



National and International financial reporting standards and guidance for NPOs

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International Reporting Frameworks

International Financial Reporting Standards (IFRS)

IFRS are set by the International Accounting Standards Board (IASB), the standard-setting body of the IFRS Foundation. The IFRS Foundation is a not-for-profit, public interest organisation established to develop a single set of globally accepted accounting standards and to promote and facilitate adoption of the standards in order to:

- Bring transparency by enhancing the international comparability and quality of financial information, enabling investors and other market participants to make informed economic decisions;
- Strengthen accountability by reducing the information gap between the providers of capital and the people to whom they have entrusted their money. Our Standards provide information needed to hold management to account. As a source of globally comparable information, IFRS Standards are also of vital importance to regulators around the world; and
- Contribute to economic efficiency by helping investors to identify opportunities and risks across the world, thus improving capital allocation. Use of a single, trusted accounting language lowers the cost of capital and reduces international reporting costs for businesses.

IFRS are developed to be used primarily by publicly accountable companies - defined by IASB as those listed on a stock exchange and financial institutions such as banks that hold financial assets in a fiduciary capacity.

IFRS for SMEs

In addition to full IFRS, within the IFRS suite of standards the IFRS for SMEs standard provides for simplified reporting requirements for for-profit organisations to meet the needs of smaller organisations.

The IFRS for SMEs Standard is a self-contained Standard (fewer than 250 pages) designed to meet the needs and capabilities of small and medium-sized entities (SMEs), which are estimated to account for more than 95 per cent of all companies around the world.

The IFRS for SMEs Standard is available for any jurisdiction to adopt, whether or not it has adopted full IFRS Standards. Each jurisdiction must determine which entities should use the Standard. The IASB's only restriction on use is that entities that have public accountability (as defined in IFRS) should not use it. Such entities are required to apply full IFRS if IFRS is adopted.



International Public Sector Accounting Standards (IPSAS)

IPSAS are set by the IPSASB whose financial, operational and administrative operations are supported by the International Federation of Accounts (IFAC). IPSASB has independence of decision-making within IFAC and its objective is to serve the public interest by developing high-quality accounting standards and other material for use by public sector entities around the world in the preparation of general purpose financial reports. This is intended to enhance the quality and transparency of public sector financial reporting by providing better information for public sector financial management, accountability and decision making.

In pursuit of this objective, the IPSASB supports the convergence of international and national public sector accounting standards and the convergence of accounting and statistical bases of financial reporting where appropriate; and also promotes the acceptance of its standards and other publications.

IFRS alignment has been a key pillar of IPSAS development since its inception, as in many instances government and corporate activities are the same and there are clear advantages of using common global financial reporting approaches.

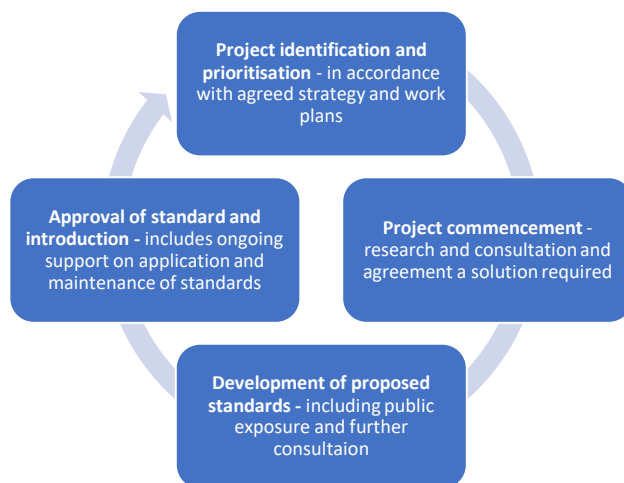
As such a formal alignment process exists to assess the applicability of IFRS in the public sector context. This includes determining whether there are public sector issues that warrant departure from IFRS and if so whether this requires a separate public sector project or instead the modification of an IFRS (for example changing recognition and measure requirements or eliminating accounting treatments) to reflect the public sector context.

This alignment process works to minimise the differences between the IFRS and IPSAS financial reporting frameworks, so that as far as possible a similar transaction or economic event will be accounted for in the same way by a public or private sector entity. An example of the alignment dashboard can be found at: https://www.ifac.org/system/files/meetings/files/1-1.5-IPSAS-IFRS-Alignment-Dashboard_Final_0.pdf

International standard development

Both IFRS and IPSAS are set using similar thorough, transparent and participatory due processes.

This ongoing process of standard setting and maintenance means that the frameworks adapt to user needs through new standards or amendments to existing standards. It does mean however that they can be subject to frequent update which can impact on ease of use.



In this regard the IFRS for SMEs Standard is different. As indicated to reduce burdens revisions to this Standard are limited, with a commitment from the IASB only to update the entire Standard and to ensure that there are at least three years between revisions. IFRS for SMEs was last amended in October 2015, with an effective date of application of 1 January 2017. It is currently under a comprehensive review which began in 2019. Among other activities the Board is undertaking outreach to gain a broad range of views on the extent to which the IFRS for SMEs Standard should be aligned with full IFRS Standards.

Comparison of the conceptual frameworks underpinning the international frameworks

IASB Framework for IFRS	IPSASB Framework for IOSAS	Differences
Objective of general purpose financial reporting - the objective of general purpose financial reporting, which is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the entity.	Objective of financial reporting - The objectives of financial reporting by public sector entities are to provide information about the entity that is useful to users of GPFRs for accountability purposes and for decision-making purposes. Users are service recipients and resource providers who do not possess the authority to require a public sector entity to disclose the information they need for accountability and decision-making purposes.	IPSASB Framework has specific objective emphasizing importance of accountability in the public sector. The IASB Framework acknowledges the assessment of management's stewardship of the entity's economic resources as an aspect of decision making. Different users reflecting different objectives of entities at which the Frameworks are directed.
Qualitative Characteristics of, and the cost constraint on, useful financial information – If financial information is to be useful, it must be relevant and faithfully represent what it purports to represent. The usefulness of financial information is enhanced if it is comparable, verifiable, timely and understandable. Reporting financial information imposes costs, and it is important that those costs are justified by the benefits of reporting.	Qualitative Characteristics –The qualitative characteristics of information included in GPFRs of public sector entities are relevance, faithful representation, understandability, timeliness, comparability, and verifiability. Pervasive constraints on information included in GPFRs are materiality, cost-benefit, and achieving an appropriate balance between the qualitative characteristics.	While the qualitative characteristics (QC) are the same IPSASB Framework does not distinguish fundamental and enhancing characteristics. IPSASB Framework does not address prudence as aspect of neutrality in QC of faithful representation. IASB Framework does not discuss materiality and balancing of QCs as pervasive constraints.

IASB Framework for IFRS	IPSASB Framework for IOSAS	Differences
		IASB Framework contains more granular discussion of materiality incorporating consequential amendments from IAS 1, <i>Presentation of Financial Statements</i> , and IAS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> .
<i>Financial statements and the reporting entity</i> – A reporting entity is an entity that is required, or chooses, to prepare financial statements. A reporting entity can be a single entity or a portion of an entity or can comprise more than one entity. A reporting entity is not necessarily a legal entity. Financial statements are prepared for a reporting period and provide financial information about the reporting entity's assets, liabilities, equity, income and expense.	<i>Reporting entity</i> - A public sector reporting entity is a government or other public sector organization, program or identifiable area of activity that prepares GPFRs. A public sector reporting entity may comprise two or more separate entities that present GPFRs as if they are a single entity—such a reporting entity is referred to as a group reporting entity. GPFRs encompass financial statements and information that enhances, complements and supplements the financial statements. Financial statements present information about the resources of the reporting entity or group reporting entity and claims to those resources at the reporting date, and changes to those resources and claims and cash flows during the reporting period.	IASB Framework has a section on the Objective and Scope of Financial Statements. IASB has sections on Reporting Period and Perspectives Adopted in Financial Statements IPSASB scope is broader —general purpose financial reports.
<i>Elements of financial statements</i> – Financial statements elements are (a) assets, liabilities and equity, which relate to a reporting entity's financial	<i>Elements in financial statements</i> – The elements are assets, liabilities, revenue, expense, ownership contributions and ownership distributions. This does not preclude IPSASs from requiring or allowing the	IPSASB Framework defines ownership contributions and ownership distributions, which are not defined in IASB Framework.

IASB Framework for IFRS	IPSASB Framework for IOSAS	Differences
position and (b) income and expenses, which relate to a reporting entity's financial performance.	recognition of resources or obligations that do not satisfy the definition of these elements when necessary to better achieve the objectives of financial reporting.	IPSASB Framework does not define equity, which is defined in IASB Framework. The definitions of an asset are very similar. However, the IASB description of an economic resource refers to a '<u>right</u>' that has the potential to produce economic benefits.' The IPSASB description of a resource refers to an '<u>item</u> with service potential or the ability to generate economic benefits'. The definitions of a liability are very similar. The IASB definition of a liability refers to 'a present obligation to transfer an economic resource'; the IPSASB definition refers to a 'present obligation of the entity for an outflow of resources'.) IPSASB Framework does not relate elements to specific financial statements. IPSASB Framework includes other economic phenomena-other resources and other obligations.

IASB Framework for IFRS	IPSASB Framework for IOSAS	Differences
		IASB Framework has sections on unit of account and executory contracts. IASB Framework has section on 'Substance of contractual rights and contractual obligations.' No equivalent section in IPSASB Framework.
Recognition and derecognition – Recognition is the process of capturing for inclusion (in monetary value and words) in the statement of financial position or the statement of financial performance an item that meets the definition of one of the elements of financial statements. Derecognition is the removal of all or part of a recognised asset or liability from an entity's statement of financial position.	Recognition in financial statements – Recognition is the process of incorporating and including in amounts displayed on the face of the appropriate financial statement an item that meets the definition of an element and can be measured in a way that achieves the qualitative characteristics and takes account of the constraints on information included in GPFRs. Derecognition is the process of evaluating whether changes have occurred since the previous reporting date that warrant removing an element that has been previously recognized from the financial statements, and removing the item if such changes have occurred	IASB Framework relates existence uncertainty and low probability of an inflow or outflow of economic benefits to relevance and measurement uncertainty and other factors to faithful representation. IPSASB Framework does not relate existence uncertainty and measurement uncertainty to particular QCs.
Measurement – Quantifying elements recognised in financial statements in monetary terms requires the selection of a measurement basis which is an identified feature, such as historical cost or fair value, of an item being measured.	Measurement of assets and liabilities in financial statements – The objective of measurement is to select those measurement bases that most fairly reflect the cost of services, operational capacity and financial capacity of the entity in a manner that is useful in holding the entity to account, and for decision-making purposes.	IASB Framework does not have a measurement objective. Includes sections on 'Information provided by particular measurement bases' and on 'Factors to consider when selecting a measurement basis.'

IASB Framework for IFRS	IPSASB Framework for IOSAS	Differences
		IPSAS Framework has a measurement objective based on provision of information on operational capacity, financial capacity and cost of services. IASB Framework includes current cost as a current value measurement basis, which can be ascertained through direct or indirect inputs. IPSASB Framework uses 'entry' and 'exit' distinction in the analysis of measurement bases. The IASB Framework explicitly rejects this distinction. IPSAS Framework does not include fair value, but does include market value (pre-IFRS 13 definition of fair value) for both assets and liabilities. IPSAS Framework includes depreciated replacement cost as measurement basis in own right rather than as measurement technique for fair value. IPSAS Framework includes net selling price (asset), cost of release (liability) and assumption price (liability).

IASB Framework for IFRS	IPSASB Framework for IOSAS	Differences
		IASB Framework has sections on 'Measurement of equity' and Cash-flow-based measurement techniques' IASB chapter is more detailed, for example IASB chapter includes a matrix summarizing information provided by measurement bases
Presentation and disclosure – The reporting entity communicates information about its assets, liabilities, equity, income and expenses by presenting and disclosing information in its financial statements.	Presentation in General Purpose Financial Reports – Presentation is the selection, location and organization of information that is reported in the GPFRs. Presentation aims to provide information that contributes towards the objectives of financial reporting and achieves the qualitative characteristics while taking into account the constraints on information. Decisions on selection, location and organization of information are made in response to the needs of users. GPFRs are likely to comprise multiple reports, each responding more directly to certain aspects of the objectives of financial reporting and matters included within the scope of financial reporting. In addition to the financial statements, GPFRs provide information relevant to, for example, assessments of an entity's service performance and the sustainability of its	Different scope. IPSASB Framework has a wider scope encompassing financial reports outside the core financial statements. IASB scope is financial statements.

IASB Framework for IFRS	IPSASB Framework for IOSAS	Differences
	finances. The objectives of financial reporting, applied to the area covered by a particular report, guide presentation decisions for that report.	
<i>Concepts of capital and capital maintenance –</i> selection of the appropriate concept of capital by an entity based on the needs of the users of its financial statements. A financial concept of capital equates capital to net assets or equity of the entity. A physical concept regards capital as the productive capacity of the entity.	The IPSAS Conceptual Framework does not currently have a chapter of concepts of capital and capital maintenance. The IPSASB is currently considering appropriate alignment to the IFRS conceptual framework for capital and capital maintenance.	The IPSAS Conceptual Framework does not currently have a chapter of concepts of capital and capital maintenance. The IPSASB is currently considering appropriate alignment to the IFRS conceptual framework for capital and capital maintenance.

National standards and guidance for NPOs

Introduction

Some jurisdictions have developed accounting standards or guidance specifically for NPOs. Examples of national level sector specific guidance is discussed in the Part 2: Sections 1 to 5 to illustrate the sometimes different approaches taken to NPO issues. [These have been used to inform the building blocks for the alternative approaches that have been developed for each of the issues.](#) Most of these examples have been drawn from New Zealand, Australia, Canada, the UK and the USA.

Included in this paper is additional information about how the frameworks, standards or guidance have been developed in the jurisdictions that have been most used in the Part 2 sections. [This includes information about the basis of the guidance in the jurisdictions used in Part 2. It also includes information about how these national frameworks relate to the alternatives in Part 2 and how to locate guidance where this is in the public domain.](#) The information [provided here](#) is ~~therefore~~ not exhaustive and does not provide information on all national standards across the world.

This additional may be useful to readers in understanding the different approaches taken to NPO issues. It may also be useful in considering the proposed way forward in Part 1: Chapter 5.

New Zealand

The New Zealand Accounting Standards Framework (the ASF) has two key objectives:

1. to meet user needs by developing accounting standards that lead to high quality financial reporting that meets the different user needs in the for-profit and public benefit entity (PBE) sectors; and
2. to balance the costs and benefits of reporting by establishing appropriate accounting requirements based on the nature and size of the entity.

The ASF establishes which suite of reporting standards and reporting tiers apply to which entities, through a multi-standard, multi-tiered approach.

The framework has three key elements:

Multi-standard: Different suites of accounting standards for two distinct sectors: **for-profit entities** and **public benefit entities (PBEs)**

Tiered approach: Different accounting requirements for each tier based on cost-benefit considerations - For-profit entities – **2 tiers**, PBEs – **4 tiers**

Basis for developing each suite of accounting standards: For-profit entities — accounting standards are based on International Financial Reporting Standards (**IFRS Standards**). PBEs — accounting

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standards are based primarily on International Public Sector Accounting Standards (IPSAS) for Tiers 1 and 2 and the **XRB's Simple Format Reporting Requirements** for Tiers 3 and Tiers 4.

For Public Benefit entities, the Tier is based on whether the entity is deemed to have public accountability and its level of expenses.

Tier	Entity Type	Standards
Tier 1	Has public accountability or is a large PBE with total expenses > \$30million	PBE Standards
Tier 2	Has no public accountability, is not large, has total expenses < \$30million but > \$2million, and that elects to be in Tier 2	PBE Standards Reduced Disclosure Regime (PBE Standards RDR)
Tier 3	Has no public accountability and has total expenses ≤ \$2million, that elects to be in Tier 3	PBE Simple Format Reporting Standard - Accrual (SFR-A)
Tier 4	Has no public accountability and is allowed by law to use cash accounting, that elects to be in Tier 4.	PBE Simple Format Reporting Standard - Cash (SFR-C)

United Kingdom

In the United Kingdom, Financial Reporting Standard 102 (FRS 102) is a single financial reporting standard that applies to the financial statement of entities not applying IFRS or the micro-entity standard (FRS 105). FRS 102 is designed to apply to the general purpose financial statements and financial reporting of entities including those that are not companies and those that are not profit-oriented.

It is based on IFRS for SMEs, but with significant modification both in terms of the scope of entities eligible to apply it and the accounting treatments provided. In addition to FRS 102, there are a number of additional Statement of Recommended Practices (SORPs). These are sector-driven recommendations on financial reporting that take into consideration sector specific context and prevailing economic events and transactions. There are, for example, SORPs applicable to NPOs that are registered as charitable organisations, providers of subsidised housing, and further education providers.

Australia

In Australia, the Australian Accounting Standards Board (AASB) uses International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) to develop, issue and maintain Australian Accounting Standards for the not-for-profit (NFP) sector. The accounting frameworks uses IFRS and transaction neutrality as a starting point, however, when justified, modifications are made to address:



(i) user needs; (ii) Australian-specific legislation; (iii) prevalence and magnitude of issues specific to the NFP sector; (iv) NFP application issues; (v) public interest issues relevant to financial reporting; and (vi) undue cost or effort considerations.

This can result in modification to IFRS Standards via:

(i) 'Aus' paragraphs amending, adding or deleting an IFRS Standard's scoping, recognition, measurement, presentation or disclosure requirement (eg AASB 15 *Revenue from Contracts with Customers*); and/or

(ii) Australian-specific guidance in additional Appendices or specific examples (eg AASB 10 *Consolidated Financial Statements*);

The framework permits the AASB to address in NFP-specific standards, interpretations or guidance, NFP issues that have not been comprehensively or appropriately dealt with in existing IFRS Standards, including where no relevant IFRS Standard exists (eg AASB 1054 *Australian Additional Disclosures*, AASB 1058 *Income of Not-for-Profit Entities*).

It also permits GPFS to be prepared using either Tier 1 (compliance with Australian Accounting Standards) or Tier 2 (compliance with Australian Accounting Standards – Reduced Disclosure Requirements).

Canada

In Canada, accounting standards for all entities outside the public sector are issued by the Accounting Standards Board (AcSB). The AcSB adopted IFRS as the accounting standards used by publicly accountable enterprises. Private enterprises and private not-for-profit organizations can choose to apply either (a) the IFRS in Part 1 of the Accounting Handbook; or (b) accounting standards for NFPOs in Part III supplemented, when appropriate, with standards for private enterprises in Part II of the Accounting Handbook.

In addition, Canada recognises the existence of government controlled not-for-profit enterprises. These entities fall in under the scope for PSA Handbook set by the PSAB and apply standards applicable to the public sector.

United States

In the United States, accounting standards for entities outside the public sector are issued by the Financial Accounting Standards Board (FASB). Authoritative generally accepted accounting principles (GAAP) are contained in the FASB's Accounting Standards Codification (the Codification), which the FASB updates regularly through the issuance of Accounting Standards Updates (ASUs). Besides applying all relevant general guidance within the Codification, not-for-profit entities have extensive incremental guidance within Topic 958, on non-exchange transactions, financial statement presentation, and various other not-for-profit-specific matters. There is no separate, simplified set of standards in GAAP that is equivalent to IFRS for SMEs; rather, the Codification contains various



simplified accounting alternatives and many disclosure exemptions for business enterprises without public equity or debt. In most cases, these also apply to some or all not-for-profit entities.

Government-controlled not-for-profit entities (such as public universities and governmental hospitals) follow GAAP issued by the Governmental Accounting Standards Board (GASB), for state and local governments, or the Federal Accounting Standards Advisory Board (FASAB), for the Federal Government. In the United States, not-for-profit entities are required to apply the Financial Accounting Standards Board's Accounting Standards Codification. This is the source of authoritative generally accepted accounting principles (GAAP) recognised by the FASB to be applied by nongovernmental not-for-profit entities.

A Not-for-Profit Advisory Committee works closely with the FASB to ensure that perspectives from the not-for-profit sector are effectively communicated to the FASB in a timely basis in connection with the development of financial accounting and reporting standards.

Part 2 – National frameworks additional information

Issue 1 – Reporting entity and control (including branches)

	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Alternative 1 Prepare additional NPO specific guidance on the nature of reporting entities and use the principles based approach of substance over form to define control.	IFRS and IPSAS define control as when the entity is exposed, or has rights, to variable returns (IFRS10)/benefits (IPSAS 35) from its involvement and has the ability to affect the nature or amount of those benefits through the power it holds.		Follows IFRS with an Annex including application guidance for not for profit entities.	PBE IPSAS – Follows the IPSAS definition of control, and provides additional guidance on branches.		
Alternative 2 Prepare additional NPO specific guidance on the nature of reporting entities and use pragmatic methods of assessment such	IFRS for SMEs defines control as the power to govern the financial and operating policies of an entity to obtain the benefits from its activities. Control is presumed when half of the voting power of an entity is owned, directly or indirectly.	FRS 102 defines control as being the power to govern the financial and operating policy of an entity so as to obtain benefit from its activities.			One organization is presumed to control another entity when it has the right to appoint the majority of the voting members of the other	The direct or indirect ability to determine the direction of management and policies through ownership, contract, or otherwise. Consolidation is required when there is both and control and economic interest.



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
as the power to govern financial and operating policies to define control.		The standard also sets out when control may exist where ownership is less than 50 per cent.	Section 9 of FRS 102 includes five situations where a parent has control over another entity. The Charities SORP includes specifications on how to account for branches.			entity's board of directors. Additional guidance on indicators of control are also provided.	One entity is presumed to control another entity when it has the right to appoint the majority of the voting members of the other entity's board of directors or trustees, or when it is the sole corporate member of the other entity.
Standards References		IFRS 10 paragraphs 6 & 7. IPSAS 35 paragraphs 19 & 20. IFRS for SMEs 9.4 & 9.5.	FRS 102, paragraph 9.4 & 9.5 Charities SORP, Section 25 provides guidance on branches	AASB 10, Paragraphs 6 and 7 and Appendix E, Australian implementation guidance for not-for-profit entities	PBE IPSAS 35, Paragraphs 18 – 20 <i>Explanatory Guide A8 Financial Reporting by Not-for-Profit Entities: The Reporting Entity (EG A8)</i> , provides additional guidance on branches	CPA Handbook – Accounting: Section 4450, <i>Reporting controlled and related entities by not-for-profit organizations</i> ; and CPA Canada Public Sector Accounting Handbook: PS 4250, <i>Reporting controlled and related entities by</i>	FASB ASC 958-810-25-1 – 5, Glossary definition 958-810-20.



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		IERS and IPSAS	UK	Australia	New Zealand	Canada	USA
						not-for-profit organizations	

Issue 2 - NPOs that act on behalf of other entities

	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Alternative 1 Follow IFRS - based on control with additional guidance and not for profit examples and with additional disclosure requirements	IFRS 15 - an entity is principal if it controls the good or service before that service is passed to the customer. IFRS 10 specifies that an agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority.		An entity is a principal if it controls the specified good or service before that good or service is transferred to a customer. An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority.			
Alternative 2 Follow IFRS for SMEs where decisions on agent and principal are made on an exposure to risks	IFRS for SMEs stipulates that the amounts collected on behalf of the principal are not	FRS 102 specifies that an entity is acting as a principal when it has exposure to the			Section 3400 requires that revenue includes only gross inflows of economic benefits	An agency transaction is a type of exchange transaction in which the reporting entity



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	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
and rewards. Additional guidance and not for profit examples and with additional disclosure requirements.	revenue of the entity.	significant risks and rewards associated with the sale of goods or the rendering of services. Amounts collected by an agent on behalf of a principal are not revenue. Revenue is the amount of commission. The Charity SORP stipulates that funds received by a charity as agent are not recognised as an asset in its accounts because the funds are not within its control. Therefore, the receipt of funds as agent is not recognised as income nor is its distribution recognised as the agent's expenditure.			received by an enterprise on its own account. Amounts collected by an agent on behalf of a principal are not revenue. Under Section 3400, an entity is acting as a principal when it has exposure to the significant risks and rewards associated with transactions. This guidance includes features to consider that indicate when an enterprise is acting as a principal. Further application guidance for determining when amounts should be reported gross versus net is also provided. This includes indicators	acts as an agent, trustee, or intermediary for another party that may be a donor or donee. Whether a recipient NPO that is an intermediary is either principal (or agent) is dependent on whether the NPO has the discretion in the distribution of the money to the beneficiaries Substantial guidance is provided to determine if the intermediary has discretion. If such a discretion exists or if the NPO is a financially related entity the NPO is principal in the transactions. If not it



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	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
		It requires disclosure of funds and balances held as agents and as 'custodian trustees'.			that suggest when gross and net reporting should be used.	recognises an asset and a liability (for amounts which have not yet been distributed.
Alternative 3 Follow IPSAS where decisions on agent and principal are made on an exposure to risks and rewards. Additional guidance and not for profit examples and with additional disclosure requirements.	IPSAS 9 requires entities to determine when they have exposure to the significant risks and rewards associated with the sale of goods or rendering of services. Amounts collected as an agent of the government or other organization will not give rise to an increase in net assets or revenue of the agent. IPSAS 35 has similar guidance to IFRS 10 described above.			PBE IPSAS 9 Amounts collected as an agent of the government or another government organisation or on behalf of other third parties are not economic benefits or service potential that flow to the entity, and do not result in increases in assets or decreases in liabilities.		
Standards References	IFRS 15 Revenue from Contracts with Customers, IFRS 10	FRS 102 Section 23, Revenue, Appendix 1 Definitions, Charities	AASB 15 Revenue from Contracts with Customers	PBE IPSAS 9 Revenue from Exchange Transactions	CPA Canada Handbook -	ASC 958-605-20, 958-605-25-23 to 958-605-25-27 and



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
		<i>Consolidated Financial Statements, IASB Conceptual Framework for Financial Reporting (March 2018). IFRS for SMEs section 23, IPSAS 9 Revenue from Exchange Transactions, IAS 35 Consolidated Financial Statements, and IPSASB Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (IPSASB October 2014)</i>	<i>SORP (FRS 102) (Second Edition) Module 19 Accounting for funds received as agent or as custodian trustee</i>			<i>Accounting, Section 3400 Revenue</i>	<i>958-605-55-75 to 958-605-55-79</i>



Issue 3 – Revenue

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	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Alternative 1 Use recognition and measurement principles from IFRS for SMEs with additional NPO specific guidance	IFRS for SMEs provides specific guidance for revenue from government grants; section 2 provides concepts and pervasive principles for other non-exchange revenue.					
Alternative 2 Recognise non-exchange revenue using the principles in IAS 20. NPO specific guidance is provided.	IAS 20 requires government grants with conditions to be recognised on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.		Non-exchange revenue (the excess of the carrying amount of the asset recognised over any related amounts required to be recognised under other standards) is recognised immediately except where the transaction requires the NPO to acquire or construct a non-financial asset		Donations with conditions can be recognised using the deferral method, with donations recognised in the period related to the corresponding expenses (depreciation if capital). Alternatively, it is permitted for revenue to be recognised immediately, but presented as part of	



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
				<u>Under AASB 1058, an NPO can recognise volunteer services at fair value if they can be measured reliably, regardless of whether the services would have been purchased if they had not been donated.</u>		<u>a separate restricted fund, showing the related expenses.</u> <u>Services in-kind are permitted to be recognised at fair value if they can be measured reliably and would otherwise have been purchased or to construct an asset.</u>	
<u>Alternative 3</u> <u>Recognise non-exchange revenue using the principles in IPSAS 23. NPO specific guidance is provided.</u>		<u>IPSAS 23 and ED 71 require donations to be recognised as conditions are satisfied and provide exceptions for the recognition of services in-kind.</u>			<u>NPOs are permitted not to recognise gifts in-kind that meet the definition of inventories as assets if it is not practicable to reliably measure their current value. Gifts in-kind for resale give rise to revenue when they are sold. No revenue is recognised in respect of gifts in-</u>		<u>NPO are required to recognise donations with conditions as the conditions are satisfied. NPOs are not required to recognise contributions of art, historical treasures, and similar items if they are added to collections.</u>



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
					kind for distribution to beneficiaries. NPOs are permitted, but not required, to recognise revenue from services in-kind that can be reliably measured at fair value		Additional guidance is provided on assessing fair value for gifts in-kind and donated fixed assets. Services in-kind are required to be recognised (at fair value) where they either create or enhance a non-financial asset; or require skilled labour that would need to have been purchased if not provided by donation.
Alternative 4 Recognise non-exchange revenue using the principles in IPSAS 23. Introduce exceptions to the requirements for gifts			Revenue from government grants and other non-exchange revenue are permitted to be recognised as conditions are satisfied.				



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
in-kind based on some national standards. NPO specific guidance is provided.			Revenue from gifts in-kind are permitted to be recognised when the items are sold or distributed when it is impractical to recognise inventory on receipt. Items distributed at no cost, are recognised as an expense and revenue when issued. Services in-kind are recognised when they can be reliably measured. Services that would have otherwise been purchased are recognised at the value to the entity; other services are recognised at a fair value.				



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Standards References		IFRS 15 Revenue from Contracts with Customers ; IAS 20 Accounting for Government Grants and Disclosure of Government Assistance ; Conceptual Framework ; Section 2, section 23 and section 24 IFRS for SMEs; IPSAS 9 Revenue from Exchange Transactions ; IPSAS 23 Revenue from Non-exchange Transactions (Taxes and Transfers)	FRS 102 Section 24 Government Grants , FRS 102 Section 34 Incoming Resources from Non-exchange Transactions , Charities SORP (FRS 102) (Second Edition) Section 5 Recognition of income, including legacies, grants and contract income	AASB 15 Revenue from Contracts with Customers ; AASB 1058 Income of Not-For-Profit Entities	PBE IPSAS 9 Revenue from Exchange Transactions ; PBE IPSAS 23 Revenue from Non-Exchange Transactions for Tier 1 and 2 entities ; PBE SFR A NFP, Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) for Tier 3 entities	CPA Canada Handbook - Accounting, Section 4410, Contributions – revenue recognition ; CPA Canada Public Sector Accounting Handbook, PS 4210, Contributions – revenue recognition	Accounting Standards Codification (ASC) 958-605

Issue 4 – Grant Expenses

	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Alternative 1 Follow international standards (either IFRS, IFRS for SMEs or IPSAS) and include additional guidance on recognition, measurement and disclosure including performance related conditions.	IFRS and IPSAS and IFRS for SMEs require a liability and an expense for a grant to be recognised when a grantor has a present obligation to fund another entity/ individual created by a past event.	The UK position generally follows IFRS but includes specific provisions on performance obligations and disclosure. FRS 102 includes the requirement to provide separate disclosures for recognised and unrecognised commitments. The Charities SORP provides more detailed examples of practical application. Disclosures of any unrestricted funds designated to fund future	Follows IFRS.	Follows IPSAS for Tier 1 and Tier 2 entities. Additional illustrative guidance is also provided.	Accounting standards on the recognition of provisions etc. are similar to international requirements but there is no specific guidance on accounting for grant expenditure.	A liability would be recognised when the grant/ promise is unconditional. Conditional grants/ promises would be disclosed only. This is unless an asset has actually been transferred, in which case the NFP would record an asset (advance receivable) until the conditions are met. Note that since the guidance parallels that for the recipient side of the transaction, and there is thus much cross-reference to those provisions.



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
			commitments is also required.				
Alternative 2 Follow either IFRS, IFRS for SMEs or IPSAS, include additional guidance on recognition, measurement incorporating the performance obligation approaches to be adopted in IPSAS, where IPSAS is not used as the base.	As above				For Tier 3 PBE Simple Format Reporting – Accrual (Not-for-profit) Standard includes requirements/guidance for accounting for grant expenses		
Standards References	IAS 37 Provisions, Contingent Liabilities and Contingent Assets IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets, IFRS for SMEs, Section 21, IAS 1 & IPSAS 1 Presentation of Financial Statements, IFRS for SMEs sections 3 and 5	FRS 102 paragraphs 34.57 to 34.63 and Appendix A to Section 34 and Charities SORP paragraphs 7.5 to 7.34 and 7.43 to 7.46.	AASB 137 Provisions, Contingent Liabilities and Contingent Assets	PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets		FASB ASC 958-720 Not-for-Profit Entities Other Expenses, 958-405 Not-for-Profit Liabilities, 958-405-45 Other Presentation Matters, and 958-405-50 Disclosure (including glossary entries).	



Issue 5 – Measurement of assets held for their service benefit

	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Alternative 1 Subsequent measurement of property plant and equipment follows either the cost model or the revaluation model, with additional NPO specific guidance.	Initial recognition measured at historical cost. Subsequent measurement for property plant and equipment: entities are allowed to choose between the cost and the revaluation models. If the recoverable amount of an asset is less than its carrying amount, an entity is required to reduce the carrying amount of the asset to its recoverable amount. (IFRS and IPSAS set out that an asset is impaired when the carrying amount exceeds its recoverable amount)		Initial recognition measurement at historical cost. (Not for profit entities are required to measure at fair value if consideration is significantly less than fair value.) Subsequent measurement for property plant and equipment: entities are allowed to choose between the cost and the revaluation models. Exchanges of assets measured at fair value unless the exchange transaction lacks commercial substance or is not measurable. An impairment loss is the amount by which the carrying amount of			



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
				an asset or a cash-generating unit exceeds its recoverable amount.			
Alternative 2 Subsequent measurement of property plant and equipment follows either the cost model or the revaluation model and includes an additional measurement base (value in use) under the revaluation model – with additional NPO specific guidance on how to measure the service potential in those assets to be measured at 'value in use'.			Initial recognition at historical cost. Subsequent measurement for property plant and equipment: entities are allowed to choose between the cost and the revaluation models. Exchanges of assets measured at fair value unless exchange is not at commercial or measurable. Impairment – If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset must be reduced to its recoverable amount. Where an asset is held for its service potential FRS 102 recognises that a		Initial recognition at historical cost. Subsequent measurement for property plant and equipment: entities are allowed to choose between the cost and the revaluation models. Where an asset is acquired through a non-exchange transaction, its cost must be measured at its fair value as at the date of acquisition An asset is impaired when its carrying amount exceeds its recoverable amount		



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
			cash flow driven valuation may not be appropriate. Charities SORP provides practical guidance on the measurement of the recoverable amount when the asset is not income generating.				
Alternative 3 Subsequent measurement of property plant and equipment using the cost model - with additional NPO specific guidance						Property, plant and equipment is required to be recorded at cost. Amortisation must be recognised in a rational and systematic manner appropriate to the nature of the item and its use by the organisation. For contributed capital assets, cost is considered to be fair value at the date of contribution. In unusual circumstances when fair value cannot be reasonably determined, the tangible capital asset should be	Purchased capital assets recognised at historical cost. The revaluation model is not permitted for subsequent measurement. Impairment follows the same accounting treatment as commercial entities (and is similar to IFRS). It discusses how contribution subsidies would be factored into a cash-flow focused test.



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
						recorded at nominal value.	Contributed assets are measured at fair value on initial recognition.
Alternative 4 Require certain classes of assets where they are used for their service potential to be measured using the revaluation model at a 'value in use' measurement basis. For the remaining classes of assets (plant and equipment) allow a rebuttable presumption that assets measured at historical cost is a proxy for the revalued asset.			The Government Financial Reporting Manual provides guidance on the accounting for assets and liabilities. The valuation of property, plant and equipment is covered in 10.1.1 to 10.1.14.				
Standards References		IAS 16 Property, Plant and Equipment, IAS 36 Impairment of Assets IFRS for SMES sections 17 and 27.	FRS 102 sections, 17 and 27, Charities SORP (FRS 102) Module 12	AASB 116 Property, Plant and Equipment, AASB 136 Impairment of Assets	PBE IPSAS 17 Property, Plant and Equipment, PBE IPSAS 21 Impairment of Non-Cash Generating Assets.	CPA Canada Handbook – Accounting: Section 4433 and Section 3061	ASC 835-20-05-1, 835-20-30, 958-605-30-1 to 2, 958-360-30-1, 958-360-35-8



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		<u>IFRS and IPSAS</u>	<u>UK</u>	<u>Australia</u>	<u>New Zealand</u>	<u>Canada</u>	<u>USA</u>
		<u>IPSAS 17 Property, Plant and Equipment</u> <u>IPSAS 24 Impairment of Non-Cash Generating Assets</u> <u>IPSAS 36 Impairment of Cash Generating Assets</u>	<u>Government Financial Reporting Manual (20-21) Chapter 10.</u>		<u>PBE IPSAS 26 Impairment of Cash Generating Assets</u>		

Issue 6 - Inventory held for use or distribution

	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Alternative 1 Measure all inventory at the lower of cost or net realisable value with additional NPO-specific guidance	IAS 2 and Section 13 of IFRS for SMEs include requirements for accounting for inventory.					Although the US standards are not based on international standards, the requirements are similar, and the US standards do not provide any exceptions to the general principles. There is no specific guidance applicable to not-for-profit entities.
Alternative 2 Require inventory held for use or distribution to be measured at the lower of cost or current replacement cost	IPSAS 12 includes requirements for accounting for inventory, including a requirement that inventory held for use or distribution is measured at the lower of cost and current replacement				Sections 3031 and 3032 include requirements for accounting for inventory, including a requirement that inventory held for use or distribution is measured at the lower of cost and	

		<u>IFRS and IPSAS</u>	<u>UK</u>	<u>Australia</u>	<u>New Zealand</u>	<u>Canada</u>	<u>USA</u>
		<u>cost. IPSAS 12 does not apply to work-in-progress of services to be provided at no or nominal cost.</u>				<u>current replacement cost.</u>	
<u>Alternative 3</u> <u>Require inventory held for use or distribution to be measured at cost, adjusted when applicable for any loss of service potential, with disclosure of the accounting policy and impact on service delivery</u>			<u>FRS 102 Section 13 includes requirements for accounting for inventory, including a requirement that inventory held for use or distribution is measured at the lower of cost, adjusted when applicable for any loss of service potential and replacement cost.</u>	<u>AASB 102 includes requirements for accounting for inventory, including a requirement that inventory held for use or distribution is measured at cost, adjusted when applicable for any loss of service potential; or at current replacement cost when acquired in a non-exchange transaction. AASB 102 allows work-in-progress of services provided at no or nominal cost to be expensed.</u>	<u>PBE IPSAS 12 includes requirements for accounting for inventory, including a requirement that inventory held for use or distribution is measured at cost, adjusted when applicable for any loss of service potential. PBE IPSAS 12 does not apply to work-in-progress of services to be provided at no or nominal cost.</u>		



		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Standards References		IAS 2 Inventories , Section 13 IFRS for SMEs , IPSAS 12 Inventories	FRS 102 Section 13 Inventories Charities SORP Module 6 Donated goods, facilities and services, including volunteers ; Module 10 B1	AASB 102 Inventories	PBE IPSAS 12 Inventories	CPA Canada Handbook - Accounting, Sections 3031 Inventories and 3032 Inventories held by not-for-profit organizations	Accounting Standards Codification (ASC) 330-10 (Inventories-Overall), 330-10-15-3-a (Scope and Scope Exceptions-Entities)

Issue 7 – Financial statements presentation

	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Alternative 1 Use existing international standards with additional NPO specific guidance on the provision of additional information to meet stakeholder needs	IFRS, IFRS for SMEs and IPSAS require the presentation of an income statement (statement of financial performance); a statement of financial position (balance sheet); cash flow statement; and statement of changes in net assets or equity.	FRS 102 requires the presentation of an income statement (statement of financial performance); a statement of financial position (balance sheet); cash flow statement; and statement of changes in net assets or equity.	AASB 101 and AASB 107 require the presentation of an income statement (statement of financial performance); a statement of financial position (balance sheet); cash flow statement; and statement of changes in net assets or equity.	PBE IPSAS 1, PBE IPSAS 2 and PBE SFR A NFP require the presentation of an income statement (statement of financial performance); a statement of financial position (balance sheet); cash flow statement; and statement of changes in net assets or equity (not PBE SFR A NFP). PBE SFR A NFP provides guidance on types of reserve.	<i>Canadian standards are similar to international standards.</i> CPA Handbook – Section 4400 and Public Sector Accounting Handbook, PS 4200 permit, but do not require, the use of fund accounting. A statement of changes in net assets is required. The different classes of net assets to be presented are: endowments; internally and externally (other than endowments); restricted net assets;	



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
						and unrestricted net assets.	
Alternative 2 Require NPOs to use fund accounting and disclosure of reserves policy in the preparation of the financial statements, with guidance on additional information to meet stakeholder needs			Sector specific guidance (Charities SORP) requires the use of fund accounts for NPOs. A columnar approach is required in the income statement and permitted, but not required, in the statement of financial position. Funds presented separately are unrestricted funds, restricted income funds and restricted endowment funds.				ASC 958-205, 958-210, 958-220, 958-225 and 958-230 require restricted net assets and unrestricted net assets to be presented separately. Income is reported as either restricted or unrestricted. Expenditure is shown as unrestricted. As restrictions imposed by the donor are satisfied, net assets are reclassified from restricted to unrestricted to match the expenditure.



Alternative 3 Require NPOs to use fund accounting in the preparation of the financial statements, disclosure of reserves policy and to prepare supplementary fund/project statements						
Standards References	IAS 1 Presentation of Financial Statements IAS 7 Statement of Cash Flows Sections 3 – 8 IFRS for SMEs IPSAS 1 Presentation of Financial Statements IPSAS 2 Cash Flow Statements	Sections 3 – 8 FRS 102 Charities SORP (FRS 102) (Second Edition) Modules 2, 4, 10 and 14	AASB 101 Presentation of Financial Statements AASB 107 Statement of Cash Flows	PBE IPSAS 1 Presentation of Financial Statements and PBE IPSAS 2 Statement of Cash Flows for Tier 1 and Tier 2 entities PBE SFR A NFP, Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) for Tier 3 entities.	CPA Handbook – Accounting, Section 4400. Financial statement presentation by not-for-profit organizations and Public Sector Handbook, PS 4200 Financial statement presentation by not-for-profit organizations	ASC 958-205 Presentation of Financial Statements 958-210 Balance Sheet 958-220 Income Statement – Reporting Comprehensive Income 958-225 Income Statement 958-230 Statement of Cash Flows

Issue 8 - Classification of expenses

	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA	Colombia
Alternative 1 Allow analysis by function or nature of expense	IFRS, IFRS for SMEs and IPSAS, require an analysis of expenses based on either their nature or their function, whichever provides information that is reliable and more relevant. IAS 1 ¹ and IPSAS 1 permit this information to be reported either on the face of the primary statement or in the notes.	Smaller charities are allowed the alternative to provide a nature of expense analysis.	NPOs are required to present an analysis of expenses using a classification based on either their nature or their function, whichever provides information that is reliable and more relevant.	An entity is required to present, either on the face of the primary statement of or in the notes, an analysis of expenses using a classification based on either the nature of expenses or their function within the entity, whichever provides information that is faithfully representative and more relevant.	NFPOs may present expenses in the statement of operations by nature, function or program. Expenses should be presented in the manner that results in the most meaningful presentation.		In accordance with IFRS for SMEs.
Alternative 2 Require analysis on a nature of expenses basis		Higher and Further Education SORP requires a nature of expenses analysis.					

¹ The current consultation will require that the primary analysis chosen is shown on the face of the financial performance standard, which underpins alternative 2.

		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA	Colombia
			UK GAAP for Charities requires an analysis by activity.					
Alternative 3 Require analysis on both a function of expense and nature of expense analysis.							NFPs are required to present or disclose their expenses by both functional and natural classification in one location in the financial statements or notes.	
Alternative 4 Hybrid expense analysis, which sets out minimum reporting categories					Tier 3 (smaller entities) are required to report against minimum expense categories that are a hybrid of nature and function.			
Standards References		IAS 1 Presentation of Financial Statements, Paragraph, IFRS for SMEs paragraph 5.11.	FRS 102 The Financial Reporting Standard	AASB 101, Presentation of Financial	PBE IPSAS 1 Presentation of Financial Statements, paragraph 109	Reference- CPA Canada Handbook – Accounting:	FASB ASC 958-205-45-1 to 6 and definitions ASC 958-205-20	



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		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA	Colombia
		and IPSAS 1 Presentation of Financial statements paragraph 109.	applicable in the UK and Republic of Ireland paragraph 5.5 Charities SORP (FRS 102) (Second Edition Section 4) , HEFE SORP	Statements paragraph 99.		Section 4400 , Section 4470 , and CPA Canada Public Sector Accounting Handbook: PS 4200 , and PS 4270 .		

Issue 9 - Fundraising Costs

	IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Alternative 1 Follow existing international guidance on the recognition, presentation and disclosure of expenses with NPOs deciding whether the resulting information is reliable and relevant to its users of the financial statements. Additional guidance will support NPOs	IAS 1 and IPSAS 1 allow entities to determine their own definitions of function and similarly IFRS 8 IPSAS 18 allow entities to define their operating segments.		No specific guidance provided.	No specific guidance provided for tier 1 and tier 2 entities with additional guidance for tier 3 entities on the recognition of spend.	No specific guidance provided.	
Alternative 2 Require the disclosure of the accounting policy on fundraising costs only if such costs are disclosed or presented in the financial statements.						
Alternative 3 Require disclosure of the amount and accounting policy for fundraising costs.		Netting off is not permitted. - The Charities SORP requires expenditure on raising funds to be presented separately as part of the functional analysis of costs. The				Netting off is permitted for activities that are direct donor benefits (eg cost of meals, gifts etc) associated with special events such as fundraising galas.



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			Charities SORP provides further guidance in on what constitutes expenditure on raising funds. Further disaggregation between different types of raising funds is permitted.				Guidance on the allocation of overheads to functions is provided.
		IFRS and IPSAS	UK	Australia	New Zealand	Canada	USA
Standards References		IAS 1 Presentation of Financial Statements, Paragraph, IFRS for SMEs paragraph 5.11 and IPSAS 1 Presentation of Financial statements paragraph 109. IFRS 8 Operating Segments and IPSAS 18 Segment Reporting	para 2.52 of FRS 102. paragraphs 4.44 to 4.51 of the Charities SORP.		Section A.80 PBE SFR-A (NFP) https://www.xrb.govt.nz/accounting-standards/not-for-profit/pbe-sfr-a-nfp/		FASB ASC 958-720 Not for Profit Entities Other expenses. Specific references 958-720-05-5, 958-720-25-section 4 and 5, 958-720-45-2 and 958-720-45-9

Issue 1 - Non-financial reporting

	<u>IFRS and IPSAS</u>	<u>IIRC</u>	<u>UK</u>	<u>Australia</u>	<u>New Zealand</u>	<u>Canada</u>	<u>USA</u>
<u>Alternative 1</u> Leave organisations/ jurisdictions to follow existing guidance on narrative reporting by NPOs.				No specific Guidance provided. At federal level, charities provide a regulatory return (Annual Information Statement, AIS) to the Australian Charities and Not-for-profits Commission (ACNC).		No specific guidance provided. At federal level, registered charities must file a Registered Charity Information Return with the Canada Revenue Agency (CRA).	No specific guidance provided. At federal level, the Internal Revenue Service (IRS) form requires information on program accomplishments.
<u>Alternative 2</u> Apply existing international guidance on narrative reporting, tailored as appropriate for reporting in the NPO context.	IFRS Practice Statement Management commentary is described as a narrative report that provides a context within which to interpret the		The Charities SORP specifies that the report, taken together with the accounts, should provide a picture of what the charity has done (its		Large NPOs with public accountability (Tier 1), plus NPOs that have total expenses greater than NZ\$2 million but less than NZ\$30 million are		

	<u>IFRS and IPSAS</u>	<u>IIRC</u>	<u>UK</u>	<u>Australia</u>	<u>New Zealand</u>	<u>Canada</u>	<u>USA</u>
	<u>financial position, financial performance and cash flows of an entity. It also provides an opportunity to explain objectives and its strategies for achieving those objectives. IPSAS RPGs.</u>		<u>outputs) or achieved (its outcomes), or what difference it has made (its impact). It requires, among other things, information about a charity's objectives, activities achievements and performance.</u>		<u>required to provide, contextual information about the entity, what it intends to achieve over the medium to long term, and how, plus information about achievements in working towards its broader aims and objectives.</u>		
<u>Alternative 3</u> <u>Apply integrated reporting, following the IIRC Framework, tailored as appropriate for reporting in the NPO context.</u>		<u>As well as information on the six capitals referred to in paragraph 3.7, the <IR> Framework specifies a number of</u>					



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	IFRS and IPSAS	IIRC	UK	Australia	New Zealand	Canada	USA
		content elements: a. Organizational overview and external environment; b. Governance; c. Business model; d. Risks and opportunities; e. Strategy and resource allocation; f. Performance; g. Outlook.					
Standards/ Guidance References	IFRS Practice Statement (2010) Management Commentary. IPSAB Recommended Practice Guidance (RPG)	IIRC The International <IR> Framework (2013).	Charities SORP (FRS 102) (Second Edition, October 2019) Accounting and reporting by charities: the statement of recommended practice (SORP).	No specific guidance but the Australian Accounting Standards Board (AASB) has project plans for both management commentary and	Public Benefit Entity (PBE) Financial Reporting Standard (FRS) 48 Service Reporting Performance.		



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	<u>IFRS and IPSAS</u>	<u>IIRC</u>	<u>UK</u>	<u>Australia</u>	<u>New Zealand</u>	<u>Canada</u>	<u>USA</u>
	2 (2013) <i>Financial Statement Discussion and Analysis</i> ; RPG 3 (2015) <i>Reporting Service Performance Information</i> . See paragraph 3.3.		See chapter 1 <i>Trustees' annual report</i> .	service performance information.			