



# D'Mello Chartered Accountants

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<b>Income Tax.</b>	Income Tax expense charged to the Profit and Loss Statement recognizes the current obligation for the period calculated using the Taxes Payable method.
<b>Inventories.</b>	Inventories are recorded at the lower of cost and net realizable value.
<b>Investments.</b>	Investments are carried at the lower of cost and net realizable value. Where in the Directors' opinion there has been a permanent reduction in the value of the investments this has been brought to account in the current period.
<b>Leases.</b>	Finance Leases: Assets purchased or used pursuant to finance leases are included as fixed assets in the Statement of Financial Position and depreciated at maximum rates allowed by the Income Tax Act, 2007. Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the property are capitalized at the present value of the minimum lease payments. A corresponding liability is also disclosed with lease payments being apportioned between the liability and interest payments. Operating Lease: Operating leases are those which all the risks and benefits are substantially retained by the lessor. Lease payments are expensed in the periods the amounts are payable.
<b>Accounts Receivable.</b>	Receivable are stated at their estimated realizable value. Bad debts are written off in the year in which they are identified.
<b>Audit.</b>	These financial statements have not been audited.
<b>Contingent Liabilities.</b>	At balance date contingent liabilities have been estimated at Nil.
<b>Imputation Credit Account.</b>	At balance date imputation credits available to the shareholders were Nil.
<b>Qualifying Company Regime.</b>	Blue Mountain Consultants Limited is not registered as a Qualifying Company (QC)
<b>Other Notes.</b>	The amounts included in the Profit and Loss statement and the Balance sheet is in New Zealand dollars (\$NZ).