		Depreciation, renewals and provisions covering the risk of the value of inventories. Funds set aside for seniority indemnity or old age pensions of dependents.	Share capital at normal value distinguishing ordinary shares from others.		Legal reserve, statutory and optional reserves. Premium on share issues. Balancing item (net profit or loss).	
<u>Japan</u> (a) Securities and exchange commission	Notes and bills payable excluding accommodation bills. Short-term borrowings including accommodation bills and overdrafts but excluding those from stockholders, officers, employees or subsidiaries.	Accounts payable including accrued expenses arising from services rendered but excluding those to subsidiaries.	Accrued expenses, advances, money received in charge, income received in advance, provisions, other current liabilities.	Corporate bonds and debentures.	Long-term borrowings including accommodation bills but excluding long-term borrowings from stockholders, officers, employees or subsidiaries. Long-term borrowings from subsidiaries.	Capital stock with respect to total shares to be issued and those already issued.		Capital surplus classified into capital reserve, re-valuation reserve, and other capital surpluses. Earned surplus classified into profit reserve, voluntary reserve and undivided profit surpluses or losses not disposed of during the period.	
(b) Ministry of Finance	Loans from financial institutions consisting of loans to be paid within one year, overdrafts, accommodation bills, annual instalment loans, etc	Accounts payable including bills payable but excluding accommodation bills.	Miscellaneous provisions consisting of provisions for variation in prices, loss in exports, drought period, etc. Other current liabilities.	Bonds and debentures	Loans from financial institutions due in over one year.	Miscellaneous provisions consisting of provisions for retirement payments, special repairs, etc Other non-current liabilities.	Paid-in capital.	Capital surplus consisting of premium in issuing stocks, paid-in surplus, revaluation reserve, surplus as a result of capital reduction, surplus as a result of amalgamation, etc. Earned surplus consisting of profit reserve, voluntary reserve and carried over surplus at end of the period. Net profit or loss for the period.	
(c) Bureau of Statistics	No balance sheet data collected.								

ANNEX II. (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry ^{5/}	Assets						Non-Current Tangible Assets		Intangible Assets	
	Current Assets			Other Current Assets			Investments	Fixed Assets	Other Non-Current Tangible Assets	Intangible Assets
	Cash and Near Cash	Short-Term Investments and Loans		Accounts Receivable	Inventories					
		Government Obligations	Other							
Netherlands										
(a) Central Bureau of Statistics--Inquiry into profits, dividends, reserves and depreciation	No asset detail requested, but see Liabilities.									
(b) Central Bureau--Financial Survey.	Cash and current account bank balances, latter subdivided into commercial banks and other. Guilder and foreign currency accounts also kept separately	Short-term loans to governments subdivided into (a) national and (b) provincial, municipal, etc.	Short-term loans to bill brokers, stock brokers and investing institutions Other short term loans and advances.	Accounts receivable	Book value of (a) raw materials and semi-finished goods (b) contract work (c) finished products		Market value of stocks and bonds subdivided into foreign and domestic mortgages Other long term loans. Participation in form of shares, loans and other credits.			
New Zealand										
(a) Companies Act, 1955 and Amendment, 1959.	Total current assets obtained without subdivision.						Investments subdivided into (a) investments in Government, local body or other public debentures, stocks or bonds (b) investments in companies, and (c) other investments, all valued at market value.	Fixed assets valued at cost or book value less aggregate amount provided or written off for depreciation or diminution in value.		Deferred charges subdivided into preliminary expenses, commission in respect of shares or debentures, expenses incurred in connection with issue of shares or debentures, discount in respect of debentures, discount in respect of issue of shares, goodwill and patents and trademarks.
(b) Reserve Bank of New Zealand-- <u>Bulletin of the Reserve Bank.</u>	Cash on hand and in banks.			Sundry debtors and bills receivable.	Inventories.	Sundry assets including deposits and subsidiaries' current accounts.	Central and local government securities, other securities, loans and other holdings except share in subsidiaries where shown separately.	Land, buildings, machinery, less depreciation. Latter reserve to be shown in net worth		
(c) Department of Statistics-- <u>National Income Statistics of Companies.</u>	Current assets not subdivided.						Investments, including mortgages, loans, government securities company shares and debentures, etc and advances and semi-permanent loans from parent to subsidiary.	Fixed assets classified into land and buildings, and other fixed assets (including plant, equipment, machinery, tools and all other capital investments)		
Norway										
Central Bureau of Statistics--Accounting Statistics, 1954.	Cash on hand, bank accounts (domestic and foreign), postal accounts	Other assets classified according to whether or not taxable.		Receivables, claims on affiliates	Raw materials, finished goods, work in progress.		Mortgages held. Shares in domestic and foreign companies.	Real estate, machinery, transport equipment, etc.		Intangible assets.
<u>Note</u>	The above is a different survey than that summarized in Annex I.									

^{5/} For nature of inquiry, see Annex I

ANNEX II (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country (cont'd)	Liabilities					Net Worth		
	Current Liabilities		Non-Current Liabilities			Paid-in Capital	Earned Surplus and Reserves	Other
Short-Term Loans and Notes Payable	Accounts Payable	Accruals and Other Liabilities	Bonds, Debentures and Mortgages Outstanding	Long-Term Loans Payable	Other Non-Current Liabilities			
<u>Netherlands</u>								
(a) Central Bureau of Statistics--In- quiry into profits, etc.	Note This survey was mainly intended mainly for revenue and expense items, but the following capital and reserve items were obtained (1) Paid-in capital classified into ordinary and preferred. (2) Capital surplus including all reserves derived from setting aside of profits, from exchange profits and from appreciation in value, but excluding obligatory reserves (e.g. taxation and pension reserves) and reserves the contribution to which are entered as charges on the operating account (e.g. reserves for insurance, maintenance, bad debts, etc.).							
(b) Central Bureau-- Financial Survey.	Credits and short term loans subdivided into domestic and foreign creditors	Accounts payable.	Turnover tax and wage tax paid beyond due period.	Debenture loans Other loans on domestic market subdivided into (a) instalment credit (b) debts to Herentalbank and Export Finance Company (c) mortgage debt (d) private long- term loans from investing institutions (e) from other domestic money lenders A sep- arate item is provided for long-term loans due abroad.			Payments received on distributed shares plus nominal value of shares given as dividends.	
<u>New Zealand</u>								
(a) Companies Act, 1955, etc	Bank loans and over- drafts Liabilities secured by assets.	Accounts payable.		Debentures held by a nominee or trustee for the company, debent- ures redeemed but with power to reissue	Aggregate amount of loans for purchase of own shares or shares of parent company	Provisions for con- tingent liabilities Provisions for de- preciation, renewals, or diminution in value of assets	Share capital authorized and is- sued	Capital reserves, other reserves, share premium
(b) Reserve Bank of New Zealand--	Total current lia- bilities, including bank overdraft	Sundry creditors and bills payable.	Sundry liabilities including subsidi- aries accounts, div- ided provisions, etc.	Fixed charges subdiv- ided into mortgages and debentures	Fixed deposits and other fixed charges.	Other provisions and minority interests.	Paid-in capital classified into pre- ference and ordinary	Reserves, including specific reserves shown as deductions from assets (e.g. de- preciation and stock reserves) and bonus and superannuation reserve but excluding provision for bad debts where disclosed, classified into cap- ital reserves and revenue reserves Pro- fit and loss appropri- ation account.
(c) Department of Statistics--							Paid-in capital, in- cluding debentures with a floating rate of interest	Advances from share- holders, and advances to shareholders, cov- ering advances, loans, balances of drawing accounts and other accounts of a similar nature.
<u>Norway</u>								
Central Bureau of Statistics--	Bank debts (ex- cept mortgages etc)	Accounts payable unpaid taxes.	Provisions for taxes Advances from customers	Mortgages due	Debts to affil- iates.	Sinking fund	Capital stock	Reserve fund, fund for gifts, bonuses, pen- sions, vacations, etc. Other taxable funds.

ANNEX II (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry ^{6/}	Current Assets				Assets			Non-Current Tangible Assets		Intangible Assets
	Cash and Near Cash	Short-Term Investments and Loans		Accounts Receivable	Inventories	Other Current Assets	Investments	Fixed Assets	Other Non-Current Tangible Assets	Intangible Assets
		Government Obligations	Other							
<u>Peru</u>										
Central Reserve Bank of Peru--National Income Statistics		Disposable and quick assets,			Materials, supplies and inventories.			Fixed assets.		
<u>Poland</u>										
Central Statistical Administration--Financial Statements.	<u>Note</u> The order of presentation is from fixed assets to cash and near cash. Cash and current account in state bank. Bank account for capital formation and capital repairs.		Other money resources, cheques, letters of credit, etc	Accounts receivable subdivided into those from sale of goods, other business activity and other debtors.	Raw materials, fuel, parts, goods-in-process, and finished goods.	Prepaid expenses.		Fixed assets. Net value = original value less depreciation.	Allocation from profit to central budget and to special funds, losses. Amounts transferred to other enterprises for capital formation.	
<u>Portugal</u>										
National Institute of Statistics--Statistics of Companies	<u>Note</u> The inquiry does not call for short term assets and liabilities, but rather emphasizes real and financial capital formation. It is not designed in the form of a balance sheet				inventories subdivided by stage of processing and valued at cost. Excludes furniture and tools.			Purchases of new buildings, installations and equipment. Purchases of second-hand capital items, less sales of capital items. Net purchases of securities, investments in other companies, loans granted, etc. Amortization on both real and financial assets may be shown here as a deduction		
<u>South Africa</u>										
Bureau of Census and Statistics--National Accounts Memorandum No. 23	Cash and demand deposits.			Trade debtors.	Stocks and stores	Prepaid expenses.	Investments and long term loans.	Land, buildings and improvements Equipment.		Goodwill, etc.
<u>Sweden</u>										
"Stock Corporation Act of 1944"	Cash, cheques and bank balances.	Accepted bills, bonds and securities, other than those to be held for long term investment.			Inventories subdivided by stage of processing and valued at cost.		Shares held for long term investment, subdivided into shares in subsidiaries and other shares, valued at cost.	Land, buildings, machinery and equipment, valued at cost.		Patents, rights, goodwill and organization expenses, latter to be written off annually
<u>U.A.R. (Egypt)</u>										
Ministry of Commerce and Industry--"The Companies Law, 1954"	Cash on hand and bank deposits.	Short term loans including current accounts with subsidiaries	Accounts receivable less reserve for bad debts.		Inventories by stage of processing		Investments in subsidiaries, valued at cost price. Investments other than in subsidiaries, less reserve for shrinking prices	Land, buildings, machinery and equipment, motor cars, furniture, fittings, etc., tools, spare parts, etc. Valued at cost, less depreciation.		Goodwill valued at cost price, patents, copyrights, trade marks, etc., less depreciation, expenses of capital issues, other expenses, transfers from stockholders expenses, advertisements and campaign expenses.
<u>United Kingdom</u>										
(a) "The Companies Act, 1948"	The total only of "current assets" is required.						Trade investments, quoted investments classified according to whether or not quoted on stock exchange.	Fixed assets valued at cost less aggregate amount written off as depreciation		Goodwill, patents, trade marks. Deferred charges classified into preliminary expenses, expense incurred in the issue of shares and debentures, commissions paid on the issue of shares and debentures, less discounts
(b) Board of Inland Revenue--	No balance sheet data tabulated.									

^{6/} For nature of inquiry, see Annex I

ANNEX VI (CONTINUED) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country (cont'd)	Liabilities					Net Worth		
	Current Liabilities			Non-Current Liabilities		Paid-in Capital	Earned surplus and Reserves	Other
	Short-Term Loans and Notes Payable	Accounts Payable	Accruals and Other Liabilities	Bonds, Debentures and Mortgages Outstanding	Long-Term Loans Payable			
<u>Peru</u> Central Reserve Bank--	Current liabilities			Non-current liabilities		Capital.	Reserves	
<u>Poland</u> Central Statistical Administration-- Financial Statements	Short-term bank loans for current needs Other current liabilities.	Accounts payable for wages and contribu- tions to social insur- ance, accounts payable for goods and services (Term is "permanent liabilities").	Reserves for future ex- penses, special funds and other liabilities		Long-term loans from State bank for capital formation and repairs Other liabilities con- nected with capital formation			
<u>Portugal</u> National Institute of Statistics--						Capital subdivided into nominal, sub- scribed and paid up	Legal reserve fund Other reserve funds	
<u>South Africa</u> Bureau of Census and Statistics--	Temporary loans.	Trade creditors	Provision for taxation, dividends, etc		Long-term loans.	Issued share capital subdivided into or- dinary and prefer- ence shares Share- holders funds	Unappropriated pro- fits reserves.	
<u>Sweden</u> "The Stock Corp- oration Act of 1944 "	Total current liabilities.		Unpaid taxes due Other liabilities.	Bonded debt, other long term debt.		Capital stock.	Legal reserve fund Debt adjustment and other reserve funds	
<u>U.A.R. (Egypt)</u> Ministry of Commerce and Industry	Notes payable classi- fied to banks, to credi- tors, to vendors and to others	Miscellaneous cred- itors	Other credit accounts classified into ac- crued expenses and dividends payable Appropriations for taxes, contingencies, renewals and employee's compensation.	Bonds subdivided into first issue, redeemed, and second issue	Long-term loans.	Capital stock classi- fied into author- ized, subscribed, and paid-in, with detailed classifica- tion between common, preferred stocks, etc	Capital reserves classified into legal reserve, general reserve, pro- fits equalization reserve, paid-in sur- plus, and other cap- ital reserves Pro- fit (or loss) classi- fied into accumulated during past years and earned during current year	
<u>United Kingdom</u> (a) "The Companies Act, 1948"	Bank loans and over- drafts			Debentures held in trust, redeemed de- bentures with right to reissue Liabil- ities secured on asset.	Loans to others for the purchase of company shares	Contingent liabili- ties Options. Ag- gregate amount pro- vided or written off since the date of ac- quisition or valua- tion for depreciation or diminution in value of fixed assets Other provisions	Authorized capital, issued capital, re- deemed preferred shares, etc Details to be stated In- terest paid out of capital and amount of share premium ac- count	Capital reserve, in- cluding amount of share premium, but not in- cluding any amount as free for distribution through the profit and loss account Revenue reserve, not including any amount written off or retained by way of providing any known liability
(b) Board of In- land Revenue.	No balance sheet data tabulated							

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ANNEX II (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country, Agency and Name of Inquiry ^{7/}	Current Assets					Non-Current Tangible Assets		Intangible Assets		
	Cash and Near Cash	Short-Term Investments and Loans Government Obligations	Other	Accounts Receivable	Inventories	Other Current Assets	Investments	Fixed Assets	Other Non Current Tangible Assets	Intangible Assets
<u>United Kingdom</u>										
(c) Central Statistical Office--Economic Trends, Selected issues contain "Income and Finance of Public Quoted Companies "	Cash Tax reserve certificates.	Marketable securities, government and other.		Trade debtors, other debtors.	Inventories including work in progress, net after deducting any prepayments		Trade investments Investments in unconsolidated subsidiaries	Fixed assets, (in the majority of companies the figure represents balance of original cost after writing off depreciation)		Goodwill etc (including preliminary expenses, formation expenses, excess of cost of acquiring subsidiaries over the net recorded value of the assets of the subsidiaries)
<u>U.S.S.R.</u>										
Central Statistical Administration--Financial Returns	Note The order of presentation is from fixed assets to current assets The latter are subdivided into normalized (stocks, etc) and non-normalized (cash, accounts receivable, etc.)									
	Cash on hand and in bank for main current activity, amounts of special funds on deposit and amounts on deposit for capital repairs.			Accounts receivable arising out of sale of goods and services, and other debtor amounts from enterprises or persons.	Inventories are subdivided into productive stocks (raw materials, fuels, packaging, repair parts, instruments and tools), work in process, and finished goods	Prepaid expenses Expenditures on unfinished capital repairs Other current assets.		Fixed assets.	Allocations from current-year profit for state Budget, for temporary financial help to other enterprises, for special funds of enterprise, for increasing working capital and to capital construction bank Other non-current assets, and losses	
<u>United States</u>										
(a) securities and Exchange Commission--"Regulation S-X, Form and Content of Financial Statement "	Cash and cash items subdivided into cash on hand, demand deposits and time deposits, funds subject to withdrawal restrictions	Marketable securities, including only securities having a ready market and excluding securities of affiliates Basis of determining the amount to be stated.		Notes receivable (trade), accounts receivable (trade), less reserves for doubtful notes and accounts receivable	Inventories classified into finished goods, work in progress, raw materials and supplies Method of valuation to be stated.	Other current assets.	Investments classified into securities of affiliates, indebtedness of affiliates, other security investments, and other investments. Method of valuation to be stated.	Property, plant and equipment, less reserves for depreciation, depletion and amortization. Each major class (e.g. land, buildings, machinery and equipment leaseholds) to be shown and its method of valuation to be stated.	Other assets.	Patents, trade marks, franchises, goodwill and other assets, less reserves for their depreciation and amortization Method of valuation to be stated Deferred charges classified into prepaid expenses and other deferred items, organization expenses, debt discount and expense, and commissions and expenses on capital shares. Method of amortization to be stated.
(b) Internal Revenue Service--"Statistics of Income, Corporation Income Tax Returns (1958-59)".	Cash.	Government obligations classified into U.S and other.		Notes and accounts receivable, less reserve for bad debts.	Inventories classified according to valuation method.	Other current assets including short-term marketable investments.	Loans to stockholders, mortgage and real estate loans, other investments.	Buildings and other depreciable fixed assets, less accumulated amortization and depreciation, depletable assets less accumulated depletion, land (net of amortization)		Intangible assets (amortizable only), less accumulated amortization.
(c) Federal Trade Commission and SEC "Quarterly Financial Report for Manufacturing Corporations "	Cash on hand and in bank	U.S Government securities, including Treasury savings notes.		Receivables from U.S Government, excluding tax credits, other notes and accounts receivable (net).	Inventories	Other current assets.		Property, plant and equipment, less reserve for depreciation and depletion	Other non-current assets, including cash value of life insurance.	Intangible assets
(d) Internal Revenue Service--Partnership Return of Income	Cash			Notes and accounts receivable, less reserve for bad debts.	Inventories (a) other than LIFO (b) LIFO	Other current assets to be shown in separate schedule. (Includes short term marketable investments)	Investments in government obligations.	Buildings and other fixed depreciable assets, less accumulated amortization and depreciation, Depletable assets less depletion Land net of any amortization	Other assets. (Schedule to be attached)	Intangible assets, less accumulated amortization.

^{7/} For nature of inquiry, see Annex I.

ANNEX II. (CONT'D) BALANCE SHEET DATA PUBLISHED OR COLLECTED FOR BUSINESS ENTERPRISES BY SELECTED COUNTRIES

Country (cont'd.)	Liabilities						Net Worth		
	Current Liabilities		Non-Current Liabilities				Paid-in Capital	Earned Surplus and Reserves	Other
Short-Term Loans and Notes Payable	Accounts Payable	Accruals and Other Liabilities	Bonds, Debentures and Mortgages Outstanding	Long-Term Loans Payable	Other Non-Current Liabilities				
<u>United Kingdom</u>									
(c) Board of Trade	Bank loans and overdrafts.	Trade creditors. Other creditors.	Dividends and interest due. Current taxation on the profits of the current year and of the preceding year. Provisions representing mainly those for deferred expenditures on such items as repairs, equilization, pensions, etc.	Long-term loans (including debentures, mortgages, any other secured long-term liabilities and other long-term loans).		Issued share capital classified into ordinary shares, and preference and other shares.	Capital and revenue reserves. Future tax reserves.	Minority interests (representing normal value of issued capitals of subsidiaries held by persons or companies other than a member of the group, together with the appropriate portion of retained profit).	
<u>U.S.S.R.</u>									
Central Statistical Administration-- Financial Returns	Note: Non-current liabilities or own capital are put just in the country statement since these are considered to be regularized amounts. Variable amounts or current liabilities are shown last.								
	Short term loans from State Bank classified according to purpose.	Accounts payable subdivided into merchant-creditors and other creditors.	Accrued liabilities for special funds of enterprise and payments from appreciation charges to construction bank and to funds for capital (major) repairs.	Long term loans from State Bank, liabilities for payment of wages and salaries and contributions to social insurance, provisions for pre-payments of goods and services, depreciation of fixed assets, statutory fund, working capital from State Budget and subsidies received, current year profits.					
<u>United States</u>									
(a) Securities and Exchange Commission	Notes payable classified into banks, trade, and other.	Accounts payable (trade).	Accrued liabilities classified into accrued payrolls, tax liability, interest, and other material items. Other current liabilities classified into dividends declared, total of current amounts due to parents and subsidiaries, total of current amounts other than those arising in the ordinary course of business, and others.	Bonds, mortgages and similar debts. Information on type, rate of interest, date of maturity, aggregate amount of maturities and sinking fund requirements, indication of contingency and priority, etc. to be stated.	Indebtedness to affiliates. Other long-term debt classified into amount due banks, amount due directors, officers, principal shareholders of equity securities other than affiliates, and other long-term debts. Whether or not secured to be indicated.	Other liabilities.	Capital shares (information on title of issues, number of shares authorized, number outstanding and capital shares liability thereof, basis of conversion, amount of capital shares subscribed but unissued and of subscriptions receivable thereon to be stated).	Surplus classified into paid-up surplus, surplus from revaluation of assets, other capital surplus, and earned surplus.	
(b) Internal Revenue Service	Deposits and withdrawable shares, bonds, notes and mortgages payable (maturing less than one year).	Accounts payable.		Bonds, notes and mortgages payable (maturing one year or more).	Loans from stockholders.		Capital stock, classified into preferred stock, and common stock.	Paid-in or capital surplus, surplus reserves, earned surplus and undivided profits.	
(c) Federal Trade Commission and SEC	Short-term loans from banks (original maturing of one year or less).	Trade accounts and notes payable.	Federal income taxes accrued (prior and current years). Installments due in one year or less on long-term debt, subdivided into loans from banks and other long-term debt. Other current liabilities, including excise taxes and accrued expenses. Advances and prepayments by U.S. Government.		Long-term debt due in more than one year classified into loans from banks and other long-term debt.		Capital stock, capital surplus and minority interest (net of treasury stock).	Earned surplus and surplus reserves.	Reserves not reflected elsewhere.
(d) Internal Revenue Service--Partnership Return of Income	Mortgages, notes and loans payable (short term) subdivided into (a) banks and (b) others.	Accounts payable	Other current liabilities, (schedule to be attached).			Other liabilities (schedule to be attached).	Partners' capital accounts, supported by schedule showing opening and closing balances, latter determined by capital contributed during year, ordinary and other income, losses, withdrawals and distributions		