

Annex B

Section 3 - *Financial Statement Presentation*

Scope of this section

G3.1 This section explains **fair presentation** of **financial statements**, what compliance with the INPAG requires and what a complete set of financial statements is.

Fair presentation

- G3.2 Financial statements shall present fairly the **financial position**, **financial performance in year financial activity** and **cash flows** of an NPO. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and **recognition** criteria for **assets, liabilities, income and expenses** set out in Section 2 *Concepts and Pervasive Principles*:
- the application of INPAG, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation of the financial position, **financial performance in year financial activity** and cash flows of SMEs.
 - as explained in paragraph G1.5, the application of this **Guidance** by an NPO with **public accountability** does not result in a fair presentation in accordance with this **Guidance**.

The additional disclosures referred to in (a) are necessary when compliance with the specific requirements in this **Guidance** is insufficient to enable users to understand the effect of particular transactions, other events and conditions on the NPO's financial position and **financial performance in year financial activity**.

Compliance with INPAG

- G3.3 An NPO whose financial statements comply with INPAG shall make an explicit and unreserved statement of such compliance in the **notes**. Financial statements shall not be described as complying with INPAG unless they comply with all the requirements of this **Guidance**. Where an NPO is transitioning to INPAG it shall **comply with the disclosure requirements in Section 35- Transition to the Guidance**. Where an NPO is not intending to transition to INPAG it may disclose in the notes **where the financial statements have been prepared in accordance with the INPAG**.
- G3.4 In the extremely rare circumstances when management concludes that compliance with this **Guidance** would be so misleading that it would conflict with the **objective of financial statements** of NPOs set out in Section 2, the NPO shall depart from that requirement in the manner set out in paragraph 3.5 unless the relevant regulatory framework prohibits such a departure.

- G3.5 When an NPO departs from a requirement of this Guidance in accordance with paragraph G3.4, it shall disclose the following:
- that management has concluded that the financial statements present fairly the NPO's financial position, ~~financial performance~~ in year financial activities and cash flows;
 - that it has complied with INPAG, except that it has departed from a particular requirement to achieve a fair presentation; and
 - the nature of the departure, including the treatment that INPAG would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in Section 2 and the treatment adopted.
- G3.6 When an NPO has departed from a requirement of INPAG in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph G3.5(c).
- G3.7 In the extremely rare circumstances when management concludes that compliance with a requirement in INPAG would be so misleading that it would conflict with the objective of financial statements of NPOs set out in Section 2, but the relevant regulatory framework prohibits departure from the requirement, the NPO shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing the following:
- the nature of the requirement in INPAG and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in Section 2; and
 - for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.

Going concern

- G3.8 When preparing financial statements, the management of an NPO using INPAG shall make an assessment of the NPO's ability to continue as a **going concern**. An NPO is a going concern unless management either intends to liquidate the NPO or to cease operations, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the **reporting date**.
- G3.9 When management is aware, in making its assessment, of **material** uncertainties related to events or conditions that cast significant doubt upon the NPO's ability to continue as a going concern, the NPO shall disclose those uncertainties. When an NPO does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the NPO is not regarded as a going concern

Frequency of reporting

G3.10 An **NPO** shall present a complete set of financial statements (including comparative information—see paragraph G3.14) at least annually. When the end of an **NPO's reporting period** changes and the annual financial statements are presented for a period longer or shorter than one year, the **NPO** shall disclose the following:

- a. that fact;
- b. the reason for using a longer or shorter period; and
- c. the fact that comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

Consistency of presentation

G3.11 An **NPO** shall retain the presentation and classification of items in the financial statements from one period to the next unless:

- a. it is apparent, following a significant change in the nature of the **NPO's** operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of **accounting policies** in Section 10 Accounting Policies, Estimates and Errors; or
- b. this **Guidance** requires a change in presentation.

G3.12 When the presentation or classification of items in the financial statements is changed, an **NPO** shall reclassify comparative amounts unless the reclassification is **impracticable**. When comparative amounts are reclassified, an **NPO** shall disclose the following:

- a. the nature of the reclassification;
- b. the amount of each item or class of items that is reclassified; and
- c. the reason for the reclassification.

G3.13 If it is impracticable to reclassify comparative amounts, an **NPO** shall disclose why reclassification was not practicable.

Comparative information

G3.14 Except when this **Guidance** permits or requires otherwise, an **NPO** shall disclose comparative information in respect of the previous comparable period for all amounts presented in the current period's financial statements. An **NPO** shall include comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.

Materiality and aggregation

G3.15 An NPO shall present separately each material class of similar items. An NPO shall present separately items of a dissimilar nature or function unless they are immaterial.

G3.16 Omissions or misstatements of items are material if they could, individually or collectively, influence the resource allocation or economic decisions of users made on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Complete set of financial statements

G3.17 A complete set of financial statements of an NPO shall include all of the following:

a. a statement of financial position as at the reporting date;

~~b. either:~~

~~i. a single statement of comprehensive income~~ a statement of income and expenses for the reporting period displaying ~~all~~ those items of income and expense recognised during the period ~~including those items recognised~~ in determining surplus or deficit (which is a subtotal in the statement of comprehensive income) and items of other comprehensive income.

~~a separate income statement and a separate statement of comprehensive income. If an entity chooses to present both an income statement and a statement of comprehensive income, the statement of comprehensive income begins with profit or loss and then displays the items of other comprehensive income.~~

c. a statement of changes in net assets for the reporting period;

d. a statement of cash flows for the reporting period; and

e. notes, comprising a summary of significant accounting policies and other explanatory information.

G3.18 Because paragraph G3.14 requires comparative amounts in respect of the previous period for all amounts presented in the financial statements, a complete set of financial statements means that an NPO shall present, as a minimum, two of each of the required financial statements and related notes.

G3.19 In a complete set of financial statements, an NPO shall present each financial statement with equal prominence.

G3.20 An NPO may use titles for the financial statements other than those used in this Standard as long as they are not misleading.

Identification of the financial statements

G3.21 An NPO shall clearly identify each of the financial statements and the notes and distinguish them from other information in the same document. In addition, an NPO

shall display the following information prominently and repeat it when necessary for an understanding of the information presented:

- a. the name of the reporting NPO and any change in its name since the end of the preceding reporting period;
- b. whether the financial statements cover the individual entity or a **group** of entities;
- c. the date of the end of the reporting period and the period covered by the financial statements;
- d. the **presentation currency**, as defined in Section 30 *Foreign Currency Translation*; and
- e. the level of rounding, if any, used in presenting amounts in the financial statements.

G3.22 An NPO shall disclose the following in the notes:

- a. the domicile and legal form of the NPO, ~~its country of incorporation~~ and the address of the office registered with the jurisdictional regulator (or principal place of business, if different from the registered office); and
- b. a description of the nature of the NPO's operations and its principal activities.

Presentation of information not required by this Standard

G3.23 This Guidance does not address presentation of segment information, earnings per share, or interim financial reports by NPOs. An NPO making such disclosures shall describe the basis for preparing and presenting the information.

Application Guidance – Section 3 *Financial Statement Presentation*

Objective of financial statements

- AG3.1 The objectives of general purpose financial statements are to provide information about the financial position, in year financial activities (financial performance), and cash flows of an entity that is useful to a wide range of users. Specifically, the objectives of general purpose financial reporting for NPOs is to provide information useful for decision making, and to demonstrate accountability for the resources entrusted to it. General purpose financial statements can also provide information useful in predicting the level of resources required for continued operations, the resources that may be generated by continued operations, and the associated risks and uncertainties.
- AG3.2 Although the information contained in financial statements can be relevant to the objectives of general purpose financial statements, it is unlikely to enable all the objectives of financial reporting to be met. NPOs will be accountable for the achievement of service delivery as well as financial objectives. Supplementary information, including non-financial statements, reported alongside the financial statements will enable a more comprehensive picture of the NPO's activities during the period.
- AG3.3 The objective of section 3 is to prescribe the manner in which general purpose financial statements are to be presented to ensure comparability both with an NPO's financial statements from previous periods and with the financial statements of other NPOs.

Financial statements naming and preparation

- AG3.4 The financial statements shall comprise:
- a. A statement of financial position (see Section 4)
 - b. A statement of income and expenses (see Section 5)
 - c. A statement of changes in net assets (see Section 6)
 - d. A statement of cash flows (see Section 7)
 - e. Notes, comprising a summary of significant accounting policies and other explanatory notes as required by other sections of this Guidance (see Section 8)

- AG3.5 The financial statements listed in G3.17 can be referred to by a variety of names both within and across jurisdictions. The statement of financial position may also be referred to as a balance sheet. The statement of income and expenses may also be referred to as a statement of financial performance, an operating statement, or a statement of financial activities. The notes may include items referred to as schedules. Alternative names to those listed in G3.17 can be used as long as in doing so it would not mislead the users of the financial statements.
- AG3.6 Assets and liabilities and income and expenses shall not be offset unless required or permitted elsewhere by this Guidance. Offsetting will detract from the ability of users to understand transactions, events or conditions and future cash flows unless where this reflects the substance of the transaction or event.
- AG3.7 Any NPO that has public accountability as defined in the IFRS standards (see section x for definition) can use this Guidance to assist in preparing its financial statements. However, the simplifications and presentational differences in this Guidance mean that an NPO with public accountability will not be able to assert a fair presentation in accordance with this Guidance as it may be required to adopt financial reporting standards that differ from the requirements of this Guidance.

Compliance with INPAG

- AG3.8 Where all requirements of INPAG have been met the NPO shall make a statement in the notes to the financial statements that it has met the requirements. This statement cannot include any exceptions or caveats to the level of compliance with the Guidance. If exceptions or caveats are needed then compliance with INPAG cannot be stated.
- AG3.9 Section 35 – Transition to the Guidance sets out the disclosure requirements when adopting INPAG for the first time. Jurisdictions may permit INPAG to be adopted over a period of time, or an NPO may adopt a transition path for full adoption of the Guidance such that not all requirements of the Guidance are met immediately. This timeline may differ to that permitted in INPAG.
- AG3.10 Where an NPO is adopting INPAG that differs to the requirements of Section 35, an NPO shall describe in the notes to the accounts those parts of the Guidance where compliance has been achieved in the reporting year. The plans for full adoption shall also be set out so that there is transparency about the timeframe for full adoption and the level of completeness with the provisions of the Guidance in each financial year.
- AG3.11 Where an NPO is using some of the provisions of INPAG but does not plan to fully adopt, or is not permitted to adopt INPAG (for example because it has to comply with full IFRS), it should disclose in the notes to the accounts the provisions of the INPAG that are being followed and why it has adopted those provisions.

AG3.12 Paragraphs G3.5 to G3.7 require additional disclosures where an entity departs from INPAG. For the avoidance of doubt where a departure is caused because an NPO has not yet adopted the provisions INPAG in accordance with its transition plan provided in accordance with AG3.2, it does not need to disclose the **effect** of the non-compliance, but only its **nature**.

Going Concern

AG3.13 Financial statements are normally prepared on the assumption that the entity is a going concern and will continue in operation and meet its statutory obligations for the foreseeable future. In assessing whether the going concern assumption is appropriate, those responsible for the preparation of financial statements take into account all available information about the future, which is at least, but is not limited to, twelve months from the approval of the financial statements.

AG3.14 Before it is appropriate to conclude that the going concern assumption is appropriate, those responsible for the preparation of financial statements shall consider a wide range of factors, including material uncertainties in the operating environment of the NPO. Factors include:

- a. current and future demand for services and goods
- b. potential and announced restructurings of organisational units, including decisions to cease any operations,
- c. political, legal or regulatory changes
- d. estimates of revenue or the likelihood of continued funding, and
- e. potential sources of replacement financing

All relevant factors shall be disclosed in notes to the financial statements as required by G3.9.

AG3.15 Such considerations will depend on the facts in each case. Assessments of the going concern assumption are not predicated on the solvency test usually applied to business enterprises. There may be circumstances where the usual going concern tests of liquidity and solvency appear unfavourable, but other factors suggest that the NPO is nonetheless a going concern. For example there may be multi-year funding agreements or other arrangements in place that will ensure the continued operation of the NPO.

Consistency and comparability

AG3.16 Comparability is the quality of information that enables users to identify similarities in, and differences between, two sets of phenomena. Comparability is not a quality of an individual item of information, but rather a quality of the relationship between two or more items of information.

AG3.17 Comparability differs from consistency. Consistency refers to the use of the same accounting principles or policies and basis of preparation, either from period to period within an NPO or in a single period across more than one NPO.

Comparability is the goal, and consistency helps in achieving that goal. In some cases, the accounting principles or policies adopted by an NPO may be revised to better represent a particular transaction or event in GPFRs. In these cases, the inclusion of additional disclosures or explanation may be necessary to satisfy the characteristics of comparability.

AG3.18 Information about an NPO's financial position, financial performance, cash flows, achievement of objectives or operational performance, compliance with relevant legislation or other regulations governing the raising and use of resources, and its future plans is necessary for accountability purposes and useful as input for decision-making purposes. The usefulness of such information is enhanced if it can be compared with, for example:

- a. Prospective financial and non-financial information previously presented for that reporting period or reporting date;
- b. Similar information about the same entity for some other period or some other point in time; and
- c. Similar information about other entities (for example, NPOs providing similar services in different jurisdictions) for the same reporting period.

AG3.19 Comparisons are required for narrative and descriptive information, where this is relevant to an understanding of the current period's financial statements. Those preparing the financial statements need to make a judgement about whether users of the financial statements will benefit from having equivalent information for the prior reporting period(s).

AG3.20 When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable. When comparative amounts are reclassified, an NPO shall disclose:

- a. The nature of the reclassification;
- b. The amount of each item or class of items that is reclassified; and
- c. The reason for the reclassification.

AG3.21 The reason for the reclassification shall explain the benefit of any such changes, (e.g. a change in principal activities of the NPO, improve transparency) and the impact on users of the financial statements (e.g. inability to provide historic trend information).

Materiality and aggregation

- AG3.22 Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function. The final stage in the process of aggregation and classification is the presentation of condensed and classified data, which form line items on the face of the Statement of financial position, Statement of income and expenses, Statement of changes in net assets, and Statement of cash flows, or in the notes.
- AG3.23 Paragraphs G3.xx to G3.xx require that in classifying items in the financial statements that similar material items should be separated and that dissimilar immaterial items may be aggregated. The presentation of information in the financial statements must take account of the materiality. If a line item is not individually material, it can be aggregated with other items either on the face of those statements or in the notes. An item that is not sufficiently material to warrant separate presentation on the face of those statements may nevertheless be sufficiently material for it to be presented separately in the notes.
- AG3.24 Aggregating material items in any individual financial statement is not permitted as it could mislead users of the financial information. Separation is required to help provide an appropriate understanding of the financial position, activities and cashflows of the NPO. Guidance in the Sections on non-exchange revenue and the classification of expenses [section numbering to be determined in ED2 and ED3] provide additional guidance on the classification of revenues and expenses.
- AG3.25 The judgement about how to classify items in the financial statements should focus on whether disclosure of information is important to the a user's understanding of the financial statements. Items that are material by nature or by amount should be separately disclosed.

Basis for conclusions – Section 3 – *Financial statement presentation*

- BC3.1 This Basis for Conclusions summarises the considerations made during the development of Section 3 – *Financial statement presentation*.
- BC3.2 It includes details of any changes made to the approach that was set out in the IFR4NPO Consultation Paper as a result of feedback from respondents. This has been done to enable respondents to this Exposure Draft to understand the evolution of the proposals from the Consultation Paper to Exposure Draft stage.
- BC3.3 This Basis for Conclusions will be updated following the finalisation of Section 3 – *Financial statement presentation* after the Exposure Draft stage.

Consultation paper proposals

- BC3.4 The format and content of financial statements is fundamental to how the information is presented to stakeholders. This presentation is particularly important when revenue is restricted or can only be used for particular purposes. A detailed description of the issue was included as part of Issue 7: Financial statement presentation in Part 2 of the IFR4NPO Consultation Paper.
- BC3.5 Feedback was sought on how financial statements should be presented to help the user's understanding of an NPO's activities and whether there should be disclosure of material categories of income and expenses and/or transactions. The Consultation Paper also sought views on how unrestricted and restricted funds should be presented in the main financial statements and notes (including reserves), the role of fund accounting and how any requirements might align with donor reporting requirements.
- BC3.6 The Consultation Paper proposed three alternatives for developing guidance for the presentation of NPO financial statements. The first was to retain the requirements in the international standards (IFRS Standards, the *IFRS for SMEs* Standard and IPSAS) unchanged and provide supplementary guidance. The second was to build on the *IFRS for SMEs* Standard and to add the use of fund accounting which would require, as a minimum, that income is split between restricted and unrestricted income on the face of the income statement. The third alternative included a new requirement to provide supplementary donor or project statements for material funds or projects in addition to proposals for fund accounting in alternative two.

Restricted and unrestricted funds

- BC3.7 There was no consensus as to the preferred alternative, with roughly a third supporting each alternative. However, the combined support for alternative two

and alternative 3 has led to the overall conclusion that there was support for the use of fund accounting.

- BC3.8 As a consequence the financial statements include proposals for the separation of restricted and unrestricted funds in a number of places. Respondents to the consultation raised concerns about the potential complexity and increased length of financial statements that could occur with the introduction of fund accounting. As a consequence the INPAG Secretariat are proposing to require separate presentation of income and expenses, net assets (and changes in net assets) for the aggregates of restricted and unrestricted funds only. Any additional disclosures are to be driven by the usefulness of the information based on the nature of the NPO and the materiality of the information to the understanding of the users of General Purpose Financial Reports.
- BC3.9 The separate presentation of restricted and unrestricted funds will provide useful information to users of the financial statements without imposing the costs associated with full fund accounting on NPOs. Respondents commented that requiring the presentation of restricted and unrestricted funds beyond the income and expenses statement and net assets could be challenging for some NPOs and would add little value for readers of the financial statements.
- BC3.10 However, some NPOs may have the capacity to implement full fund accounting and may consider that this would improve the usefulness of their financial statements. Such NPOs are permitted to provide this additional information, in line with the additional disclosures permitted for all financial statements
- BC3.11 Issues were raised about capital grants and donated assets in responses from stakeholders. As a consequence additional disclosure lines have been included in the Statement of income and expenses and Statement of cash flows to provide transparency over such items, where they are material to an NPO's financial statements.

Deferred revenue

- BC3.12 The Consultation Paper sought feedback on the approach to deferring revenue as part of considerations about the presentation of the financial statements. There was limited support from respondents, but together with feedback from other stakeholders it has raised issues that will be considered as part of the work to develop guidance on the reporting of non-exchange revenue and grant expenses. Proposals will be included in Exposure Draft 2 (ED2) and are not considered further here.

Additional supplementary information

- BC3.13 Alternative 3 proposed supplementary donor or project information on major funds. Some respondents acknowledged that if a donor statement could be

developed that would meet the reporting and auditing requirements of major donors, this could lead to an overall reduction in the reporting burden.

BC3.14 The INPAG Secretariat will explore this further with the IFR4NPO Donor Reference Group. This process is expected to take some time, and consequently the earliest that proposals will be available will be for Exposure Draft 3 (ED 3). The INPAG Secretariat is of the view that supplementary donor or project statements would be permitted but not required.

BC3.15 In the absence of guidance to deliver a standardised reporting format, the INPAG Secretariat proposes as part of ED3 to develop generic guidance setting out the issues NPOs will need to consider in developing their own donor or project statements should they choose to do so.

Statement names and terminology

BC3.16 The Consultation Paper proposed the use of the term 'Statement of Financial Performance' for the statement that contains the NPO's revenues and expenses and sought feedback on this proposal. Around two thirds of those that responded to this question supported the use of this term.

BC3.17 The main reason given by those that did not support the use of the term was that NPOs' performance is not judged on whether they make surpluses or deficits, but whether they meet their aims and objectives (social performance). Using the term 'financial performance' could imply that this is the main measure of NPOs' performance, which is not the case.

BC3.18 The INPAG Secretariat is therefore recommending that the term Statement of income and expenses is used as it may be better understood.

BC3.19 Based on feedback surplus or deficit is preferred to profit or loss to show the difference between income and expenses. This is seen as more relevant for users of NPO financial statements.

BC3.20 The other key change in terminology proposed relates to the description of what is traditionally equity. Equity is a term that is used in for-profit standards. Equity is defined in the for-profit standards as the residual interest in the assets of the entity after deducting liabilities. This will include items that don't meet the definition of a liability such as share capital and will also include retained earnings and reserves, for example the revaluation reserve (sometimes called revaluation surplus).

BC3.21 It is possible that some entities that meet the definition of an NPO have some form of equity claims on the organisation, either from historic set-up or because of jurisdiction specific legislation/regulation.

BC3.22 The project secretariat is currently proposing to call the equivalent section in NPO financial statements '**net assets**', with this comprising contributed capital and accumulated surplus or deficit, (split between restricted and unrestricted funds), and non-controlling interests (for example a minority interest in an entity set up to support a number of non-profit organisations). Contributed capital would include all forms of equity claims including any shares that have been issued.

Approach to the financial statements

BC3.23 Along with responses from the consultation the INPAG Secretariat has received input from a number of stakeholders and has received a number of academic reports. Collectively this raised concerns about the understandability of financial statements. As a consequence the INPAG Secretariat has considered the content of the financial statements.

BC3.24 Following this review it is proposed that the Statement of income and expenses statement totals to surplus or deficit and that some of the items that under the *IFRS for SMEs* Standard are shown in the Income Statement (other comprehensive income), are presented in a Statement of changes in net assets. Presenting these items outside the Statement of income and expenses is expected deliver some simplification. As not all sections of IFRS for SMEs are being reviewed as part of the first phase of INPAG, some items, predominantly changes arising from fair value adjustments will need to continue to be shown in the Statement of income and expenses. Many NPOs will not have these fair value adjustments.

BC3.25 The Statement of changes in net assets is proposed to disclose information that will allow the information equivalent to that found in statements prepared under the *IFRS for SMEs* Standard, such as comprehensive income. It will also show the movement between restricted and unrestricted funds.

Implementation Guidance – Section 3 - *Financial statement presentation*

How should I present information in the financial statements?

- IG3.1 INPAG sets out the components of financial statements and minimum requirements for disclosure on the face of the Statement of financial position and the Statement of income and expenses, as well as for the Statement of changes in net assets. It also describes further items that may be presented either on the face of the relevant financial statement or in the notes.
- IG3.2 Annex 1 contains illustrative financial statements, which provide simple examples of the ways in which the requirements of INPAG might be met for the presentation of the Statement of financial position, Statement of income and expenses, Statement of changes in net assets, Statement of cash flows and the Notes to the financial statements. The order of presentation and the descriptions used for line items should be changed when necessary in order to achieve a fair presentation in each entity's particular circumstances.
- IG3.3 The examples are not intended to illustrate all aspects of INPAG. Nor do they comprise a complete set of financial statements, as further updates will be made to the INPAG as part of Exposure Drafts 2 and 3. A complete set of financial statements will be included in ED3.

When should comparative information be provided for narrative and descriptive reporting?

- IG3.4 G3.14 requires that comparative information is provided for narrative and descriptive information where it is relevant to an understanding of the current period's financial statements. This will require judgement about how best to meet the objectives of financial reporting and the needs of users of the financial statements.
- IG3.5 The judgement about when comparative information should be provided about narrative and descriptive information should take account of the materiality of the information to the delivery of the NPO's performance or financial objectives and the NPO's overall purpose or mission. These include whether the comparative information provide material information about:
- a. the progress that the NPO has made in achieving its purposes or mission
 - b. how the NPO intends to meet its purposes or mission in the future
 - c. how the NPO has or intends to use its existing resources (people and assets)
 - d. how the NPO is dealing with any legal or regulatory issues
 - e. how the NPO has or intends to work with key partners or communities

- f. how the NPO has or intends to impact on the environment
- g. how the NPO has or intends to generate the financial resources it needs.

Annex 1

Illustrative Financial Statements and Table of Presentation and Disclosure Requirements

This guidance accompanies, but is not part of, INPAG.

Illustrative financial statements

- F1 Section 3 *Financial statement presentation* of INPAG defines a complete set of financial statements and prescribes general standards of financial statement presentation. Section 4 *Statement of financial position*, Section 5 *Statement of income and expenses*, Section 6 *Statement of changes in net assets*, Section 7 *Statement of cash flows* and Section 8 *Notes to the financial statements* prescribe the format and content of the individual financial statements and notes. Other sections of INPAG establish additional presentation and disclosure requirements. The following financial statements illustrate how those presentation and disclosure requirements might be met by a typical NPO. Of course, each NPO will need to consider the content, sequencing and format of presentation and the descriptions used for line items to achieve a fair presentation in that NPO's particular circumstances. These illustrative financial statements should not be regarded as a template appropriate for all NPOs.
- F2 Different formats and sequencing of some illustrative statements are presented. INPAG does not specify the formats or sequencing of items to be used, and alternative formats or sequencing are permitted by INPAG. Consistent with paragraph G3.20 of INPAG, an NPO may use titles for the financial statements other than those used in these illustrations.
- F3 The illustrative financial statements are not intended to illustrate all aspects of INPAG.
- F4 INPAG does not require a statement of financial position at the beginning of the earliest comparative period. The following illustrative statement of financial position only includes a column for the opening statement of financial position to aid in understanding of the calculations underlying amounts in the statement of cash flows prepared under the indirect method.

Statement of Income and Expenses (Format 1)

	Notes	20X2			20X1		
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Income							
Grants and donations - general							
Grants for and donations of non-current assets							
Sales of services and goods							
Interest income							
Other income							
<i>Total income</i>							
Expenses							
[Analysis of expenses to be determined]							
Depreciation and amortisation expenses							
Impairment expenses							
Interest expenses							
Other expenses							
<i>Total Expenses</i>							
<i>Surplus or deficit from operating activities</i>							
Share of surplus of associates							
Gain or loss on disposal of assets							
Unrealised gains or losses on foreign exchange differences							
Unrealised gains or losses from fair value adjustments:							
Defined benefit plans							
Financial instruments							
Investment property							
Surplus or deficit for the period							

Statement of Income and Expenses (Format 2)

	Notes	Restricted	20X2 Unrestricted	Total	Restricted	20X1 Unrestricted	Total
Expenses							
[Analysis of expenses to be determined]							
Depreciation and amortization expenses							
Impairment expenses							
Interest expenses							
Other expenses							
<i>Total Expenses</i>							
Funded by:							
Grants and donations - general							
Grants for and donations of non-current assets							
Sales of services and goods							
Interest income							
Other income							
<i>Total income</i>							
<i>Surplus or deficit from operating activities</i>							
Share of surplus of associates							
Gain or loss on disposal of assets							
Unrealized gains or losses on foreign exchange differences							
Unrealised gains or losses from fair value adjustments:							
Defined benefit plans							
Financial instruments							
Investment property							
Surplus or deficit for the period							

Statement of Financial Position (Vertical Presentation)

	Notes	20X2	20X1	20X0
Assets				
<i>Current assets</i>				
Cash				
Receivables				
Inventories				
<i>Total current assets</i>				
<i>Non-current assets</i>				
Investment in associate				
Property, plant and equipment				
Intangible assets				
Deferred tax asset				
<i>Total non-current assets</i>				
Total assets				
Liabilities				
<i>Current liabilities</i>				
Bank overdraft				
Payables				
Liability for deferred revenue (restricted income)				
Interest payable				
Current tax liability				
Current portion of employee benefit obligations				
Current portion of obligations under finance leases				
<i>Total current liabilities</i>				
<i>Non-current liabilities</i>				
Loans				
Long-term employee benefit obligations				
Obligations under finance leases				
<i>Total non-current liabilities</i>				
Total liabilities				
<i>Net assets</i>				
Net assets				
Restricted funds				
Restricted endowment funds				
Unrestricted funds				
Contributed capital				
Non-controlling interests				
Total net assets				

Statement of Financial Position (Horizontal Presentation)

	Notes	20X2	20X1	20X0
Assets				
<i>Current assets</i>				
Cash				
Receivables				
Inventories				
<i>Total current assets</i>				
<i>Non-current assets</i>				
Investment in associate				
Property, plant and equipment				
Intangible assets				
Deferred tax asset				
<i>Total non-current assets</i>				
Total assets				

	Notes	20X2	20X1	20X0
Liabilities				
<i>Current liabilities</i>				
Bank overdraft				
Payables				
Interest payable				
Liability for deferred revenue (restricted income)				
Current tax liability				
Current portion of employee benefit obligations				
Current portion of obligations under finance leases				
<i>Total current liabilities</i>				
<i>Non-current liabilities</i>				
Loans				
Long-term employee benefit obligations				
Obligations under finance leases				
<i>Total non-current liabilities</i>				
Total liabilities				
<i>Net assets</i>				

Net assets

Restricted funds

Restricted endowment funds

Unrestricted funds

Contributed capital

Non-controlling interests

Total net assets

Statement of Changes in Net Assets

	Notes	Restricted fund 1	Restricted fund 2	Endowment fund	Unrestricted funds	Revaluation reserve	Contributed Capital
Balance at 31 December 20X0							
Restatements of opening balance							
Changes in accounting policy							
Correction of errors							
Restated balance at 31 December 20X0							
Surplus or deficit							
Income and expenses recognised directly in net assets:							
Gain or loss on property revaluations							
Gain or loss on revaluation of investments							
Total income and expenses for the period							
Transfers between funds [detail required]							
Contributed capital							
Contributed capital received							
Contributed capital distributed							
Total contributed capital							
Other changes in net assets							
Balance at 31 December 20X1							

Balance at 31 December 20X1

Restatements of opening balance

Changes in accounting policy

Correction of errors

Restated balance at 31 December 20X1

Surplus or deficit

Income and expenses recognised directly in net assets:

Gain or loss on property revaluations

Gain or loss on revaluation of investments

Total income and expenses for the period

Transfers between funds [detail required]

Contributed capital

Contributed capital received

Contributed capital distributed

Total contributed capital

Other changes in net assets

Balance at 31 December 20X2

Statement of Cash Flows (Direct Method)

	Notes	20X2	20X1
Cash flows from operating activities			
<i>Receipts</i>			
Grants and donations - restricted income			
Grants and donations - unrestricted income			
Sales of services and goods			
Interest receipts			
Other receipts			
<i>Payments</i>			
[Analysis of expenses to be determined]			
Interest payments			
Income taxes paid			
Other payments			
<i>Net cash from operating activities</i>			
Cash flows from investing activities			
Grants for non-current assets			
Proceeds from sale of equipment			
Purchases of equipment			
<i>Net cash used in investing activities</i>			
Cash flows from financing activities			
Receipts or distributions of contributed capital			
Payment of finance lease liabilities			
Repayment of borrowings			
<i>Net cash used in financing activities</i>			
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the end of the year			

Statement of Cash Flows (Indirect Method)

	Notes	20X2	20X1
Cash flows from operating activities			
<i>Surplus for the year</i>			
<i>Adjustments for non-cash income and expenses:</i>			
Non-cash finance costs (income)			
Non-cash tax expense			
Non-cash donations			
Depreciation of property, plant and equipment			
Impairment losses			
Amortisation of intangible assets			
<i>Cash flows included in investing activities:</i>			
Gain on sale of equipment			
<i>Changes in operating assets and liabilities</i>			
Decrease (increase) in receivables			
Decrease (increase) in inventory			
Increase (decrease) in payables			
Increase (decrease) in liability for deferred revenue			
Increase in current and long-term employee benefit payable			
<i>Net cash from operating activities</i>			
Cash flows from investing activities			
Grants for non-current assets			
Proceeds from sale of equipment			
Purchases of equipment			
<i>Net cash used in investing activities</i>			
Cash flows from financing activities			
Receipts or distributions of contributed capital			
Payment of finance lease liabilities			
Repayment of borrowings			
<i>Net cash used in financing activities</i>			
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the end of the year			

Table of Presentation and Disclosure Requirements by Section

This table has been derived from the presentation and disclosure requirements in INPAG.

D1 This table collects together the presentation and disclosure requirements in INPAG for ease of reference when preparing the financial statements.

Other disclosures

Section 8 *Notes to the Financial Statements* [This is currently extracts from the Guidance and will be updated as appropriate for ED 1 and in full at ED3]

Structure of the notes

G8.2	The notes shall: (a) present information about the basis of preparation of the financial statements and the specific accounting policies used, in accordance with paragraphs G8.5–G8.7; (b) disclose the information required by this Guidance that is not presented elsewhere in the financial statements; and (c) provide information that is not presented elsewhere in the financial statements but is relevant to an understanding of any of them.
G8.3	An NPO shall, as far as practicable, present the notes in a systematic manner. An NPO shall cross-reference each item in the financial statements to any related information in the notes.
G8.4	An NPO normally presents the notes in the following order: (a) a statement that the financial statements have been prepared in compliance with INPAG (see paragraph G3.3); (b) a summary of significant accounting policies applied (see paragraph G8.5); (c) supporting information for items presented in the financial statements, in the sequence in which each statement and each line item is presented; and (d) any other disclosures.

Disclosure of accounting policies

G8.5	An NPO shall disclose the following in the summary of significant accounting policies: (a) the measurement basis (or bases) used in preparing the financial statements; and (b) the other accounting policies used that are relevant to an understanding of the financial statements.
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Information about judgements

G8.6	An NPO shall disclose, in the summary of significant accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph G8.7), that management has made in the process of applying the NPO's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.
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Information about key sources of estimation uncertainty

G8.7	An NPO shall disclose in the notes information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of: a) their nature; and b) their carrying amount as at the end of the reporting period.
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Section 10 *Accounting Policies, Estimates and Errors*

Disclosure of a change in accounting policy [This is currently extracts from the Guidance and will be updated as appropriate for ED 1 and in full at ED3]

G10.14	When an amendment to this Guidance has an effect on the current period or any prior period, or might have an effect on future periods, an NPO shall disclose the following: (a) the nature of the change in accounting policy; (b) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment for each financial statement line item affected; (c) the amount of the adjustment relating to periods before those presented, to the extent practicable; and (d) an explanation if it is impracticable to determine the amounts to be disclosed in (b) or (c). Financial statements of subsequent periods need not repeat these disclosures.
G10.15	When a voluntary change in accounting policy has an effect on the current period or any prior period, an NPO shall disclose the following: (a) the nature of the change in accounting policy; (b) the reasons why applying the new accounting policy provides reliable and more relevant information; (c) to the extent practicable, the amount of the adjustment for each financial statement line item affected, shown separately: (i) for the current period; (ii) for each prior period presented; and (iii) in the aggregate for periods before those presented. (d) an explanation if it is impracticable to determine the amounts to be disclosed in (c). Financial statements of subsequent periods need not repeat these disclosures.

Disclosure of a change in estimate

G10.19	An NPO shall disclose the nature of any change in an accounting estimate and the effect of the change on assets, liabilities, income and expense for the current period. If it is practicable for the NPO to estimate the effect of the change in one or more future periods, the NPO shall disclose those estimates.
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Disclosure of prior period errors

G10.24

An NPO shall disclose the following about prior period errors:

- (a) the nature of the prior period error;
- (b) for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected;
- (c) to the extent practicable, the amount of the correction at the beginning of the earliest prior period presented; and
- (d) an explanation if it is not practicable to determine the amounts to be disclosed in (b) or (c).

Financial statements of subsequent periods need not repeat these disclosures.

Section 3 – *Financial statement presentation*

Mapping of IFRS for SMEs to INPAG

The <i>IFRS for SMEs</i> Standard	The International Non-Profit Accounting Guidance (INPAG)
Scope of this section	Scope of this section
3.1 This section explains fair presentation of financial statements , what compliance with the <i>IFRS for SMEs</i> requires and what a complete set of financial statements is.	G3.1 This section explains fair presentation of financial statements , what compliance with the INPAG requires and what a complete set of financial statements is.
Fair presentation	Fair presentation
3.2 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in Section 2 <i>Concepts and Pervasive Principles</i>: a. the application of the <i>IFRS for SMEs</i>, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation of the financial position, financial performance and cash flows of SMEs. b. as explained in paragraph 1.5, the application of this Standard by an entity with public accountability does not result in a fair presentation in accordance with this Standard. The additional disclosures referred to in (a) are necessary when compliance with the specific requirements in this Standard is insufficient to enable users to understand the effect of particular transactions, other events and conditions on the entity's financial position and financial performance.	G3.2 Financial statements shall present fairly the financial position, financial performance in year financial activity and cash flows of an NPO. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in Section 2 <i>Concepts and Pervasive Principles</i>: b. the application of INPAG, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation of the financial position, financial performance in year financial activity and cash flows of SMEs. c. as explained in paragraph G1.5, the application of this Guidance by an NPO with public accountability does not result in a fair presentation in accordance with this Guidance. The additional disclosures referred to in (a) are necessary when compliance with the specific requirements in this Guidance is insufficient to enable users to understand the effect of particular transactions, other events and conditions on the NPO's financial position and financial performance in year financial activity.
Compliance with the <i>IFRS for SMEs</i>	Compliance with INPAG
3.3 An entity whose financial statements comply with the <i>IFRS for SMEs</i> shall make an explicit and unreserved statement of such	G3.3 An NPO whose financial statements comply with INPAG shall make an explicit and unreserved statement of such compliance in

compliance in the notes. Financial statements shall not be described as complying with the <i>IFRS for SMEs</i> unless they comply with all the requirements of this Standard.	the notes. Financial statements shall not be described as complying with INPAG unless they comply with all the requirements of this Guidance. Where an NPO is transitioning to INPAG it shall comply with the disclosure requirements in Section 35- <i>Transition to the Guidance</i>. Where an NPO is not intending to transition to INPAG it may disclose in the notes where the financial statements have been prepared in accordance with the INPAG.
3.4 In the extremely rare circumstances when management concludes that compliance with this Standard would be so misleading that it would conflict with the objective of financial statements of SMEs set out in Section 2, the entity shall depart from that requirement in the manner set out in paragraph 3.5 unless the relevant regulatory framework prohibits such a departure.	G3.4 In the extremely rare circumstances when management concludes that compliance with this Guidance would be so misleading that it would conflict with the objective of financial statements of NPOs set out in Section 2, the NPO shall depart from that requirement in the manner set out in paragraph G3.5 unless the relevant regulatory framework prohibits such a departure.
3.5 When an entity departs from a requirement of this Standard in accordance with paragraph 3.4, it shall disclose the following: - that management has concluded that the financial statements present fairly the entity's financial position, financial performance and cash flows; - that it has complied with the <i>IFRS for SMEs</i>, except that it has departed from a particular requirement to achieve a fair presentation; and - the nature of the departure, including the treatment that the <i>IFRS for SMEs</i> would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in Section 2 and the treatment adopted.	G3.5 When an NPO departs from a requirement of this Guidance in accordance with paragraph G3.4, it shall disclose the following: - that management has concluded that the financial statements present fairly the NPOs financial position, ~~financial performance~~ in year financial activities and cash flows; - that it has complied with INPAG, except that it has departed from a particular requirement to achieve a fair presentation; and - the nature of the departure, including the treatment that INPAG would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in Section 2 and the treatment adopted.
3.6 When an entity has departed from a requirement of this Standard in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall	G3.6 When an NPO has departed from a requirement of INPAG in a prior period, and that departure affects the amounts recognised in the financial statements for the

make the disclosures set out in paragraph 3.5(c).	current period, it shall make the disclosures set out in paragraph G3.5(c).
3.7 In the extremely rare circumstances when management concludes that compliance with a requirement in this Standard would be so misleading that it would conflict with the objective of financial statements of SMEs set out in Section 2, but the relevant regulatory framework prohibits departure from the requirement, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing the following: a. the nature of the requirement in this Standard and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in Section 2; and b. for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.	G3.7 In the extremely rare circumstances when management concludes that compliance with a requirement in INPAG would be so misleading that it would conflict with the objective of financial statements of NPOs set out in Section 2, but the relevant regulatory framework prohibits departure from the requirement, the NPO shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing the following: c. the nature of the requirement in INPAG and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in Section 2; and b. for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.
Going concern	Going concern
3.8 When preparing financial statements, the management of an entity using this Standard shall make an assessment of the entity's ability to continue as a going concern. An entity is a going concern unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the reporting date.	G3.8 When preparing financial statements, the management of an NPO using INPAG shall make an assessment of the NPO's ability to continue as a going concern. An NPO is a going concern unless management either intends to liquidate the NPO or to cease operations, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the reporting date.
3.9 When management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not	G3.9 When management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the NPO's ability to continue as a going concern, the NPO shall disclose those uncertainties. When an NPO does not

prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern	prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the NPO is not regarded as a going concern
Frequency of reporting	Frequency of reporting
3.10 An entity shall present a complete set of financial statements (including comparative information—see paragraph 3.14) at least annually. When the end of an entity's reporting period changes and the annual financial statements are presented for a period longer or shorter than one year, the entity shall disclose the following: - that fact; - the reason for using a longer or shorter period; and - the fact that comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.	G3.10 An NPO shall present a complete set of financial statements (including comparative information—see paragraph G3.14) at least annually. When the end of an NPO's reporting period changes and the annual financial statements are presented for a period longer or shorter than one year, the NPO shall disclose the following: - that fact; - the reason for using a longer or shorter period; and - the fact that comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.
Consistency of presentation	Consistency of presentation
3.11 An entity shall retain the presentation and classification of items in the financial statements from one period to the next unless: - it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in Section 10 <i>Accounting Policies, Estimates and Errors</i>; or - this Standard requires a change in presentation.	G3.11 An NPO shall retain the presentation and classification of items in the financial statements from one period to the next unless: - it is apparent, following a significant change in the nature of the NPO's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in Section 10 <i>Accounting Policies, Estimates and Errors</i>; or - this Guidance requires a change in presentation.
3.12 When the presentation or classification of items in the financial statements is changed, an entity shall reclassify comparative amounts unless the reclassification is impracticable. When comparative amounts are reclassified, an entity shall disclose the following: the nature of the reclassification;	G3.12 When the presentation or classification of items in the financial statements is changed, an NPO shall reclassify comparative amounts unless the reclassification is impracticable. When comparative amounts are reclassified, an NPO shall disclose the following: the nature of the reclassification;

b. the amount of each item or class of items that is reclassified; and c. the reason for the reclassification.	d. the amount of each item or class of items that is reclassified; and c. the reason for the reclassification.
3.13 If it is impracticable to reclassify comparative amounts, an entity shall disclose why reclassification was not practicable.	G3.13 If it is impracticable to reclassify comparative amounts, an NPO shall disclose why reclassification was not practicable.
Comparative information	Comparative information
3.14 Except when this Standard permits or requires otherwise, an entity shall disclose comparative information in respect of the previous comparable period for all amounts presented in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.	G3.14 Except when this Guidance permits or requires otherwise, an NPO shall disclose comparative information in respect of the previous comparable period for all amounts presented in the current period's financial statements. An NPO shall include comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.
Materiality and aggregation	Materiality and aggregation
3.15 An entity shall present separately each material class of similar items. An entity shall present separately items of a dissimilar nature or function unless they are immaterial.	G3.15 An NPO shall present separately each material class of similar items. An NPO shall present separately items of a dissimilar nature or function unless they are immaterial.
3.16 Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users made on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.	G3.16 Omissions or misstatements of items are material if they could, individually or collectively, influence the resource allocation or economic decisions of users made on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.
Complete set of financial statements	Complete set of financial statements
3.17 A complete set of financial statements of an entity shall include all of the following: a. a statement of financial position as at the reporting date; b. either: i) a single statement of comprehensive income for the reporting period displaying all items of income and expense recognised during the period including those items recognised	G3.17 A complete set of financial statements of an NPO shall include all of the following: b. a statement of financial position as at the reporting date; ~~c. either:~~ ii. ~~a single statement of comprehensive income~~ a statement of income and expenses for the reporting period displaying ~~all~~ those items of income and expense recognised

in determining profit or loss (which is a subtotal in the statement of comprehensive income) and items of other comprehensive income. ii) a separate income statement and a separate statement of comprehensive income. If an entity chooses to present both an income statement and a statement of comprehensive income, the statement of comprehensive income begins with profit or loss and then displays the items of other comprehensive income. c. a statement of changes in equity for the reporting period; d. a statement of cash flows for the reporting period; and e. notes, comprising a summary of significant accounting policies and other explanatory information.	during the period ~~including those items recognised~~ in determining surplus or deficit (which is a subtotal in the statement of comprehensive income) and items of ~~other comprehensive income~~. ~~a separate income statement and a separate statement of comprehensive income. If an entity chooses to present both an income statement and a statement of comprehensive income, the statement of comprehensive income begins with profit or loss and then displays the items of other comprehensive income.~~ d. a statement of changes in net assets for the reporting period; e. a statement of cash flows for the reporting period; and f. notes, comprising a summary of significant accounting policies and other explanatory information.
3.18 If the only changes to equity during the periods for which financial statements are presented arise from profit or loss, payment of dividends, corrections of prior period errors, and changes in accounting policy, the entity may present a single statement of income and retained earnings in place of the statement of comprehensive income and statement of changes in equity (see paragraph 6.4).	~~3.18 If the only changes to net assets during the periods for which financial statements are presented arise from surplus or deficits, payment of dividends, corrections of prior period errors, and changes in accounting policy, the entity may present a single statement of income and retained earnings in place of the statement of comprehensive income and statement of changes in equity (see paragraph 6.4).~~
3.19 If an entity has no items of other comprehensive income in any of the periods for which financial statements are presented, it may present only an income statement or it may present a statement of comprehensive income in which the 'bottom line' is labelled 'profit or loss'.	~~3.19 If an entity has no items of other comprehensive income in any of the periods for which financial statements are presented, it may present only an income statement or it may present a statement of comprehensive income in which the 'bottom line' is labelled 'profit or loss'.~~
3.20 Because paragraph 3.14 requires comparative amounts in respect of the previous period for all amounts presented in the financial statements, a complete set	G3.18 Because paragraph G3.14 requires comparative amounts in respect of the previous period for all amounts presented in the financial statements, a complete set of

of financial statements means that an entity shall present, as a minimum, two of each of the required financial statements and related notes.	financial statements means that an NPO shall present, as a minimum, two of each of the required financial statements and related notes.
3.21 In a complete set of financial statements, an entity shall present each financial statement with equal prominence.	G3.19 In a complete set of financial statements, an NPO shall present each financial statement with equal prominence.
3.22 An entity may use titles for the financial statements other than those used in this Standard as long as they are not misleading.	G3.20 An NPO may use titles for the financial statements other than those used in this Guidance as long as they are not misleading.
Identification of the financial statements	Identification of the financial statements
3.23 An entity shall clearly identify each of the financial statements and the notes and distinguish them from other information in the same document. In addition, an entity shall display the following information prominently and repeat it when necessary for an understanding of the information presented: a. the name of the reporting entity and any change in its name since the end of the preceding reporting period; b. whether the financial statements cover the individual entity or a group of entities; c. the date of the end of the reporting period and the period covered by the financial statements; i) the presentation currency, as defined in Section 30 <i>Foreign Currency Translation</i>; and ii) the level of rounding, if any, used in presenting amounts in the financial statements.	G3.21 An NPO shall clearly identify each of the financial statements and the notes and distinguish them from other information in the same document. In addition, an NPO shall display the following information prominently and repeat it when necessary for an understanding of the information presented: b. the name of the reporting entity and any change in its name since the end of the preceding reporting period; c. whether the financial statements cover the individual entity or a group of entities; f. the date of the end of the reporting period and the period covered by the financial statements; i) the presentation currency, as defined in Section 30 <i>Foreign Currency Translation</i>; and ii) the level of rounding, if any, used in presenting amounts in the financial statements.
3.24 An entity shall disclose the following in the notes: a. the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office); and b. a description of the nature of the entity's operations and its principal activities.	G3.22 An NPO shall disclose the following in the notes: c. the domicile and legal form of the NPO, ~~its country of incorporation~~ and the address of the office registered with the jurisdictional regulator (or principal place of business, if different from the registered office); and b. a description of the nature of the NPO's operations and its principal activities.

Presentation of information not required by this Standard	Presentation of information not required by this Standard
3.25 This Standard does not address presentation of segment information, earnings per share, or interim financial reports by a small or medium-sized entity. An entity making such disclosures shall describe the basis for preparing and presenting the information.	G3.23 This Guidance does not address presentation of segment information, earnings per share, or interim financial reports by NPOs. An NPO making such disclosures shall describe the basis for preparing and presenting the information.