TIER 2 PUBLIC BENEFIT ENTITY NOT FOR-PROFIT ENTITY

ILLUSTRATIVE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

(AND APPENDICIES)
V1:2021

ILLUSTRATIVE CONSOLIDATED FINANCIAL STATEMENTS
TIER 2 NOT FOR-PROFIT
PUBLIC BENEFIT ENTITY

FOR THE YEAR ENDED 31 DECEMBER 2021

TIER 2 NOT FOR PROFIT

Public Benefit Entities Accounting Standards (PBE Standards)

This publication has been prepared based on the requirements of the PBE Standards Reduced Disclosure Regime (PBE Standards RDR) applicable to Tier 2 Not-for-profit Public Benefit Entities, as issued by the External Reporting Board, effective for periods beginning on or after 1 January 2021 available here.

TIER 2 NOT FOR PROFIT is an **existing** preparer of PBE Standards RDR. Thus PBE FRS 47 *First-time Adoption of PBE Standards has* not been applied. However, example disclosures of what would be required under this standard is provided in Appendix A.

Due to the nature of its operations, the consolidated financial statements of TIER 2 NOT FOR PROFIT do not incorporate disclosures relating to:

- Statement of service performance **(**PBE IPSAS 1 *Presentation of Financial Statements)*
- Hyperinflationary economies (PBE IPSAS 10 *Financial Reporting in Hyperinflationary Economies)*
- Construction contracts (PBE IPSAS 11 *Construction contracts)*
- Lessor accounting in finance leases *(*PBE IPSAS 13 *Leases)*
- Investment properties measured under the cost model *(*PBE IPSAS 16 *Investment Property)*
- General government sector disclosures (PBE IPSAS 22 *Disclosure of Information about the General Government Sector)*
- Defined benefit plans (PBE IPSAS 39 *Employee Benefits)*
- Complex financial instruments including, but not limited to: compound instruments; puttable instruments; embedded derivatives; hedge accounting; instruments designated at initial recognition to fair value through profit or loss; reclassification; and partial derecognition of financial assets; fee income and expense (recognised separate from interest). (PBE IPSAS 28 *Financial Instruments – Presentation;* PBE IPSAS 29 *Financial Instruments – Recognition and Measurement;* PBE IPSAS 30 *Financial Instruments – Disclosures;* and *PBE IPSAS 41 Financial Instruments*[1]*)*
- Grantor accounting under a service concession arrangement *(*PBE IPSAS 32 *Service Concession Arrangement – Grantor)*
- Operator accounting under a service concession arrangement *(*PBE FRS 45 *Service Concession Arrangement – Operator)*
- Insurance contracts *(*PBE IFRS 4 *Insurance Contracts and PBE IFRS 17 Insurance Contracts)*
- Current and deferred taxation (PBE IAS 12 *Income taxes)*
- Prospective financial statement information (PBE FRS 42 *Prospective Financial Statements)*
- Summary financial statements (PBE FRS 43 *Summary Financial Statements)*

As the illustrative financial statements cover the annual period to 31 December 2021, PBE IAS 34 *Interim Financial Reporting* has not been applied.

Please note that additional disclosures may be required to comply with entity specific legislation and or regulations.

TIER 2 NOT FOR PROFIT has applied the following newly effective standards or amendments for the first time for the period ended 31 December 2021:

- PBE IPSAS 40 *PBE Combinations*.

TIER 2 NOT FOR PROFIT has elected not to early adopt the requirements of:

- PBE IPSAS 41 *Financial Instruments* (effective for periods commencing 1 January 2022); and
- PBE FRS 48 *Service Performance Reporting* (effective for periods commencing 1 January 2022).

[1] These Illustrative financial statements assume only basic use of financial instruments under PBE IPSAS 28, PBE IPSAS 29, PBE IPSAS 30 and PBE IPSAS 41. For further guidance on more complex financial instruments, please refer to the specific presentation, recognition and measurement, and disclosure requirements within PBE IPSAS 28, 29, 30 and 41 (respectively).

TIER 2 NOT FOR PROFIT

Using this document

Footnotes have been added for information purposes only.

Note that cross-references, continuation of note headings, amounts, dates, percentages, and text highlighted in yellow, will need to be updated for the entity's financial statements.

Note that amounts highlighted in blue text (i.e. AAA) are done so to illustrate where amounts should reconcile within tables and/or narrative explanations to the notes.

Cells in the *Appendix* that are shaded **ORANGE** are done so to illustrate additional or amended disclosures or presentations from those presented in the main body of the document.

These illustrative consolidated financial statements should not be used as a substitute for the PBE Standards RDR themselves. The individual PBE Standards RDR should be referred to so as to determine what sections PBE reporters must comply with.

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TIER 2 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER 2021[2]

(Expenses presented by nature)[5]

PBE Standard		Note	2021 Actual $'000	*2021 Prospectives[3] $'000*	2020 Actual $'000 Restated[4] (Note 5)
IPSAS 1.21(b) IPSAS 1.22.1(a)				*Group*	
IPSAS 1.99.1(a)	Revenue from non-exchange transactions	7	xxx	*xxx*	xxx
	Revenue from exchange transactions	7	xxx	*xxx*	xxx
	Total Revenue		xxx	*xxx*	xxx
	Other income	8	xxx	*xxx*	xxx
	Expenses				
	Employee costs		(xxx)	*(xxx)*	(xxx)
	Rent		(xxx)	*(xxx)*	(xxx)
	Travel and accommodation		(xxx)	*(xxx)*	(xxx)
	Depreciation and amortisation		(xxx)	*(xxx)*	(xxx)
	Donations and grants made		(xxx)	*(xxx)*	(xxx)
	[OTHER MATERIAL EXPENSES BY NATURE][5]		(xxx)	*(xxx)*	(xxx)
	Other expenses	9	(xxx)	*(xxx)*	(xxx)
	Surplus/(Deficit) before net financing costs	10	xxx	*xxx*	xxx
	Finance income[6]		xxx	*xxx*	xxx
IPSAS 1.99.1(b)	Finance costs		(xxx)	*(xxx)*	(xxx)
	Net finance costs	11	xxx	*xxx*	xxx
IPSAS 1.99.1(c)	Share of equity accounted investees surplus/(deficit) for the year	22,23	xxx	*xxx*	xxx
	Surplus/(deficit) for the year from continuing operations		xxx	*xxx*	xxx
IPSAS 1.99.1(e) IPSAS 1.107(e) IFRS 5.33.(a)(i)	Surplus/(Deficit) for the year from discontinuing operations	6	xxx	*xxx*	xxx
IPSAS 1.98.1(a) IPSAS 1.99.1(f)	**Surplus/(deficit) for the year**		**xxx**	***xxx***	**xxx**
IPSAS 1.103.1	**Other comprehensive revenue and expense**				
IPSAS 1.99.1	Share of equity accounted associates other comprehensive revenue and expense		xxx	*xxx*	xxx
IPSAS 1.103.1	Gain/(Loss) on revaluation of property, plant and equipment	18	xxx	*xxx*	(xxx)
IPSAS 1.103.1	Gain/(Loss) on revaluation of available-for-sale financial assets		xxx	*xxx*	xxx
IPSAS 1.103.1	Translation of foreign operations		xxx	*xxx*	xxx
IPSAS 1.98.1(b)	**Other comprehensive revenue and expense for the year**		**xxx**	***xxx***	**xxx**
IPSAS 1.98.1(c)	**Total comprehensive revenue and expense for the year[7]**		**xxx**	***xxx***	**xxx**

[2] A one statement approach has been followed. Entities are permitted instead to present separately (i) statement of financial performance and (ii) a statement of other comprehensive revenue and expense

[3] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

[4] Restated per PBE IPSAS 3.47(a) in relation to the prior period error disclosed in *Note 5*.

[5] Need to customise how expenses are disclosed depending on the operations and activities of the entity. Expenses may be presented by nature as detailed here, or by function. Please refer PBE IPSAS 1.109 - .116 for more detail.

[6] Not specifically required on the face of the statement of comprehensive revenue and expense, however PBE IPSAS 1.98.3 requires additional line items, headings and sub-totals be presented when it is relevant to an understanding of the Group's financial performance.

[7] Due to the nature of the entity (i.e., a not for-profit) income tax has not been included. If income tax was included, consideration would need to be given to the presentation of additional subtotals, results from discontinued operations, and other comprehensive revenue and expense as required by PBE NZ IAS 12.

TIER 2 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

(Expenses presented by nature)

PBE Standard		Note	Group 2021 Actual $'000	2021 *Prospectives*[8] $'000	2020 Actual $'000 Restated[9] (Note 5)
IPSAS 1.98.2(a)	**Surplus/(deficit) attributable to:**				
	Owners of the controlling entity		xxx	*xxx*	xxx
	Non-controlling interest		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**
IPSAS 1.98.2(b)	**Total comprehensive revenue and expense attributable to:**				
	Owners of the controlling entity		xxx	*xxx*	xxx
	Non-controlling interest		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

[8] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

[9] Restated per PBE IPSAS 3.47(a) in relation to the prior period error disclosed in *Note 5*.

TIER 2 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

PBE Standard	Group 2020	Note	|------------- Contributed [Share] capital	AFS fair value reserve	Foreign currency translation reserve	*Attributable to the owners of the controlling entity* Revaluation surplus	Special purpose reserve[10]	Accumulated revenue and expense	-------------| Total	Non-controlling interest	Total net assets/ equity
IPSAS 1.21(c) IPSAS 1.119(c)			$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Balance as at 1 January 2020 (previously reported)		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
IPSAS 1.118(b)	Prior period error	5	-	-	-	xxx	-	xxx	xxx	-	xxx
	Restated balance as at 1 January 2020		**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
IPSAS 1.118(a)	**Total comprehensive revenue and expense for the year[11]**	33	**-**	**xxx**	**xxx**	**(xxx)**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
IPSAS 1.119(a)	**Transactions with owners of the controlling entity in their capacity as owners**										
	Contributions		-	-	-	-	-	-	-	-	-
	Distributions	33	-	-	-	-	-	(xxx)	(xxx)	-	(xxx)
	Transfers - special purpose reserve		-	-	-	-	xxx	(xxx)	-	-	-
	Transfers - disposal of revalued land and buildings		-	-	-	-	-	-	-	-	-
	Acquisition of controlled entity	36	-	-	-	-	-	-	-	-	-
	Total transactions with owners of the company		**xxx**	**-**	**-**	**-**	**xxx**	**(xxx)**	**xxx**	**-**	**xxx**
	Restated balance at 31 December 2020		**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

[10] In some instances entities may establish separate reserves within net assets/equity for specific operations. Where these are material (either quantitatively or qualitatively) they are presented separately.
[11] There is no specific requirement in *PBE Standards* to split total comprehensive revenue and expense between surplus or deficit and other comprehensive revenue and expense.

TIER 2 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

PBE Standard	Group 2021	Note	|-------------			*Attributable to the owners of the controlling entity*				-------------|		
IPSAS 1.21(c) IPSAS 1.119(c)			Contributed [Share] capital	AFS fair value reserve	Foreign currency translation reserve	Revaluation surplus	Amalgamation Reserve	Special purpose reserve[12]	Accumulated revenue and expense	Total	Non-controlling interest	Total net assets/ equity
			$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Restated balance as at 1 January 2021	5	xxx	xxx	xxx	xxx	-	xxx	xxx	xxx	xxx	xxx
IPSAS 1.118(a)	**Total comprehensive revenue and expense for the year[13]**	33	-	xxx	xxx	xxx	-	xxx	xxx	xxx	xxx	xxx
IPSAS 1.119(a)	**Transactions with owners of the controlling entity in their capacity as owners**											
	Contributions		-	-	-	-	-	-	-	-	-	-
	Distributions	33	-	-	-	-	-	-	(xxx)	(xxx)	-	(xxx)
	Transfers - special purpose reserve		-	-	-	-	-	xxx	(xxx)	-	-	-
	Transfers - disposal of revalued land and buildings		-	-	-	(xxx)	-	-	xxx	-	-	-
	Acquisition of controlled entity	36	-	-	-	-	-	-	-	-	xxx	xxx
	Amalgamation	36	-	-	-	-	(xxx)	-	-	-	-	(xxx)
	Total transactions with owners of the company		xxx	-	-	-	(xxx)	xxx	(xxx)	xxx	-	xxx
	Balance at 31 December 2021 (Actual)		xxx	xxx	xxx	xxx	(xxx)	xxx	xxx	xxx	xxx	xxx
	Balance at 31 December 2021 (Prospectives)[14]		*xxx*	*xxx*	*xxx*	*xxx*	-	*xxx*	*xxx*	*xxx*	*xxx*	*xxx*

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

[12] In some instances, entities may establish separate reserves within net assets/equity for specific operations. Where these are material (either quantitatively or qualitatively) they are presented separately.
[13] There is no specific requirement in *PBE Standards* to split total comprehensive revenue and expense between surplus or deficit and other comprehensive revenue and expense.
[14] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

TIER 2 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

PBE Standard		Note	Group		
			2021	*2021*	2020
IPSAS 1.21(a)			Actual	*Prospectives*[15]	Actual
			$'000	*$'000*	$'000
					Restated[16]
	ASSETS				(Note 5)
	Current assets[17]				
IPSAS 1.88(i)	Cash and cash equivalents	12	xxx	*xxx*	xxx
IPSAS 1.88(h)	Receivables (from exchange transactions)	13	xxx	*xxx*	xxx
IPSAS 1.88(g)	Recoverables (from non-exchange transactions)	15	xxx	*xxx*	xxx
IPSAS 1.88(f)	Inventories	16	xxx	*xxx*	xxx
IPSAS 1.89	Prepayments and other assets	14	xxx	*xxx*	xxx
IPSAS 1.88(d)	Other investments and derivative assets	17	xxx	*xxx*	xxx
IPSAS 1.89	Biological assets	21	xxx	*xxx*	xxx
	Concessionary loans issued	24	xxx	*xxx*	xxx
IPSAS 1.88.1(a)	Assets held for sale	25	xxx	-	-
			xxx	***xxx***	**xxx**
	Non-current assets				
IPSAS 1.88(a)	Property, plant and equipment	18	xxx	*xxx*	xxx
IPSAS 1.88(c)	Intangibles and goodwill	19	xxx	*xxx*	xxx
IPSAS 1.88(b) IPSAS 13.62	Investment property	20	xxx	*xxx*	xxx
IPSAS 1.89	Biological assets	21	xxx	*xxx*	xxx
IPSAS 1.88(e)	Equity accounted investees	22,23	xxx	*xxx*	xxx
IPSAS 1.88(d)	Other investments and derivative assets	17	xxx	*xxx*	xxx
	Concessionary loans issued	24	xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**
	TOTAL ASSETS		**xxx**	***xxx***	**xxx**

[15] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

[16] Restated per PBE IPSAS 3.47(a) in relation to the prior period error disclosed in *Note 5*.

[17] The entity has presented the statement of financial position with the *current vs. non-current* distinction (as opposed to the *order of liquidity*) in accordance with PBE IPSAS 1.70 – note that if the *order of liquidity method* is adopted, presentation of the current vs. non-current distinction is still required to be provided in the *Notes* by PBE IPSAS 1.71. Refer to the guidance of PBE IPSAS 1.72 – 87 for additional information.

TIER 2 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

PBE Standard		Note	Group 2021 Actual $'000	2021 *Prospectives*[18] *$'000*	2020 Actual $'000 Restated[20] (Note 5)
IPSAS 1.21(a)	**LIABILITIES**				
	Current liabilities[19]				
IPSAS 1.88(i)	Cash and cash equivalents (bank overdraft)[21]	12	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(k)	Payables (from exchange transactions)	26	(xxx)	*(xxx)*	(xxx)
	Deferred revenue	27	(xxx)	*(xxx)*	(xxx)
IPSAS 1.89	Employee benefit liability	28	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Loans	29	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Finance leases payable	30	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Derivative liabilities	17	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(l)	Provisions	31	(xxx)	*(xxx)*	(xxx)
	Non-exchange liabilities	32	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88.1(b)	Liabilities held for sale	25	(xxx)	-	-
			(xxx)	***(xxx)***	**(xxx)**
	Non-current liabilities				
IPSAS 1.89	Employee benefit liability	28	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Loans	29	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Finance leases payable	30	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Derivative liabilities	17	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(l)	Provisions	31	(xxx)	*(xxx)*	(xxx)
	Non-exchange liabilities	32	(xxx)	*(xxx)*	(xxx)
			(xxx)	***(xxx)***	**(xxx)**
	TOTAL LIABILITIES		**(xxx)**	***(xxx)***	**(xxx)**
IPSAS 1.94(f)	**NET ASSETS / EQUITY**				
IPSAS 1.95(a)	Contributed/[Share] capital	33	(xxx)	*(xxx)*	(xxx)
IPSAS 1.95(c)	Available-for-sale financial assets fair value reserve		(xxx)	*(xxx)*	(xxx)
IPSAS 1.95(c)	Foreign currency translation reserve		(xxx)	*(xxx)*	(xxx)
IPSAS 1.95(c) IPSAS 17.92(e)	Revaluation surplus		(xxx)	*(xxx)*	(xxx)
IPSAS 1.95(c)	Amalgamation Reserve	36	xxx	-	xxx
IPSAS 1.95(c)	Special purpose reserve[22]	33	(xxx)	*(xxx)*	(xxx)
IPSAS 1.95(b)	Accumulated revenue and expense		(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(o)	**Net assets / equity attributable to the owners of the controlling entity**		**(xxx)**	***(xxx)***	**(xxx)**
IPSAS 1.88(n) IPSAS 1.95(d)	Non-controlling interests		(xxx)	*(xxx)*	(xxx)
	TOTAL NET ASSETS / EQUITY		**(xxx)**	***(xxx)***	**(xxx)**
	TOTAL NET ASSETS / EQUITY AND LIABILITIES		**(xxx)**	***(xxx)***	**(xxx)**

[18] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

[19] The entity has opted for *current vs. non-current* presentation of the statement of financial position (as opposed to the *order of liquidity*) in accordance with PBE IPSAS 1.70 – Note, that if the *order of liquidity method* is adopted, presentation of the current vs. non-current distinction is still required to be provided in the *Notes* by PBE IPSAS 1.71. Refer to the guidance of PBE IPSAS 1.72 – 87 for additional information.

[20] Restated per PBE IPSAS 3.47(a) in relation to the prior period error disclosed in *Note 5.*

[21] This amount relates to bank overdraft balances. PBE IPSAS 1.48 only allows offsetting if it is permitted by another *PBE Standard*. In this example, the offsetting requirements of PBE IPSAS 28.47 have not been met, and therefore a separate liability is presented.

[22] In some instances, entities may establish separate reserves within net assets/equity for specific operations. Where these are material (either quantitatively or qualitatively) they are presented separately.

TIER 2 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

PBE Standard		Note	Group 2021 Actual $'000	*2021 Prospectives[23] $'000*	2020 Actual $'000
IPSAS 1.21(d)					
IPSAS 2.18, 31	**CASH FLOWS FROM OPERATING ACTIVITIES[24]**				
	Proceeds from[25]:				
IPSAS 2.22(e)	Members fee's and subscriptions		xxx	*xxx*	xxx
IPSAS 2.22(b)	Goods and services provided		xxx	*xxx*	xxx
IPSAS 2.22(f)	Grants, donations, and bequests		xxx	*xxx*	xxx
IPSAS 2.22(g)	Fundraising		xxx	*xxx*	xxx
IPSAS 2.22	Rental income on investment property		xxx	*xxx*	xxx
IPSAS 2.22	Sub-leases of operating leases		xxx	*xxx*	xxx
IPSAS 2.22(d)	Royalties		xxx	*xxx*	xxx
IPSAS 2.22	Insurance claims received		xxx	*xxx*	xxx
IPSAS 2.22	[OTHER CASH RECEIPTS FROM OPERATING ACTIVITIES]		xxx	*xxx*	xxx
IPSAS 2.40	Dividends received from non-equity accounted investees		xxx	*xxx*	xxx
IPSAS 2.22(i)-(j)	Payments to suppliers and employees[26]		(xxx)	*(xxx)*	(xxx)
IPSAS 2.22(o)	Payments to settle legal claim		(xxx)	*(xxx)*	(xxx)
IPSAS 2.22, 32(a)	Net GST Paid		(xxx)	*(xxx)*	(xxx)
	[OTHER CASH RECEIPTS/PAYMENTS FROM OPERATING ACTIVITIES]		xxx	*xxx*	xxx
	Net cash inflow/(outflow) from operating activities		**xxx**	***xxx***	**xxx**

[23] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

[24] Operating activities has been presenting in accordance with the direct method (refer PBE IPSAS 2.27). Entities are encouraged to report cash flows from operating activities using the direct method (refer PBE IPSAS 2.28).

[25] Cash receipts from *operating activities* are those cash receipts that are primarily derived from the principal cash-generating activities of the entity (refer PBE IPSAS 2.22).

[26] It is common practice for entities to aggregate cash payments to suppliers and employees, however these can be presented separately.

TIER 2 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

PBE Standard		Note	Group		
IPSAS 1.21(d)			2021 Actual $'000	*2021 Prospectives[27] $'000*	2020 Actual $'000
IPSAS 2.18, 31	CASH FLOWS FROM INVESTING ACTIVITIES				
IPSAS 2.40	Interest received[28]		xxx	*xxx*	xxx
IPSAS 2.25(b)	Proceeds from disposal of property, plant and equipment		xxx	*xxx*	xxx
IPSAS 2.25(b)	Proceeds from disposal of intangible assets		xxx	-	-
IPSAS 2.25(b)	Proceeds from disposal of investment property		-	-	xxx
IPSAS 2.25(b)	Proceeds from disposal of biological assets		xxx	*xxx*	xxx
IPSAS 2.25(d)	Proceeds from disposal of investments		xxx	-	-
	Proceeds from disposal of discontinued operations	6	xxx	-	-
IPSAS 20.27.1	Dividends from equity accounted investees[28]		xxx	*xxx*	xxx
IPSAS 2.25(a)	Payments for purchase of property, plant and equipment		(xxx)	*(xxx)*	(xxx)
IPSAS 2.25(a)	Payments for purchase of intangible assets		(xxx)	*(xxx)*	(xxx)
IPSAS 2.25(a)	Payments for purchase of investment property		(xxx)	*(xxx)*	(xxx)
IPSAS 2.25(a)	Payments for purchase of biological assets		(xxx)	*(xxx)*	(xxx)
IPSAS 2.25(c)	Payments for purchase of investments		(xxx)	*(xxx)*	(xxx)
IPSAS 2.49	Payments for purchase of controlled entity (net of cash acquired)	36	(xxx)	-	-
IPSAS 2.25(c)	Payments for purchase of equity accounted investees		(xxx)	-	-
	[OTHER CASH RECEIPTS/PAYMENTS FROM INVESTING ACTIVITIES]		xxx	*xxx*	xxx
	Net cash inflow/(outflow) from investing activities		**(xxx)**	***(xxx)***	**(xxx)**
IPSAS 2.18	CASH FLOWS FROM FINANCING ACTIVITIES				
IPSAS 2.26(a)	Proceeds from draw down of loans		xxx	*xxx*	xxx
IPSAS 2.25(h)	Proceeds from settlement of derivatives		xxx	*xxx*	xxx
IPSAS 2.40	Interest paid[29]		(xxx)	*(xxx)*	(xxx)
IPSAS 2.26(b)	Payments of loan principal		(xxx)	*(xxx)*	(xxx)
IPSAS 2.26(b)	Payments of finance lease principal		(xxx)	*(xxx)*	(xxx)
	Net cash inflow/(outflow) from financing activities		**xxx**	***xxx***	**xxx**
	Net increase/(decrease) in cash and cash equivalents		**xxx**	***xxx***	**xxx**
IPSAS 2.39	Effect of exchange rate fluctuations on cash held		xxx	*xxx*	xxx
	Cash and cash equivalents at beginning of year		xxx	*xxx*	xxx
IPSAS 2.56	**Cash and cash equivalents at the end of year**	12	**xxx**	***xxx***	**xxx**

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

[27] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).
[28] Interest received and dividends received may alternatively be classified as investing activities (refer PBE IPSAS 2.40).
[29] Interest paid may alternatively be classified as a financing activity (refer PBE IPSAS 2.40).

PBE Standard

Note 1 – Reporting entity

IPSAS 1.63(a)
IPSAS 1.28.1(b)
IPSAS 1.28.1(a)
IPSAS1.28.2

TIER 2 NOT FOR PROFIT is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013) [add in detail of compliance with other applicable legislation, if applicable].

IPSAS 1.63(b)
IPSAS 1.63(c)

These consolidated financial statements for the year ended 31 December 2021 comprise Tier 2 NOT FOR PROFIT ('the controlling entity') and its controlled entities (together referred to as the 'Group') and individually as 'Group entities'.

Note 2 – Basis of preparation

(a) Statement of compliance

IPSAS 1.127(a)
IPSAS 1.RDR.28.1
IPSAS 1.28.2

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, and disclosure concessions have been applied.

IPSAS 1.28.2
IPSAS 1 RDR 28.3

The Group qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it is not publicly accountable and not large (operating expenditure has been between $2m and $30m in the current and prior period) [OR The Group qualifies for a lower financial reporting Tier (provide detail) but has elected to 'opt-up' into Tier 2].

IPSAS 14.26

These financial statements were authorised for issue by [INSERT WHO AUTHORISED] on [DATE].

(b) Measurement basis

IPSAS 1.132(a)

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

- Derivative financial instruments
- Available for sale financial instruments
- Initial measurement of concessionary loans received and issued
- Biological assets
- Investment property
- Property, plant and equipment under the revaluation model
- The initial measurement of assets received from non-exchange transactions[30] (IPSAS 23.107(b))
- Net identifiable assets in a PBE combination acquisition
- Contingent consideration in a PBE combination acquisition
- Long-term deferred revenue
- Long-term receivables
- Long-term employee benefits
- [DETAIL OTHER LINE ITEMS NOT MEASURED USING HISTORICAL COST]

(c) Functional and presentation currency

IPSAS 1.63(d)
IPSAS 1.63(e)

The financial statements are presented in New Zealand dollars ($) which is the controlling entity's functional and Group's presentation currency, rounded to the nearest thousand.

IPSAS 4.63

There has been no change in the functional currency of the controlling entity or any significant foreign operations of the Group during the year.

(d) Accounting policies

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group, except as explained in *Note 4*, which addresses changes in accounting policies.

Certain comparative amounts in the statement of comprehensive revenue and expense have been reclassified and or represented as a result of (changes in accounting policies and) prior errors (see *Note 4 and Note 5*) or as a result of the operation of a discontinued operation during the current period (see *Note 6*).

[30] Note that PBE IPSAS 23.107(b) requires specific disclosure of the basis for which the fair value of the inflowing resource received (i.e., the item of property, plant and equipment, investment property, inventory etc.) was measured.

PBE Standard

Note 3 – Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

IPSAS 1.137

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

[LIST **AND DETAIL** ALL APPLICABLE SIGNIFICANT JUDGEMENTS, e.g.:

- Revenue recognition – non-exchange revenue (conditions vs. restrictions)
- Classification of lease arrangements
- Whether an arrangement contains a lease
- Whether a loan issued or received is a concessionary loan
- Whether there is control (or not) over an investee
- Whether there is joint control (or not) over an investee
- Whether a joint arrangement is a joint venture or a joint operation
- Whether there is significant influence (or not) over an investee
- IPSAS 31.121(a) Reclassification of property, plant and equipment to (from) investment property/inventory
- Intangible assets having indefinite useful lives

IPSAS 1.140

(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2021 include the following:

[LIST **AND DETAIL** (INCLUDING THE **NATURE AND CARRYING AMOUNT** OF THE RELATED ITEM) ALL APPLICABLE SIGNIFICANT ASSUMPTIONS AND ESTIMATIONS UNCERTAINTIES, e.g.]

- Key assumptions underlying determining the recoverable amounts for impairment testing
- Likelihood and magnitude of outflows in determining recognition and measurement of provisions
- Useful life, recoverable amount, depreciation/amortisation method and rate
- Determination of fair values [refer to items in *Note 2* above]

IPSAS 3.44

(c) Changes in accounting estimates

[INSERT DETAILS OF MATERIAL CHANGES IN ACCOUNTING ESTIMATES DURING THE PERIOD, example below]

During the period the Group's revised the remaining useful life of its laptop computers from five years to three years. The change in estimate will not have any cumulative impact on the depreciation recognised in surplus or deficit, rather it will accelerate the recognition of depreciation in surplus or deficit, as detailed in the schedule below (based on laptops recognised as at reporting date):

- 2021: $XXX decrease in depreciation
- 2021: $XXX decrease in depreciation
- 2021: $XXX decrease in depreciation
- 2021: $XXX decrease in depreciation
- 2021: $XXX decrease in depreciation.

PBE Standard

Note 4 - Changes in accounting policy

(a) Changes due to the initial application of a new, revised, and amended PBE Standards

(i) PBE Combinations (PBE IPSAS 40)

During the period, TIER 2 NOT FOR PROFIT adopted PBE IPSAS 40 *PBE Combinations* with an effective date of 1 January 2021. PBE IPSAS 40 supersedes and replaces PBE IFRS 3 *Business Combinations*. Under PBE IPSAS 40, if there is a combination with another entity, TIER 2 NOT FOR PROFIT is required to determine whether there has been an (i) amalgamation or (ii) an acquisition of the other entity.

(i) Amalgamations

Amalgamations are accounted for by TIER 2 NOT FOR PROFIT when it is the resulting entity as defined in PBE IPSAS 40.

Amalgamations are accounted for by applying the modified pooling of interests method of accounting and the effects of all transactions between the combining operations are eliminated in preparing the financial statements.

TIER 2 NOT FOR PROFIT measures the assets and liabilities of the combining operations at their carrying amounts in the financial statements of the combining operations as of the amalgamation date, unless PBE IPSAS 40 requires adjustments to the carrying amounts of the assets and liabilities of the combining operations where required to conform to TIER 2 NOT FOR PROFIT accounting policies.

The comparative information of the combining operations is not included in the comparative information of the financial statements. Instead, detail of the combining operations comparative information is provided in Note 36.

(ii) Acquisitions

Acquisitions are PBE combinations in which one party to the combination gains control of one or more operations, and there is evidence that the combination is not an amalgamation. Acquisitions are accounted for in a similar manner as business combinations were accounted for under PBE IFRS 3, using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Refer to Note 36 for acquisitions accounting policy.

(ii) [HEADING - TITLE OF *PBE Standard*]

[DISCLOSE THE FOLLOWING]:

- The title of the PBE Standard
- The nature of the change
- The amount of the adjustment for each line item (and if applicable, basic and diluted earnings per share) affected for each period presented**

The amount of the adjustment for periods prior to those presented, to the extent practicable.

(b) Voluntary changes in accounting policies

[HEADING - TITLE OF THE CHANGE]

[DISCLOSE THE FOLLOWING]:

- The nature of the change
- Reason why the change provides reliable and more relevant information
- The amount of the adjustment for each line item (and if applicable, basic and diluted earnings per share) affected for each period presented**
- The amount of the adjustment for periods prior to those presented**.

** If retrospective application is impracticable, disclose the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

PBE Standard

Note 5 – Prior period error [NOTE THAT THIS IS A HYPOTHETICAL EXAMPLE FOR ILLUSTRATIVE PURPOSES ONLY]

IPSAS 3.54(a) During the current period it was noted by the Trustees that the revaluation of one of items of land and buildings that had been performed for the year ended 31 December 2016 had used several incorrect estimates, and resulted in an over valuation of $XXX,XXX. As such, the depreciation expense and resulting accumulated depreciation were overstated in the 2017, 2018, 2019 and 2020 financial periods.

The error was corrected for current year results but the below table summarises the changes made to the statement of financial position, statement of changes in net assets/equity, and statement of comprehensive revenue and expense for the restated comparatives to correct this error[31]:

		Impact on items in the statement of financial position				Impact on items in the statement of comprehensive revenue and expense
		PP&E Cost $'000	PP&E Accumulated Depreciation $'000	Property revaluation reserve $'000	Accumulated surplus $'000	Depreciation expense $'000
IPSAS 3.54(c) IPSAS 3.47(b)	**Balance reported at 1 January 2020**	**xxx**	**(xxx)**	**(xxx)**	**(xxx)**	**(xxx)**
	Effect of the prior period error (1 January 2020)	xxx	(xxx)	(xxx)	(xxx)	(xxx)
	Restated balance at 1 January 2020	**xxx**	**(xxx)**	**(xxx)**	**(xxx)**	**(xxx)**
IPSAS 3.54(b)	**Balance reported at 31 December 2020**	**xxx**	**(xxx)**	**(xxx)**	**(xxx)**	**(xxx)**
	Effect of the prior period error (1 January 2020)	xxx	(xxx)	(xxx)	(xxx)	(xxx)
	Effect of the prior period error (31 December 2020)	-	(xxx)	-	(xxx)	(xxx)
	Restated balance at 31 December 2020	**xxx**	**(xxx)**	**(xxx)**	**(xxx)**	**(xxx)**

[31] If however retrospective restatement is impracticable disclose this fact, why this is the case, and how and from when the error has been corrected (refer PBE IPSAS 3.54(d)).

Note 6 - Discontinued operations

PBE Standard

IFRS 5.30
IFRS 5.41(a)-(b)

In [December 2021], the group sold its [DESCRIPTION OF OPERATION], which management had committed to a plan for disposal in [July 2021] due to [REASONS WHY DECISION TO DISCONTINUE].

IFRS 5.34

Prior to the beginning of the current reporting period the [DESCRIPTION OF OPERATION] was not classified as a discontinued operation. The comparative consolidated statement of surplus or deficit and other comprehensive revenue and expense has been restated to show the results of discontinued operations separately from continuing operations.

PBE Standard			2021 Actual $'000	*2021 Prospectives $'000*	2020 Actual $'000
	(i) Cash flows from (used in) discontinued operations				
IFRS 5.33(c) IPSAS 2.22(n)	Net cash from/(used in) operating activities		xxx	*xxx*	xxx
IFRS 5.33(c)	Net cash from/(used in) investing activities		xxx	*xxx*	xxx
IFRS 5.33(c)	Net cash from/(used in) financing activities		xxx	*xxx*	xxx
	Net cash flow for the period		**xxx**	***xxx***	**xxx**
IFRS 5.38	*(ii) The effect of disposal on the financial position of the group*				
	Property, plant and equipment		(xxx)	*(xxx)*	
	Inventory		(xxx)	*(xxx)*	
	Receivables (from exchange transactions)		(xxx)	*(xxx)*	
	Cash and cash equivalents		(xxx)	*(xxx)*	
	Trade and other payables		xxx	*xxx*	
	Provisions	**31**	xxx	*xxx*	
	[OTHER ITEMS]		xxx	*xxx*	
	Net assets/equity and liabilities		**(xxx)**	***(xxx)***	

PBE Standard
IPSAS 1.132(c)

Discontinued operations - Accounting policy

A discontinued operation is a component of the Group, being one whose operations and cash flows are clearly distinguishable from the rest of the group, that has either been disposed of or held for sale, and which:

- Represents a separate major line of business or geographic area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations, or
- Is a controlled entity acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive revenue and expense is re-presented as if the operation had been discontinued from the start of the comparative year.

Note 7 - Revenue

PBE Standard		Note	Group 2021 Actual $'000	2021 *Prospectives*[32] *$'000*	2020 Actual $'000
IPSAS 1.108	*Revenue from exchange transactions:*				
IPSAS 9.39(b)(vi)	Membership fees and subscriptions		xxx	*xxx*	xxx
IPSAS 9.39(b)(i)	Sale of goods		xxx	*xxx*	xxx
IPSAS 9.39(c) IPSAS 9.39(b)(ii)	Rendering of services		xxx	*xxx*	xxx
	[OTHER EXCHANGE REVENUE]		xxx	*xxx*	xxx
	Revenue from non-exchange transactions:				
IPSAS 23.106(a)(ii) IPSAS 23.107(d)	*Donations and goods-in-kind received:*				
	Funds received		xxx	*xxx*	xxx
	Property, plant and equipment received	18	-	-	xxx
	Intangible assets received	19	xxx	-	-
	Investment property received	20	xxx	-	-
	Inventory received		xxx	-	xxx
	Services-in-kind received:				
IPSAS 23.107(d)	[SERVICE A]		xxx	*xxx*	xxx
IPSAS 23.107(d)	[SERVICE A]		xxx	*xxx*	xxx
IPSAS 23.106(a)(ii)	*Legacies and bequests:*				
IPSAS 23.107(d)	[CLASS A]		xxx	-	xxx
IPSAS 23.107(d)	[CLASS A]		xxx	-	xxx
IPSAS 23.106(a)(ii)	Grants		xxx	*xxx*	xxx
IPSAS 23.106(a)(ii)	Fundraising		xxx	*xxx*	xxx
IPSAS 23.106(f)	Debt forgiveness	29	xxx	-	xxx
	Concessionary loans received (day-one fair value difference)[33]	32	-	-	xxx
	[OTHER NON-EXCHANGE REVENUE]		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**

Revenue - Accounting policy

Revenue is recognised when the amount of revenue can be measure reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

IPSAS 9.39(a)

i. Revenue from exchange transactions

Membership fees and subscriptions

IPSAS 9.39(a)

Revenue is recognised over the period of the membership or subscription (usually 12 months). Amounts received in advance for memberships or subscriptions relating to future periods are recognised as a liability until such time that period covering the membership or subscription occurs.

[32] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

[33] Note that in some instances the day-one fair value difference on a concessionary loans received may be required to be recognised as a liability (refer to PBE IPSAS 29.AG89(a), and PBE IPSAS 23.A54.

Note 7 – Revenue (continued)

i. Revenue from exchange transactions (continued)

IPSAS 9.39(a)

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. [INSERT SPECIFIC DETAILS RELATING TO THE ENTITY'S OPERATIONS[34]. e.g.]

- For sales of [ITEM(S) #1], transfer occurs when the product is received at the customer's warehouse
- For sales of [ITEM(S) #2] transfer occurs when the product is dispatched from the Group entity's warehouse

IPSAS 9.39(a)

Rendering of services

[DESCRIBE THE DIFFERENT SERVICES THAT THE ENTITY RECEIVES REVENUE FOR]

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date. The stage of completion is assessed by reference to [INSERT SPECIFIC DETAILS RELATING TO THE ENTITY'S OPERATIONS[35]. e.g.]:

- A survey of work performed at reporting date for [SERVICE(S) #1]
- Proportion of time remaining under the original service agreement at reporting date for [SERVICE(S) #2].

Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

IPSAS 9.39(a)

Rental income on investment property

Rental income from investment property is recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

IPSAS 23.107(a)

ii. Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources ((i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of *services-in-kind*, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

IPSAS 23.107(a)

Fundraising

The Group's fundraising activities involve [DETAIL e.g. public cash collections twice per year]. Fundraising non-exchange revenue is recognised at the point at which cash is received.

[34] Each entity will need to provide specific details relating to the transfer of risks and rewards to its specific operations and goods sold, considering the differing terms-of-trade that may exist between different items sold, as well as between the same items sold.
[35] Each entity will need to provide specific details of how stage-of-completion is assessed for each different service it provides.

Note 7 – Revenue (continued)

ii. Revenue from non-exchange transactions (continued)

IPSAS 23.107(a)

Grants, Donations, Legacies and Bequests

The recognition of non-exchange revenue from *Grants*, *Donations*, *Legacies and Bequests* depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are ‘conditions’ specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a *non-exchange liability* that is subsequently recognised as *non-exchange revenue* as and when the ‘conditions’ are satisfied.

Stipulations that are ‘restrictions’ do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a *non-exchange liability,* which results in the immediate recognition of *non-exchange revenue*.

IPSAS 23.107(a)

Concessionary loans received – day-one fair value difference

In accordance with *Note 34* regarding the initial measurement of financial liabilities, concessionary loans are initially measured at fair value in accordance with the market effective interest rate.

Any difference between the fair value and transaction price of the concessionary loan at initial recognition is accounted based on the existence and nature of any stipulations attached to loan (refer above):

- *Conditional* stipulations: A *non-exchange liability* is recognised, subsequently recognised as *non-exchange revenue* as and when the ‘conditions’ are satisfied.
- *Restrictive* stipulations: Immediate recognition of *non-exchange revenue*.

IPSAS 23.107(a)

Debt forgiveness

In accordance with *Note 34* regarding the derecognition of financial liabilities, non-exchange revenue relating to debt forgiveness is recognised at the point at which the contractual obligations for repayment of the debt are discharged, cancelled, or expire.

Note 8 - Other Income

PBE Standard		Note	Group 2021 Actual $'000	2021 *Prospectives*[36] $'000	2020 Actual $'000 Restated[37]
IPSAS 9.39(b)(iv)	Royalties		xxx	*xxx*	xxx
IPSAS 9.39(b)(v)	Dividends from non-equity accounted investees[38]		xxx	*xxx*	xxx
IPSAS 1.107(c)	Gain on disposal of property, plant and equipment		xxx	-	-
	Gain on disposal of intangible assets		xxx	-	-
	Gain on disposal of investment property		-	-	xxx
IPSAS 16.87(d)	Fair value increase on investment property		xxx	*xxx*	-
	[SUNDRY INCOME]		xxx	*xxx*	xxx
			xxx	*xxx*	xxx

IPSAS 9.39(a) ***Other income - accounting policy***

IPSAS 9.39(a) *Royalties*

The Group earns royalty revenue from [INSERT DETAILS].

Income from royalties is recognised as it is earned in accordance with the substance of the relevant agreement, being [INSERT DETAILS].

IPSAS 9.39(a) *Dividends*

Income from dividends is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

IPSAS 9.39(a) *Insurance proceeds*

Income from insurance proceeds is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

IPSAS 9.39(a) *Rental income from sub-lease of operating leases*

Rental income from sub-lease of operating leases is recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

[36] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).
[37] Refer to note 5 (i.e. depreciation has been restated)
[38] Note: Could also be presented as an item of 'Finance Income' – refer *Note 11*.

Note 9 - Other expenses

PBE Standard		Note	Group 2021 Actual $'000	*2021 Prospectives[39] $'000*	2020 Actual $'000 Restated[40]
IFRS 5.41(c)	Impairment loss on remeasurement of disposal group	25	xxx	*xxx*	xxx
IPSAS 31.117(e)(iv)	Impairment expense/(reversal) of goodwill	19	xxx	-	-
IPSAS 1.107(c	Loss on disposal of property, plant and equipment		-	-	xxx
IPSAS 16.87(d)	Fair value decrease on investment property	20	-	-	xxx
	[SUNDRY EXPENSES]		xxx	*xxx*	xxx
			xxx	*xxx*	xxx

Note 10 - Expenses *(2020 restated - refer Note 5)*

	Included within surplus or deficit are the following:				
IPSAS 12.47(d)	Finished goods recognised in cost of goods sold		xxx	*xxx*	xxx
IPSAS 17.88(e)(v) IPSAS 1.107(a)	Impairment expense/(reversal) of property, plant and equipment	18	(xxx)	-	xxx
IPSAS 31.117(e)(iv)	Impairment expense/(reversal) of intangibles	19	(xxx)	-	xxx
IPSAS 1.107(c)	Loss / (gain) on disposal of property, plant and equipment		(xxx)	-	xxx
IPSAS 12.47(e) IPSAS 1.107(a)	Write-down of inventory to net realisable value	16	xxx	-	-
IPSAS 13.44(c) IPSAS 13.RDR 44.1	Non-cancellable operating lease payments, contingent rentals, sublease payments		xxx	*xxx*	xxx
IPSAS 1.107(f)	Legal settlements	31	xxx	-	-
IPSAS 1.107(g)	Reversal of provisions	31	xxx	-	-
IPSAS 31.125	Research expenditure		xxx	*xxx*	xxx
IPSAS 39.55	Defined contribution plans		xxx	*xxx*	xxx
IPSAS 1.106	[OTHER MATERIAL EXPENSE ITEMS BY NATURE]		xxx	*xxx*	xxx

[39] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).
[40] Refer to note 5 (i.e. depreciation has been restated)

Note 11 – Net finance costs

PBE Standard		Note	Group 2021 Actual $'000	Group *2021 Prospectives[41] $'000*	Group 2020 Actual $'000
	FINANCE INCOME				
	Interest income:				
	Loans and receivables		xxx	*xxx*	xxx
	Available-for-sale financial assets		xxx	*xxx*	xxx
IPSAS 30.24(b)	*Total interest: financial assets not measured at fair value through surplus or deficit*		xxx	*xxx*	xxx
	Financial assets at fair value through surplus or deficit:				
IPSAS 30.24(a)(i) IPSAS 30.RDR 24.1	Fair value gain		xxx	*xxx*	xxx
	Available-for-sale financial assets:				
IPSAS 30.24(a)(ii)	Gains reclassified from other comprehensive revenue and expense upon disposal		xxx	*xxx*	xxx
IPSAS 4.61(a)	Net foreign exchange gain		xxx	*xxx*	-
PBE IPSAS 40.120(q)(ii)	Fair value gain on remeasurement of previous interest in acquiree	36	xxx	*xxx*	xxx
	Total finance income		**xxx**	***xxx***	**xxx**
	FINANCE COSTS				
	Interest expense:				
	Financial liabilities at amortised cost		(xxx)	*(xxx)*	(xxx)
IPSAS 30.24(b)	*Total interest: financial liabilities not measured at fair value through surplus or deficit*		(xxx)	*(xxx)*	(xxx)
	Financial assets at fair value through surplus or deficit:				
IPSAS 30.24(a)(i) IPSAS 30.RDR 24.1	Fair value loss		(xxx)	*(xxx)*	(xxx)
	Available-for-sale financial assets:				
IPSAS 30.24(a)(ii)	Unrealised loss reclassified from other comprehensive revenue and expense on disposal		(xxx)	*(xxx)*	(xxx)
IPSAS 30.24(e)	Impairment	34	(xxx)	-	-
	Loans and receivables:				
IPSAS 30.24(e)	Impairment		(xxx)	*(xxx)*	(xxx)
IPSAS 30.37(a)(ii)	Concessionary loans issued - fair value adjustment (initial recognition)	24	-	-	(xxx)
	Unwind of discount on provisions	31	(xxx)	*(xxx)*	(xxx)
IPSAS 4.61(a)	Net foreign exchange loss		-	-	(xxx)
	Total finance expense		**(xxx)**	***(xxx)***	**(xxx)**
	NET FINANCE COSTS		**(xxx)**	***(xxx)***	**(xxx)**

Finance income and finance costs - accounting policy

Finance income comprises [interest income on financial assets, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through surplus or deficit, and gains on the remeasurement to fair value of any pre-existing interest in an acquiree]. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

Finance costs comprise [interest expense on financial liabilities, unwinding of the discount on provisions, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through surplus or deficit, impairment losses recognised on financial assets, and fair value adjustments on concessionary loans issued].

[41] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

Note 11 – Net finance costs (continued)

IPSAS 5.40(a)

All borrowing costs are expensed in the period they are incurred[42].

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether the foreign currency movements are in a net gain or net loss position.

Foreign currency transactions – accounting policy

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical costs are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in surplus or deficit, except for the following differences which are recognised in other comprehensive revenue and expense: those arising on the retranslation of available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive revenue and expense are reclassified to surplus or deficit).

[42] Note that this accounting policy represents the Benchmark Approach specified in PBE IPSAS 5.14. An entity is able to elect to adopt the Allowed Alternative Treatment in PBE IPSAS 5.17-20 whereby borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of a qualifying asset's initial cost.

Note 12 – Cash and cash equivalents

		Note	Group		
			2021 Actual $'000	*2021 Prospectives[43] $'000*	2020 Actual $'000
	Current assets:				
	Cash on hand		xxx	*xxx*	xxx
	Bank deposits		xxx	*xxx*	xxx
	Call deposits		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**
	Current liabilities:				
	Bank overdrafts		(xxx)	*(xxx)*	(xxx)
IPSAS 2.56	**Cash and cash equivalents in the statement of cash flows**		**xxx**	***xxx***	**xxx**

IPSAS 30.10 Per annum annual interest rate ranges applicable to components of cash and cash equivalent:

	2021 Actual	2021 Prospectives	2020 Actual
Bank deposits	XX% - XX%	*N/A*	YY% - YY%
Call deposits	XX% - XX%	*N/A*	YY% - YY%
Bank overdrafts	(XX)% - (XX)%	*N/A*	(YY)% - (YY)%

IPSAS 30.18 Bank deposits of $XXX thousand and call deposits of $YYY thousand have been pledged as collateral against loans and borrowings currently outstanding (2020: $XXX thousand and $YYY thousand). Terms and conditions include [INSERT DETAILS].

IPSAS 2.59
IPSAS 2.61(c) There are no restrictions over any of the cash and cash equivalent balances held by the Group.

IPSAS 2.61(a) The Group has a $XXX thousand unsecured overdraft facility, of which $XXX thousand remains undrawn (2020: $YYY thousand).

[43] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

Note 13 - Receivables - exchange transactions

PBE Standard		Note	Group 2021 Actual $'000	2021 *Prospectives*[44] *$'000*	2020 Actual $'000
IPSAS 1.94(b)	Trade receivables from exchange transactions[45]		xxx	*xxx*	xxx
	Allowance for impairment		(xxx)	*(xxx)*	(xxx)
	Net trade receivables from exchange transactions		**xxx**	***xxx***	**xxx**
IPSAS 1.94(b) IPSAS 20.34.1(c)(iii)	Advances to related parties - key management personnel	37	xxx	*xxx*	xxx
IPSAS 20.27.1	Advances to related parties - other	37	xxx	*xxx*	xxx
IPSAS 1.94(b)	Sundry receivables		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**

IPSAS 30.43(a) The movement in the impairment allowance for *trade receivables from exchange transactions* is presented below:

IPSAS 30.20		Note	Individual impairment ($'000)	Collective impairment ($'000)	Total impairment ($'000)
	Balance as at 1 January 2020		**xxx**	**xxx**	xxx
	Impairment loss		-	xxx	xxx
	Impairment loss reversal		-	-	-
	Write off to bad debts		-	-	-
	Balance as at 31 December 2020		**xxx**	**xxx**	xxx
	Impairment loss		AAA	xxx	xxx
	Impairment loss reversal		-	-	-
	Write off to bad debts		-	-	-
	Balance as at 31 December 2021		**xxx**	**xxx**	xxx

IPSAS 30.20 There are no amounts overdue not impaired as at year end relating to *Advances to related parties*

Note 14 - Prepayments and other assets

	Note	Group 2021 Actual $'000	2021 *Prospectives*[46] *$'000*	2020 Actual $'000
Prepayments		xxx	*xxx*	xxx
Capitalised lease incentives on investment property	20	xxx	*xxx*	xxx
		xxx	***xxx***	**xxx**

[44] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

[45] Amount relates to the aggregate of the revenue streams presented in *Note 8* for exchange transactions - disaggregate if material.

[46] If the public benefit entity makes their approved budget publically available, they must present a comparison between actual and budgeted amounts - either in a separate statement, or as a separate column in the financial statements (as is shown here) (PBE IPSAS 1.21(e))

Note 15 – Recoverables – non-exchange transactions

PBE Standard		Note	Group 2021 Actual $'000	2021 *Prospectives*[47] $'000	2020 Actual $'000
	Monetary				
IPSAS 1.93	Legacies and bequests		xxx	*xxx*	xxx
	[OTHERS][48]		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**
	Non-monetary				
IPSAS 1.93	Legacies and bequests		xxx	*xxx*	xxx
	[OTHERS][53]		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**
IPSAS 23.106(b)			**xxx**	***xxx***	**xxx**

Note 16 – Inventories

IPSAS 1.94(c)				
IPSAS 12.47(b)	Raw materials	xxx	*xxx*	xxx
IPSAS 12.47(b)	Work in progress	xxx	*xxx*	xxx
IPSAS 12.47(b)	Finished goods	xxx	*xxx*	xxx
		xxx	***xxx***	**xxx**

IPSAS 12.47(b) IPSAS 12.47(e) During the reporting period a number of items of the Group's finished goods were written down by $XXX thousand to net realisable value of $XXX thousand (2020: nil).

IPSAS 12.47(f) There were no reversals of previously written down inventory items (2020: nil).

IPSAS 12.47(h) There are no items of inventory pledged as security against any of the Group's liabilities (2020: nil).

IPSAS 1.132(c)

Inventories – accounting policy

IPSAS 12.47(a) Inventory is initially measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Inventories are subsequently measured at the lower of cost and net realisable value. The cost of inventories is based on [INSERT DETAILS, e.g. the first-in first-out principle, weighted average cost] and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of [BIOLOGICAL ASSET, e.g. standing timber] transferred from biological assets is its fair value less costs to sell at the date of harvest.

[47] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).
[48] Amount may relate to those other non-exchange revenue streams presented in *Note 7*.

Note 17 - Other investments and derivatives

PBE Standard		Note	Group 2021 Actual $'000	2021 *Prospectives*[49] $'000	2020 Actual $'000
	ASSETS				
IPSAS 30.11(d)	*Available-for-sale financial assets*[50]				
	Debt securities (New Zealand corporate - private)		xxx	*xxx*	xxx
	Debt securities (New Zealand government - listed)		xxx	*xxx*	xxx
	Equity securities (New Zealand publicly listed)		xxx	*xxx*	xxx
	Equity securities (New Zealand private)		xxx	*xxx*	xxx
	Equity securities ([COUNTRY X] publicly listed)		xxx	*xxx*	xxx
			xxx	*xxx*	xxx
IPSAS 30.11(a) IPSAS 30.RDR 11.1	*Derivatives*				
	Interest rate swaps		xxx	*xxx*	xxx
	Forward foreign exchange contracts		xxx	*xxx*	xxx
			xxx	*xxx*	xxx
	Total assets		**xxx**	***xxx***	**xxx**
	Current		**xxx**	***xxx***	**xxx**
	Non-current		**xxx**	***xxx***	**xxx**
	Total assets		**xxx**	***xxx***	**xxx**
	LIABILITIES				
IPSAS 30.11(e) IPSAS 30.RDR 11.1	*Derivatives*				
	Interest rate swaps		xxx	*xxx*	xxx
	Forward foreign exchange contracts		xxx	*xxx*	xxx
	Total liabilities		**xxx**	***xxx***	**xxx**
	Current		**xxx**	***xxx***	**xxx**
	Non-current		**xxx**	***xxx***	**xxx**
	Total liabilities		**xxx**	***xxx***	**xxx**
IPSAS 30.10	***Per annum annual interest rate ranges applicable to debt securities:***				
	Debt securities (corporate)		XX% - XX%	*N/A*	YY% - YY%
	Debt securities (government)		XX% - XX%	*N/A*	YY% - YY%
IPSAS 30.10	***Contractual maturities of debt securities:***				
	Debt securities (corporate)		X - X months	*N/A*	Y - Y months
	Debt securities (government)		X - X months	*N/A*	Y - Y months

Please refer to note 34 for other investments and derivatives accounting policies.

[49] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

[50] The level of disaggregation presented is an example only. Depending on the nature and extent of the entity's investments, further disaggregation may be required (i.e. geography, industry, public or private listing etc.).

Note 18 – Property, plant and equipment

PBE Standard IPSAS 1.94(a)	Group	Note	Land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Computer equipment	Assets under construction	Total
	Cost or valuation	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000
IPSAS 17.88(e) IPSAS 17.RDR 88.1	**Balance as at 1 Jan 2020 (restated)**	5	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	-	**xxx**
IPSAS 17.88(e)(i)	Additions (exchange)		xxx	xxx	xxx	xxx	xxx	xxx	**xxx**
IPSAS 17.88(e)(i)	Additions (non-exchange)	7	-	-	-	-	-	-	-
IPSAS 17.88(e)(iii)	Acquired - PBE combination acquisition	36	xxx	xxx	xxx	xxx	xxx	-	**xxx**
IPSAS 17.88(e)(iii)	Acquired – PBE combination amalgamation	36	xxx	xxx	xxx	xxx	xxx	-	**xxx**
IPSAS 17.88(e)(iv)	Revaluation gain/(loss)		xxx	-	-	-	-	-	**xxx**
IPSAS 17.88(e)(ix) IPSAS 5.40(b)	Borrowing costs capitalised[42]		-	-	-	-	-	xxx	**xxx**
IPSAS 17.88(e)(ix)	Transfer - assets under construction		xxx	-	-	-	-	(xxx)	-
IPSAS 17.88(e)(ix)	Disposals		(xxx)	-	-	-	-	-	**(xxx)**
IPSAS 17.88(e)(ii)	Re-classified to assets held for sale	25	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	-	**(xxx)**
IPSAS 17.88(e)(ix)	Reclassified to investment property	20	(xxx)	-	-	-	-	-	**(xxx)**
IPSAS 17.88(e)(ix)	[OTHER]		xxx	xxx	xxx	xxx	xxx	xxx	**xxx**
IPSAS 17.88(e)	**Balance as at 31 Dec 2020**		**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
	Prospectives as at 31 Dec 2020[51]		***xxx***	***xxx***	***xxx***	***xxx***	***xxx***	***xxx***	***xxx***
	Accumulated depreciation and impairment								
IPSAS 17.88(d) IPSAS 17.88(e)	**Balance as at 1 Jan 2021 (restated)**	5	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	-	**xxx**
IPSAS 17.88(e)(vii)	Depreciation	10	xxx	xxx	xxx	xxx	xxx	-	**xxx**
IPSAS 17.88(e)(v)	Impairment	10	-	-	-	-	-	-	-
IPSAS 17.88(e)(vi)	Reversal of impairment	10	-	(xxx)	-	-	-	-	**(xxx)**
IPSAS 17.88(e)(ix)	Disposals		(xxx)	-	-	-	-	-	**(xxx)**
IPSAS 17.88(e)(ii)	Re-classified to assets held for sale	25	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	-	**(xxx)**
IPSAS 17.88(e)(ix)	[OTHER]		xxx	xxx	xxx	xxx	xxx	-	**xxx**
IPSAS 17.88(d) IPSAS 17.88(e)	**Balance as at 31 Dec 2021**		**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**-**	**xxx**
	Prospectives as at 31 Dec 2021[56]		***xxx***	***xxx***	***xxx***	***xxx***	***xxx***	***-***	***xxx***
	Net book value								
IPSAS 17.88(e)	**As at 1 Jan 2020**		**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
IPSAS 17.88(e)	**As at 31 Dec 2020**		**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
IPSAS 17.88(e)	**As at 31 Dec 2021**		**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
	Prospectives as at 31 Dec 2021[56]		***xxx***	***xxx***	***xxx***	***xxx***	***xxx***	***xxx***	***xxx***

[51] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

Note 18 – Property, plant and equipment (continued)

PBE Standard

IPSAS 13.40(a)

(i) Leased property, plant and equipment

The Group has entered into a number of finance leases for items of property, plant and equipment. The carrying amounts of leased items within the various classes of property, plant and equipment include:

- $XXX thousand of [plant and equipment] (2020: $YYY thousand)
- $XXX thousand of [motor vehicles] (2020: $YYY thousand)
- $XXX thousand of [computer equipment] (2020: $YYY thousand)

IPSAS 13.40(f)

INCLUDE DETAILS OF THE FOLLOWING REGARDING **MATERIAL** LEASING ARRANGEMENTS:

- Contingent rentals
- Renewal and/or purchase options
- Restrictions (i.e. return of surplus, return on capital contributions, dividends and distributions, debt, leasing)

(ii) Impairment and impairment reversals (cash-generating assets)[52]

IPSAS 26.115(a)
IPSAS 26.115(b)

The impairment and impairment reversal are recognised in [INSERT LINE ITEM] in the statement of comprehensive revenue and expense.

(iii) Security held over items of property plant and equipment

IPSAS 17.89(a)

At reporting date, certain land, buildings, with a carrying amount of $XXX thousand (2020: $YYY thousand) and certain plant and machinery with a carrying amount of $XXX (2020: $YYY) are subject to a first mortgage to secure bank loans (see *Note 31*).

(iv) Assets under construction

The group was involved in the process of constructing a new [BUILDING], which was completed during the reporting period.

IPSAS 5.40(b)

Included in the costs of construction was an amount of $XXX thousand (2020: $YYY thousand) relating to capitalised interest.

(v) Revalued land and buildings

IPSAS 17.92(a)-(b)

Land and buildings were revalued as at [31 December 2021] using an independent valuer.

IPSAS 17.92(c)

In estimating the fair value of land and buildings, the [INSERT METHOD] method was used, which incorporated the use of the following significant assumptions:

- [SIGNIFICANT ASSUMPTION #1], [SIGNIFICANT ASSUMPTION #2], [SIGNIFICANT ASSUMPTION #3]

IPSAS 17.92(d)

The [INSERT METHOD] method [does/does not] make significant use of observable prices in active markets and recent market transactions on arm's length basis.

(vi) Heritage assets[53]

IPSAS 17.94.1(a)

The Group holds a [DESCRIBE HERITAGE ASSET – e.g. monument, historical building] as a heritage asset as it is held for its [cultural/environmental/historical] significance as opposed to its ability to generate future economic benefit and in the opinion of the Trustees it is not possible to reliably measure this heritage asset for PBE Standard purposes. It is therefore not recognised in the statement of financial position.

IPSAS 17.94.1(b)

The estimated value of the [HERITAGE ASSET] is $XXX thousand (2020: $YYY thousand), which is based on [an insurance valuation as at reporting date].

(vii) Additions through non-exchange transactions

IPSAS 23.106(d)

In the 2021 year the Group received $XXX thousand of plant and machinery through non-exchange transactions attached with restrictive stipulations that require the Group to [INSERT DETAILS, e.g. use the plant and machinery for the purposes provision of Group's fundraising activities].

IPSAS 1.132(c)
IPSAS 17.88(a)

Property, plant and equipment - accounting policy

i. Recognition and measurement

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Heritage assets with no future economic benefit or service potential other than their heritage value are not recognised in the statement of financial position.

Items of property, plant and equipment are subsequently measured either under the:

- *Cost model*: Cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.

[52] Note, these disclosures are made on the assumption that the impaired item of PP&E is ***cash-generating***. If the item of PP&E is ***non-cash generating*** please refer to the disclosure requirements of PBE IPSAS 21 paragraphs 72A – 79.
[53] Refer to PBE IPSAS 17.10-11 for details on *Heritage Assets*.

Note 18 – Property, plant and equipment (continued)

PBE Standard

Property, plant and equipment – accounting policy (continued)

i. Recognition and measurement (continued)

- *Revaluation model*: fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation.

  Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

  Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the *revaluation surplus* reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

  Any revaluation losses in excess of credit balance of the *revaluation surplus* for that class of property, plant and equipment are recognised in surplus or loss as an impairment.

All of the Group's items of property plant and equipment are subsequently measured in accordance with the *cost model*, except for land and buildings which are subsequently measured in accordance with the *revaluation model*.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets [and bearer plants] includes the following:

- The cost of materials and direct labour
- Costs directly attributable to bringing the assets to a working condition for their intended use
- When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and
- [Capitalised borrowing costs[42]].

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the *revaluation surplus* to *accumulated surplus*.

ii. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as *investment property*.

Any gain arising on remeasurement is recognised in surplus or deficit to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive revenue and expense and presented in the revaluation reserve in net assets/equity. Any loss is recognised immediately in surplus or deficit.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

iv. Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for buildings is based on the revalued amount less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

IPSAS 18.88(c)

Depreciation is recognised in surplus or deficit on a [straight-line/diminishing value] basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. Assets under construction are not subject to depreciation.

IPSAS 17.88(b)
IPSAS 17.88 (c)

The [estimated useful lives/diminishing value depreciation rates] are:

- Buildings X years / Y% (2020: X years / Y%)
- Plant and machinery X years / Y% (2020: X years / Y%)
- Motor vehicles X years / Y% (2020: X years / Y%)
- Fixtures and fittings X years / Y% (2020: X years / Y%)
- Computer equipment X years / Y% (2020: X years / Y%)
- [Bearer plants X years / Y% (2020: X years / Y%)]

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate

Note 19 - Intangibles and goodwill

PBE Standard	Group	Note	Goodwill[54]	Software	Develop-ment	Trademarks and patents	Intangibles under construction	Total
	Cost or valuation[55]	Note	$'000	$'000	$'000	$'000	$'000	$'000
IPSAS 31.117(e) IPSAS 31.RDR 117.1	**Balance as at 1 Jan 2020**		xxx	xxx	-	xxx	xxx	xxx
IPSAS 31.117(e)(i)	Additions (acquired externally)		-	-	-	-	-	xxx
IPSAS 31.117(e)(i)	Additions (developed internally)		-	-	xxx	-	xxx	xxx
IPSAS 31.117(e)(viii)	Additions (non-exchange)	7	-	xxx	-	-	-	xxx
IPSAS 31.117(e)(i)	Acquired - PBE combination acquisition	36	xxx	xxx	-	xxx	-	xxx
IPSAS 31.117(e)(i)	Acquired - PBE combination amalgamation	36	-	xxx	-	xxx	-	xxx
IPSAS 31.117(e)(viii) IPSAS 4.40(b)	Borrowing costs capitalised[42]		-	-	xxx	-	xxx	xxx
IPSAS 31.117(e)(viii)	Transfer - intangibles under construction		-	xxx	-	-	(xxx)	-
IPSAS 31.117(e)(viii)	Disposals		-	-	-	(xxx)	-	(xxx)
IPSAS 31.117(e)(ii)	Re-classified to assets held for sale	25	-	(xxx)	(xxx)	(xxx)	-	(xxx)
IPSAS 31.117(e)(viii)	[OTHER]		xxx	xxx	xxx	xxx	xxx	xxx
IPSAS 31.117(e)	**Balance as at 31 Dec 2020**		xxx	xxx	xxx	xxx	-	xxx
	Prospectives as at 31 Dec 2020[56]		*xxx*	*xxx*	*xxx*	*xxx*	-	*xxx*
	Accumulated amortisation and impairment							
IPSAS 31.117(c) IPSAS 31.117(e) IPSAS 31.RDR 117.1	**Balance as at 1 Jan 2021**		-	xxx	-	xxx	-	xxx
IPSAS 31.117(e)(vi)	Amortisation	10	-	xxx	xxx	xxx	-	xxx
IPSAS 31.117(e)(iv)	Impairment	10	xxx	-	-	-	-	xxx
IPSAS 31.117(e)(v)	Reversal of impairment	10	-	-	-	(xxx)	-	(xxx)
IPSAS 31.117(e)(ii)	Disposals		-	-	-	-	-	-
IPSAS 31.117(e)(ii)	Re-classified to assets held for sale	25	-	(xxx)	-	(xxx)	-	(xxx)
IPSAS 31.117(e)(vii)	Foreign exchange rate movements		xxx	xxx	xxx	xxx	-	xxx
IPSAS 31.117(c) IPSAS 31.117(e)	**Balance as at 31 Dec 2021**		xxx	xxx	xxx	xxx	-	xxx
	Prospectives as at 31 Dec 2021[56]		*xxx*	*xxx*	*xxx*	*xxx*	-	*xxx*
	Net book value							
	As at 1 Jan 2020		xxx	xxx	-	xxx	xxx	xxx
	As at 31 Dec 2020		xxx	xxx	-	xxx	xxx	xxx
	As at 31 Dec 2021		xxx	xxx	xxx	xxx	-	xxx
	Prospectives as at 31 Dec 2021[56]		*xxx*	*xxx*	*xxx*	*xxx*	-	*xxx*

[54] A full reconciliation of the carrying value of goodwill is required by PBE IPSAS 124(d).
[55] Note that the entity has applied the cost model for all classes of intangible assets. If the entity had applied the revaluation model to certain classes of intangible assets additional line items would be required in the reconciliation (i.e. 'Revaluations'), and also disclosures required by PBE IPSAS 31.123.
[56] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

Note 19 - Intangibles and goodwill (continued)

PBE Standard

IPSAS 31.117(d)

(i) Amortisation

Amortisation expense is included in the following line items of the statement of comprehensive revenue and expense:

	[LINE ITEM #1]		[LINE ITEM #2]		[LINE ITEM #3]	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Software	xxx	xxx	xxx	xxx	xxx	xxx
Development	xxx	-	xxx	-	xxx	-
Trademarks and patents	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

I[SAS 31.121(b)

Within *Trademarks and patents* is a single material patent with a carrying amount of $XXX thousand (2020: $XXX thousand) being amortised on a [straight-line/diminishing value] basis [over X years/at a rate of Y%]. The nature of the patent is [INSERT NATURE]. The patent has another Y years of its X year useful life remaining to be amortised.

(ii) Security and restrictions

IPSAS 31.121(d)

There are no intangible assets with restrictions to title, nor pledged as security, over the Group's liabilities (2021:nil).

(iii) Impairment and impairment reversal - Brands (non-cash-generating asset)

IPSAS 21.73(a)
IPSAS 21.73(b)

The impairment expense (reversals) are recognised in [INSERT LINE ITEM] in the statement of comprehensive revenue and expense.

(iv) Impairment - goodwill

IPSAS 26.123(a),(a.1)

Goodwill has been allocated to the following cash-generating-units (CGUs) for the purposes of impairment testing:

	2021	**2020**
	$'000	**$'000**
[NAME OF CGU #1]	xxx	xxx
[NAME OF CGU #2]	xxx	-
	xxx	**xxx**

IPSAS 26.122.1

There are no unallocated amounts of goodwill as at reporting date[57].

(iii)(a) Information regarding impairment testing of [NAME OF CGU #1]

IPSAS 26.115(a)

The recoverable amount was determined as $XXX, being $AAA lower than the carrying amount. Accordingly, an impairment loss of $AAA was recognised in *[other expenses]* in the statement of comprehensive revenue and expense.

(iii)(b) Information regarding impairment testing of [NAME OF CGU #2]

No impairment loss has been recognised in relation to [NAME OF CGU #2].

IPSAS 1.132(c)

Intangible assets - accounting policy

i. Recognition and measurement

Intangible assets are initially measured at cost, except for:

- Intangible assets acquired through non-exchange transactions (measured at fair value), and
- Goodwill (measured in accordance with - PBE combination acquisition accounting – refer *Note 36)*).

Heritage assets with no future economic benefit or service potential other than their heritage value are not recognised in the statement of financial position.

[57] Note that if this is not the case, additional disclosures are required by PBE IPSAS 26.122.1.

Note 19 – Intangibles and goodwill (continued)

PBE Standard

Intangible assets – accounting policy (continued)

i. Recognition and measurement (continued)

All of the Group's intangible assets are subsequently measured in accordance with the *cost model*[58], being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment, except for the following items which are not amortised and instead tested for impairment:

- Goodwill
- Intangible assets with indefinite useful lives, or not yet available for use.

The Group has no intangible assets with indefinite useful lives.

IPSAS 31.117(a)
IPSAS 31.121(a)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed intangible assets includes the following:

- The cost of materials and direct labour
- Costs directly attributable to bringing the assets to a working condition for their intended use, and
- [Capitalised borrowing costs[42]].

ii. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in surplus or deficit as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in surplus or deficit as incurred.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

iv. Amortisation

Amortisation is recognised in surplus or deficit on a [straight-line/diminishing value] basis over the estimated useful lives of each amortisable intangible asset.

IPSAS 31.117(b)

The [estimated useful lives/diminishing value amortisation rates] are:

- Software X years / Y% (2020: X years / Y%)
- Development X years / Y% (2020: X years / Y%)
- Trademarks and patents X years / Y% (2020: X years / Y%)

IPSAS 31.117(a)
IPSAS 31.121(b)

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

[58] Note that if the entity uses the revaluation model for any classes of intangible assets then this will need to be incorporated into the wording of the accounting policy.

Note 20 - Investment property[59]

PBE Standard		Note	2021 Actual $'000	*2021 Prospectives[60] $'000*
IPSAS 16.RDR 87.1				
IPSAS 16.87	**Opening balance (1 January)**		**xxx**	***xxx***
IPSAS 16.87(a) IPSAS 16.RDR 87.2	Additions[61]		xxx	*xxx*
IPSAS 16.87(g)	Additions (non-exchange)[62]	7	xxx	-
IPSAS 16.87(b)	Acquired - - PBE combination acquisition	36	xxx	-
IPSAS 16.87(f)	Reclassifications from property, plant and equipment	18	xxx	-
IPSAS 16.87(g)	Reclassifications to assets held for sale	25	(xxx)	-
IPSAS 16.87(c)	Disposals		-	-
IPSAS 16.87(g)	[OTHER]		xxx	*xxx*
	Carrying amount pre-revaluation		**AAA**	***AAA***
IPSAS 16.87(d)	Increase/(decrease) in fair value	8,9	**BBB**	***BBB***
IPSAS 16.87	**Closing balance (31 December)**		**xxx**	***xxx***

(i) Change in fair value

IPSAS 16.86(e) The fair value of investment properties were determined at reporting date by external, independent, qualified property valuers with recent experience in the location and category of the investment properties being valued.

IPSAS 16.89 There were no investment properties where, due to fair value not being reliably determinable, the cost model was applied.

(ii) Methods and assumptions applied in determining fair value

IPSAS 16.86(d) IPSAS 16.RDR 86.1 [INSERT DETAILS OF THE VALUATION TECHNIQUE(S) AND SIGNIFICANT ASSUMPTIONS WITHIN EACH VALUATION TECHNIQUE USED, e.g.

- Direct capitalisation, discounted cash flow, and/or comparable sales etc.
- Capitalisation rates, occupancy/vacancy rates, average lease terms, and/or discount rates etc.

(iii) Investment property characteristics

IPSAS 13.69(c) [INSERT DETAILS OF MATERIAL LEASING ARRANGEMENTS, i.e. non-cancellable lease term, renewal options, lease incentives etc.]

IPSAS 16.86(g) [INSERT DETAILS OF ANY RESTRICTIONS, i.e. realisability, remittance of revenue and/or proceeds of disposal]

Investment property - accounting policy

IPSAS 1.132(c) Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

i. Recognition and measurement

Investment property is initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use [and capitalised borrowing costs[42]].

[59] Note that in this example the entity has applied the *fair value model* to **ALL** of its investment properties, in accordance with PBE IPSAS 16.39. If the entity had elected to adopt the *cost model* certain alternative disclosures are required - namely a reconciliation of the opening and closing carrying values, similar in presentation to the reconciliation in *Note 18* for Property, Plant and Equipment (refer PBE IPSAS 16.90).
[60] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).
[61] Note that a Tier 2 entity does not have to differentiate between additions of new properties, and subsequent expenditure on pre-existing properties.
[62] The entity has separately presented exchange and non-exchange (i.e. donated assets) additions. However here is no specific requirement to disaggregate these in *PBE Standards*.

Note 20 – Investment property (continued)

PBE Standard

Investment property – accounting policy (continued)

i. Recognition and measurement (continued)

IPSAS 16.85(a)

Investment properties are subsequently measured at fair value[63].

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

ii. Reclassifications

When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of an investment property changes to owner occupied, such that it results in a reclassification to property, plant and equipment, the property's fair value at the date of reclassification becomes its cost for subsequent accounting.

For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in surplus or deficit.

iii. Derecognition

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in surplus or deficit in the year of retirement or disposal.

[63] Note that in this example the entity has applied the *fair value model* to **ALL** of its investment properties, in accordance with PBE IPSAS 16.39. If the entity had elected to adopt the *cost model* an alternative accounting policy would be required.

Note 21 - Biological assets[64]

PBE Standard	Group	Note	[CLASS #1]	[CLASS #2]	Total	Current	Non-current
IPSAS 27.RDR 48.1		Note	$'000	$'000	$'000	$'000	$'000
IPSAS 27.48	**Balance as at 1 Jan 2021**		xxx	xxx	xxx		
IPSAS 27.48(b)	Purchases		xxx	xxx	xxx		
IPSAS 27.48(i)	Additions (non-exchange)[65]	7	xxx	-	xxx		
IPSAS 27.48(g)	Acquired - PBE combination acquisition	36	xxx	xxx	xxx		
IPSAS 27.48(g)	Acquired - PBE combination amalgamation	36	xxx	xxx	xxx		
IPSAS 27.48(i)	Net increase/decrease due to births/deaths		-	xxx	xxx		
IPSAS 27.48(d)	Sales		(xxx)	(xxx)	(xxx)		
IPSAS 27.48(f)	Fair value of harvested [ITEM] transferred to inventories		(xxx)	-	(xxx)		
IPSAS 27.48(e)	Distributions for nil/nominal charge		(xxx)	(xxx)	(xxx)		
IPSAS 27.48(d)	Re-classified to assets held for sale	25	(xxx)	(xxx)	(xxx)		
IPSAS 27.48(a) IPSAS 27.RDR 48.2	Changes in fair value less cost to sell *(bearer biological assets):*	8,9	(xxx)	(xxx)	(xxx)		
IPSAS 27.48(i)	[OTHER]		xxx	xxx	xxx		
IPSAS 27.48	**Balance as at 31 Dec 2021**		xxx	xxx	xxx	xxx	xxx
	Prospectives as at 31 Dec 2021[66]		xxx	xxx	xxx	xxx	xxx

[64] Note that in this example the entity has been able to determine the fair value less costs to sell of ALL classes of biological assets, in accordance with PBE IPSAS 27.16. However, if this was not the case and the entity had applied the cost model in accordance with PBE IPSAS 27.34, alternative disclosures would be required (refer to PBE IPSAS 27.52).

[65] The entity has separately presented exchange and non-exchange (i.e. donated assets) additions. However here is no specific requirement to disaggregate these in *PBE Standards*.

[66] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

Note 21 – Biological assets (continued)

PBE Standard	**(i) [CLASS #1]**[67]
IPSAS 27.39 IPSAS 27.RDR 39.1	[CLASS #1] is held by the Group for the purposes of [INSERT DETAILS].
IPSAS 27.45	The fair value of [CLASS #1] was determined by:[68] [INSERT DETAILS OF THE **VALUATION TECHNIQUE(S)** USED FOR **EACH** SUB-CLASS, e.g.] • Discounted cash flow, market comparison, weighted cost and discounted cash flows, etc. [INSERT DETAILS OF THE **SIGNIFICANT ASSUMPTIONS** WITHIN **EACH** VALUATION TECHNIQUE USED, e.g.] • Future market prices, yields, harvest costs, transport costs, infrastructure costs, planting and cultivation costs, risk adjusted discount rate, etc.
	(ii) [CLASS #2][69]
IPSAS 27.39 IPSAS 27.RDR 39.1	[CLASS #2] is held by the Group for the purposes of [INSERT DETAILS].
IPSAS 27.45	The fair value of [CLASS #2] was determined by:[70] [INSERT DETAILS OF THE **VALUATION TECHNIQUE(S)** USED FOR **EACH** SUB-CLASS, e.g.] • Discounted cash flow, market comparison, weighted cost and discounted cash flows, etc. [INSERT DETAILS OF THE **SIGNIFICANT ASSUMPTIONS** WITHIN **EACH** VALUATION TECHNIQUE USED, e.g.] • Future market prices, yields, harvest costs, transport costs, infrastructure costs, planting and cultivation costs, risk adjusted discount rate, etc.
	Biological assets - accounting policy Biological assets are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition. [Bearer plants are accounted for as items of property, plant and equipment.] Biological assets are subsequently measured at fair value less costs to sell, with any change therein recognised in surplus or deficit. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs. Biological assets transferred to inventory are done so at fair value less estimated costs to sell at the date of harvest.

[67] E.g. an apple orchard, measured in hectares, with apples as agricultural produce measured in kilograms/tonnes.
[68] Sub-classes may exist in terms of assets at different stages of maturity , e.g. young/immature assets (e.g. saplings 0 – 5yrs) which are more likely to utilise a *weighted cost and discounted cash flow* method, versus mature assets (e.g. 5 – 15 years, 15 – 30 years) which would typically use a *discounted cash flow* method. In such instances, details of the differing sub-classes and techniques should be presented separately. If fair value cannot be measured reliably, refer to disclosure requirements of PBE IPSAS 17.52.
[69] E.g. livestock, measured in numbers, with carcases as agricultural produce measured in kilograms/tonnes.
[70] Sub-classes may exist in terms of assets at different stages of maturity, e.g. R1 heifers, R2 heifers, R1 steers/bulls, R2 steers, mixed aged cows, breeding bulls. In such instances, details of the differing sub-classes and techniques should be presented separately. If fair value cannot be measured reliably, refer to disclosure requirements of PBE IPSAS 17.52.

Note 22 – Associates

PBE Standard
IPSAS 38.35(a)
IPSAS 38.36(a)
IPSAS 38.36(b)

The Group holds significance over the following entities, all of which are accounted for using the equity method:

Name	Note	Voting rights 2021	Voting rights 2020
		%	%
[ASSOCIATE #1]		25%	-
[ASSOCIATE #2]		-	19%
[ASSOCIATE #3]		51%	51%
[CONTROLLED ENTITY #3]	36	90%	25%

All associates have the same reporting date as the Group, being 31 December.

IPSAS 38.38(a) There are no significant restrictions regarding the distribution of dividends or repayments of loans from associates.

IPSAS 38.39(b) There were no contingent liabilities in relation to the Group's associates as at reporting date (2020: nil)

(i) [ASSOCIATE #1]

IPSAS 38.36(a) [ASSOCIATE #1] is listed on the public stock exchange in [COUNTRY #1].

ii) [ASSOCIATE #2]

In 2020 management determined that the Group had significant influence over [ASSOCIATE #2] even though it held less than 20% of the voting rights because [the Group held substantive share options that were then currently exercisable which would have resulted in the Group holding 30% of the voting rights]. [ASSOCIATE #2] is a privately owned company registered in [COUNTRY #2]. The Group disposed of its interest in [ASSOCIATE #2] during the period.

iii) [ASSOCIATE #3]

In 2021 and 2020 management determined that the Group had only significant influence, and not control, over [ASSOCIATE #3] even though it held more than half of the voting rights, this was due to [the Group only being contractually able to appoint two out of the five members of the Board of Directors, who make decisions over the operating and financing activities of [ASSOCIATE #3], where a majority is required]. The Group is not contractually liable for any share of losses reported by [ASSOCIATE #3]. During 2021 the Group's share of unrecognised losses amounted to $XXX (2020: $YYY), the Group's historical cumulative share of unrecognised losses as at reporting date amounted to $XXX (2020: $YYY).

(iv) [INVESTMENT X]

The Group holds a 22% interest in [INVESTMENT X] (2020: 22%), however management have determined that it does not have significant influence over [INVESTMENT X] even though it held more than 20% of the voting rights, this was due to [another party holding substantive share options that are (were) currently exercisable which would have resulted in the Group holding only 15% of the voting rights]. The Group's interest in [INVESTMENT X] is accounted for as an *available-for-sale* financial asset per *Note 17.*

Associates – accounting policy

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Investments in associates are accounted for using the equity method and are recognised initially at cost, including directly attributable transaction costs.

The consolidated financial statements include the Group's share of the surplus or deficit and other comprehensive revenue and expense of its equity accounted associates and joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in its equity accounted associates and joint ventures, the carrying amount of the investment, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Note 23 – Joint ventures

PBE Standard

(a) Joint ventures

IPSAS 38.36

The Group holds joint control over the following joint ventures, all of which are accounted for using equity method.

IPSAS 38.36(c)

Name	Ownership	
	2021	2020
	%	%
[JV#1]	XX%	YY%
[JV #2]	XX%	YY%

JV#1 and JV#2 are both companies under The Companies Act 1993 and are domiciled in New Zealand.

The aggregate amount of cash flows from these joint ventures is presented below:

	2021	2020
	$'000	$'000
Operating activities	xxx	xxx
Investing activities	xxx	xxx
Financing activities	xxx	xxx

IPSAS 38.39

(b) Group's exposure to contingencies and commitments from its interests in joint ventures

There were no contingent liabilities relating to interests in joint ventures to which the Group was jointly and/or severally liable (2020: nil) [AMEND WHERE NECESSARY].

There were no contingent assets relating to interests in joint ventures to which the Group would benefit either jointly and/or severally (2020: nil) [AMEND WHERE NECESSARY].

There were no capital or other commitments relating to interests in joint ventures to which the Group was jointly and/or severally liable (2020: nil) [AMEND WHERE NECESSARY].

Note 23 – Joint ventures (continued)

PBE Standard

Joint ventures - accounting policy

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.
The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the group has rights to only the net assets of the joint arrangement
- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method – refer above).

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations. In accordance with PBE IPSAS 37 *Joint Arrangements*, the Group is required to apply all of the principles of PBE IPSAS 40 *PBE Combinations* when it acquires an interest in a joint operation that constitutes an operation as defined by PBE IPSAS 40.

Judgement
For all joint arrangements structured in separate vehicles the Group must assess the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Group to consider whether it has rights to the joint arrangement's net assets (in which case it is classified as a joint venture), or rights to and obligations for specific assets, liabilities, expenses, and revenues (in which case it is classified as a joint operation). Factors the group must consider include:

- Structure
- Legal form
- Contractual agreement
- Other facts and circumstances.

Upon consideration of these factors, the Group has determined that all of its joint arrangements structured through separate vehicles give it rights to the net assets and are therefore classified as joint ventures

Note 24 – Concessionary loans issued

IPSAS 30.37(c) During the 2021 reporting period the Group issued a loan to an external third party, at terms and interest rates that were below market for what would have been provided for a similar loan with a similar counterparty.

The purpose of the loan was to **[INSERT SPECIFIC DETAILS**, e.g. to facilitate the external third party in constructing a new premises in order for it to carry out its own charitable operations].

The loan was issued with the following terms **[INSERT SPECIFIC DETAILS]**:
- Loan principal: $XXX thousand
- Contractual interest rate: X.X%
- Maturity: X years
- Repayment schedule: interest paid annual in arrears, principal payable at maturity

IPSAS 30.37(d) In determining the day-one fair value of the concessionary loan issued, a market effective interest rate of X.X% was used to discount all contractual cash flows of principal and interest payments back to present value. The market interest rate used was the rate that would have been obtained in the market for a loan with identical terms and counterparty risks.

IPSAS 30.37(a) A reconciliation of the opening and closing carrying amounts of the concessionary loan is provided below:

		Note	2021 ($'000)	2020 ($'000)
	Opening balance (1 January)		**xxx**	**-**
IPSAS 30.37(a)(i)	Nominal value of new loans issued		-	xxx
IPSAS 30.37(a)(ii)	Fair value adjustment (initial recognition)	11	-	(xxx)
IPSAS 30.37(a)(vi)	Assumed in PBE combination acquisition		-	-
IPSAS 30.37(a)(v)	Imputed interest (market effective interest rate)		xxx	xxx
IPSAS 30.37(a)(iii)	Repayments during period		(xxx)	(xxx)
IPSAS 30.37(a)(iv)	Impairment		-	-
	Closing balance (31 December)		**xxx**	**xxx**
	Current		xxx	xxx
	Non-current		xxx	xxx
			xxx	**xxx**

IPSAS 30.37(b) The nominal amount payable (i.e. principal plus contractual interest accrued) at reporting date is $XXX thousand (2020: $YYY thousand).

Note 25 – Disposal group held for sale

PBE Standard

IFRS 5.41(a)-(b) On [31 December 2021] management had committed to a plan to sell [DESCRIPTION OF ASSET/DISPOSAL GROUP] due to [REASONS WHY DECISION TO DISCONTINUE]. Management expects the [asset/disposal group] to be sold [within the next 12 months].

IFRS 5.41.(c) In the process of remeasuring the [asset/disposal group] to the lower of its carrying amount or fair value less cost to sell, impairment losses totalling $XXX thousand were recognised in relation to [ITEM #1] ($XXX thousand) and [ITEM #2] ($XXX thousand).

These impairment losses are included within 'other expenses' in the statement of comprehensive revenue and expense.

IFRS 5.38 As at reporting date, the carrying amount of the [asset/disposal group] held for sale comprised of the following[71]:

	Note	2021 $'000
Assets held for sale		
Property, plant and equipment	18	xxx
Intangibles	19	xxx
Investment property	20	xxx
Biological assets	21	xxx
Inventory		xxx
[ASSET #1]		xxx
[ASSET #2]		xxx
[ASSET #3]		xxx
		xxx
Liabilities held for sale		
[LIABILITY #1]		xxx
[LIABILITY #2]		xxx
[LIABILITY #3]		xxx
		xxx

IFRS 5.38 There are no cumulative balances of revenue or expense recognised in other comprehensive revenue and expense relating to the [asset/disposal group].

There has been no change in the classification of [assets/disposal groups] held for sale during the period.

PBE Standard
IPSAS 1.132(c)

Non-current assets held for sale or distribution – accounting policy

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate distribution in its present condition. Management must be committed to the sale or distribution and expect it to be completed within one year from the date of classification.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in surplus or deficit. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

[71] Note that this disclosure is not required if the disposal group represents a newly acquired controlled entity that satisfies the criteria to be held for sale per PBE IFRS 5.11 (refer to PBE IFRS 5.39).

Note 26 - Payables - exchange transactions

PBE Standard		Note	Group 2021 Actual $'000	2021 *Prospectives*[72] *$'000*	2020 Actual $'000
IPSAS 1.93	Trade payables from exchange transactions		xxx	*xxx*	xxx
IPSAS 20.27.1	Advances from related parties	37	xxx	*xxx*	xxx
	Sundry accruals		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**

Note 27 - Deferred revenue

	Membership fees and subscriptions received in advance	xxx	*xxx*	xxx
	Revenue received in advance - services	xxx	*xxx*	xxx
		xxx	***xxx***	**xxx**

Note 28 - Employee benefit liability

IPSAS 1.93	***Current***			
	Short-term employee benefits	xxx	*xxx*	xxx
	Current portion of long-term employee benefits	xxx	*xxx*	xxx
	Defined contribution plans	xxx	*xxx*	xxx
	Termination benefits	xxx	*xxx*	xxx
		xxx	***xxx***	**xxx**
	Non-current			
	Non-current portion of long-term employee benefits	xxx	*xxx*	xxx
		xxx	***xxx***	**xxx**
	Total employee benefit liability	**xxx**	***xxx***	**xxx**

Employee benefits - accounting policy

i. Short-term employee benefits

IPSAS 1.132(c) Short-term employee benefit liabilities are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided.

ii. Long-term employee benefits

Long-term employee benefit obligations are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided up to reporting date for which settlement will be beyond 12 months of reporting date. Long-term employee benefit obligations are measured [INSERT DETAILS e.g., using the projected unit credit method, with any actuarial gains or losses recognised in surplus or deficit].

[72] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

Note 28 – Employee benefit liability (continued)

PBE Standard

Employee benefits – accounting policy (continued)

iii. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset (prepayment) to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

iv. Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Note 29 - Loans[76]

PBE Standard		Note	Currency	Effective Interest Rate	Year of Maturity	Group 2021 Current $'000	Group 2021 Non-current $'000	Group 2020 Current $'000	Group 2020 Non-current $'000
IPSAS 30.10 [73]	[LOAN SUB-CLASS #1]		AAA	X.X% - Y.Y%	201X - YY	-	-	xxx	xxx
	[LOAN SUB-CLASS #1]		BBB	X.X% - Y.Y%	201X - YY	xxx	xxx	-	-
	[LOAN SUB-CLASS #2]		AAA	X.X% - Y.Y%	201X - YY	xxx	xxx	-	-
	[LOAN SUB-CLASS #3]		AAA	X.X% - Y.Y%	201X - YY	xxx	xxx	xxx	xxx
	Concessionary loan received	34	AAA	10%	201X	xxx	xxx	xxx	xxx
						xxx	**xxx**	**xxx**	**xxx**

(i) Security held

IPSAS 30.10

At reporting date, [INSERT APPLICABLE LOAN SUB-CLASSES] were secured by first mortgage over certain items of property, plant and equipment (see *Note 19*).

(ii) Defaults and beaches at reporting date

IPSAS 30.RDR 22.1(a)

During the reporting period, the Group defaulted on [a/several] payment(s) of principal and/or interest in respect of [LOAN SUB-CLASS #2].

IPSAS 30.RDR 22.1(b)
IPSAS 30.RDR 22.1(c)

At reporting date, [LOAN SUB-CLASS #2] ($XXX thousand) was still in default and unresolved[74]. Subsequent to reporting date, the default was remedied with no change to the original terms of the loan[75].

IPSAS 30.RDR 22.1(a)

In addition, during the reporting period the Group failed to meet a bank covenant in respect to [LOAN SUB-CLASS #3], which required [INSERT DETAILS OF THE COVENANT, e.g. 'DEBT TO NET ASSETS/EQUITY RATIO', 'TIMES INTEREST RATIO' ETC.].

IPSAS 30.RDR 22.1(b)
IPSAS 30.RDR 22.1(c)

At reporting date, the breach on bank covenant in respect of [LOAN SUB-CLASS #3] ($XXX thousand) was still unresolved[78]. Subsequent to reporting date, the breach of bank covenant remains to be remedied.

(iii) Loan forgiveness

During the period, the counter party to [LOAN SUB-CLASS #1] unconditionally forgave the remaining principal left outstanding (refer *Note 7*).

[73] There is a general disclosure requirement (PBE IPSAS 30.10) to provide information that enables users of the financial statements to evaluate the significance of financial instruments on its financial position and performance. In order to comply with this, this entity has chosen to disaggregated 'Loans' into various sub-classes (e.g. Secured loans, Unsecured loans, Convertible notes etc.), and then further by currency. In addition, the entity has chosen to disclose details such as interest rate ranges, and maturity date ranges. The level of disclosure required to comply with PBE IPSAS 30.10 will need to be determined on a case-by-case basis, considering materiality and the usefulness to the users.

[74] In this example it is assumed that as per the terms of loan agreement the existence of the breach results in the Group no longer having the unconditional right to defer payment of the loan for at least 12 months from reporting date, and therefore the entire outstanding amount is presented as current (Refer to PBE IPSAS 1.80(d)).

[75] Note, that if the terms of the loans were renegotiated, as well as disclosing this fact, the entity would be required to apply PBE IPSAS 29.AG79 to determine whether the renegotiated terms were 'substantially different' and therefore require derecognition of the original loan and recognition of a new loan.

For accounting policy, please refer to note 34.

Note 30 – Leases

PBE Standard

FINANCE LEASES	Note	Currency[76]	Interest Rate	Year of Maturity	Group 2021 Actual $'000	Group *2021 Prospectives[77] $'000*	Group 2020 Actual $'000 Restated
Current							
[FINANCE LEASE SUB-CLASS #1]		AAA	X.X% - Y.Y%	201X - YY	xxx	*xxx*	xxx
[FINANCE LEASE SUB-CLASS #2]		BBB	X.X% - Y.Y%	201X - YY	xxx	*xxx*	xxx
					xxx	***xxx***	**xxx**
Non-current							
[FINANCE LEASE SUB-CLASS #1]		AAA	X.X% - Y.Y%	201X - YY	xxx	*xxx*	xxx
[FINANCE LEASE SUB-CLASS #2]		BBB	X.X% - Y.Y%	201X - YY	xxx	*xxx*	xxx
					xxx	***xxx***	**xxx**
Total finance leases payable					**xxx**	***xxx***	**xxx**

Reference		Future minimum lease payments 2021 $'000	2020 $'000
IPSAS 13.40(b) IPSAS 13.RDR 40.1			
IPSAS 13.40(c)(i)	Not later than one year	xxx	xxx
IPSAS 13.40(c)(ii)	Later than one year and not later than five years	xxx	xxx
IPSAS 13.40(c)(iii)	Later than five years	xxx	xxx
	Total finance leases payable	**xxx**	**xxx**

IPSAS 1.132(c)

Finance leases – accounting policy

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding, using the effective interest method.

Determining whether an arrangement contains a lease

At the inception of an arrangement the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- The fulfilment of the arrangement is dependent on the use of a specific assets or assets, and
- The arrangement contains a right to use the asset(s).

At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

[76] There is a general disclosure requirement (PBE IPSAS 30.10) to provide information that enables users of the financial statements to evaluate the significance of financial instruments on its financial position and performance. In order to comply with this, this entity has chosen to disaggregated 'Finance leases payable' by currency. In addition, the entity has chosen to disclose details such as interest rate ranges, and maturity date ranges. The level of disclosure required to comply with PBE IPSAS 30.10 will need to be determined on a case-by-case basis, considering materiality and the usefulness to the users.
For example, in some cases, it may be determined that a narrative format is more appropriate than the tabular format presented.

[77] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

PBE Standard

Note 30 - Leases (continued)

OPERATING LEASES

(i) Leases as lessee

The future non-cancellable minimum lease payments of operating leases as lessee at reporting date are detailed in the table below:

		2021	2020
		$'000	$'000
IPSAS 13.44(a)(i)	Less than one year	xxx	xxx
IPSAS 13.44(a)(ii)	Between one and five years	xxx	xxx
IPSAS 13.44(a)(iii)	Greater than 5 years	xxx	xxx
	Total non-cancellable operating lease payments	**xxx**	**xxx**

IPSAS 13.44(d) The Group has entered into a number of material operating leases for [INSERT NATURE OF LEASED ITEM, e.g. BUILDINGS AND/OR EQUIPMENT].

INCLUDE DETAILS OF THE FOLLOWING REGARDING **MATERIAL** OPERATING LEASING ARRANGEMENTS:

- Contingent rentals
- Renewal and/or purchase options
- Restrictions (i.e. return of surplus, return on capital contributions, dividends and distributions, debt, leasing).

Sub-leases

The Group sub-leases its leased [INSERT NATURE OF SUB-LEASED ITEM, e.g. BUILDINGS AND/OR EQUIPMENT] to external third parties.

(ii) Leases as lessor

IPSAS 13.69(a)
IPSAS 13.RDR 69.1

The future non-cancellable minimum lease payments of operating leases as lessor at reporting date are $XXX thousand (2020: $YYY thousand)

IPSAS 13.69(c) Refer to *Note 20* for details of material operating lease arrangements relating to the Group's investment properties.

PBE Standard
IPSAS 1.132(c)

Operating leases - accounting policy

Leases that are not finance leases are classified as *operating leases*.

Operating leases are not recognised in the Group's statement of financial position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Note 31 - Provisions[78]

PBE Standard		Note	[PROV. #1] e.g. Legal claim $'000	Group 2021[79] [PROV. #2] $'000	[PROV. #3] $'000	Total $'000
IPSAS 19.97(a)	**Opening balance (1 January)**		xxx	xxx	xxx	xxx
	Increases due to PBE combination acquisition	36	-	xxx	xxx	xxx
	Decreases due to disposals	6	-	(xxx)	(xxx)	(xxx)
IPSAS 19.97(c)	Provisions used during the period (settlement)	10	(xxx)	-	-	(xxx)
IPSAS 19.97(d)	Unused provisions reversed during the period	10	(xxx)	-	-	(xxx)
	[OTHER]		xxx	xxx	xxx	xxx
IPSAS 19.97(a)	**Closing balance (31 December)**		-	xxx	xxx	xxx
	Current		-	xxx	xxx	xxx
	Non-current		-	xxx	xxx	xxx
			-	xxx	xxx	xxx

(i) [HEADING -PROV. #1 e.g. Legal claim] [80]

IPSAS 19.98(a)
- Description of the obligation

IPSAS 19.98(a)
- Expected timing of outflow (i.e. benefits, or service)

IPSAS 19.98(b)
IFRS 19.RDR 98.1
- Uncertainties regarding the amount and/or timing of outflow

(ii) [HEADING -PROV. #2]

IPSAS 19.98(a)
- Description of the obligation

IPSAS 19.98(a)
- Expected timing of outflow (i.e. benefits, or service)

IPSAS 19.98(b)
IFRS 19.RDR 98.1
- Uncertainties regarding the amount and/or timing of outflow

(iii) [HEADING -PROV. #3]

IPSAS 19.98(a)
- Description of the obligation

IPSAS 19.98(a)
- Expected timing of outflow (i.e. benefits, or service)

IPSAS 19.98(b)
IFRS 19.RDR 98.1
- Uncertainties regarding the amount and/or timing of outflow

IPSAS 1.132(c)

Provisions - accounting policy

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost within surplus or deficit.

[78] Common examples in practice include: Warranties, Restructuring (PBE IPSAS 1.107(b), Restoration, Onerous contracts, Legal etc.
[79] Comparative information is not required (refer PBE IPSAS 17.97).
[80] In extremely rare cases where disclosures would prejudice the Group's position in relation to a dispute with other parties, disclosure this fact together with the general nature of the dispute and why the required disclosures cannot be made (refer PBE IPSAS 19.109).

Note 31 – Provisions (continued)

[INSERT DETAILS OF SPECIFIC PROVISIONS RECOGNISED BY THE ENTITY, common examples below]

i. Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

ii. Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

iii. Site restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

iv. Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Note 32 – Non-exchange liabilities

PBE Standard		Note	2021 Actual $'000	*2021 Prospectives[81] $'000*	2020 Actual $'000
			Group		
	Current:				
IPSAS 23.106(cA)	Concessionary loan liability		xxx	*xxx*	xxx
IPSAS 23.106(e)	Deferred non-exchange revenue		xxx	*xxx*	xxx
			xxx	*xxx*	xxx
	Non-current:				
IPSAS 23.106(cA)	Concessionary loan liability		xxx	*xxx*	xxx
IPSAS 23.106(e)	Deferred non-exchange revenue		xxx	*xxx*	xxx
			xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**

(i) Concessionary loan liability

IPSAS 23.109

The Group has received a loan from [INSERT GRANTOR] to construct [dental clinics] at each of the Group's five sites, terms include:

- Total amount advanced of $XXX thousand
- Includes a non-refundable portion $XXX thousand per dental clinic (refundable to grantor if dental clinic is not completed)
- Contractual interest rate of 5%
- A market effective interest rate of 10% and maturity of 20X1 (note 29).

A concessionary loan liability has been recognised in respect of the Group's obligation to construct the five dental clinics, being equal to the aggregate of:

- The total non-refundable portion, and
- The day-one fair value difference between:
  - The total amount advanced (less the total non-refundable portion), and
  - The present value of the total amount advanced (less the total non-refundable portion) discounted, at the market effective interest rate of 10%.

Non-exchange revenue is recognised in relation to this balance at the point in time as each dental clinic is completed. A reconciliation of the concessionary loan liability is detailed below:

	Note	2021 ($'000)	2020 ($'000)
Opening balance (1 January)		**xxx**	**-**
Day-one concessionary loan liability		-	xxx
Non-exchange revenue recognised (as stipulated conditions satisfied)		(xxx)	(xxx)
Closing balance (31 December)		**xxx**	**xxx**

(ii) Deferred non-exchange revenue

IPSAS 23.109

Deferred non-exchange revenue relates to grants, donations, legacies and bequests received to which there are stipulated conditions attached. Non-exchange revenue in relation to this balance is recognised at the point-in-time as each stipulated condition is satisfied.

[81] If a NFP public benefit entity has published general purpose prospective financial statements, it must present a comparison of the prospective financial statements with the historical financial statements being reported either on the face of the financial statements, as a separate statement or in the notes. Explanations for major variances must be given. (PBE IPSAS 1.21(e) and PBE IPSAS 1.148.1).

Note 33 - Capital and reserves

PBE Standard	*(i) Share capital*	Ordinary shares		[OTHER SHARES] [e.g. PREFERENCE SHARES]	
		2021	2020	2021	2020
		No. shares	No. shares	No. shares	No. shares
IPSAS 1.98(a)(iv)	**Opening number of shares (1 January)**	**xxx**	**xxx**	**xxx**	**xxx**
	Additional shares issued (cash)	xxx	xxx	xxx	xxx
	Additional shares issued (PBE combination acquisitions)	xxx	xxx	xxx	xxx
	Exercise of share options	xxx	xxx	xxx	xxx
	[OTHER MOVEMENTS]	xxx	xxx	xxx	xxx
IPSAS 1.98(a)(iv)	**Closing number of shares (31 December)**	**xxx**	**xxx**	**xxx**	**xxx**

IPSAS 1.98(a)(i) IPSAS 1.98(a)(ii) IPSAS 1.98(a)(iii) IPSAS 1.98(a)(v) — All ordinary shares are issued and fully paid with no par value, with one vote per share and rights to dividends and no other restrictions.

IPSAS 1.98(a)(vi) — No ordinary shares in the controlling entity are held by the controlling entity, its controlled entities, or its associates.

IPSAS 1.98(a)(vii) — No ordinary shares are reserved for issue under options and other contracts.

***(ii) Reserves*[82]**

[SPECIAL PURPOSE RESERVE]

IPSAS 1.98(b) — [INSERT A DESCRIPTION OF THE NATURE AND PURPOSE OF THE RESERVE]

(iii) Dividends [OR SIMILAR DISTRIBUTIONS]

		2021 $'000	2020 $'000
IPSAS 1.117 IPSAS 1.RDR 117.1	Dividends declared and paid by the controlling entity during the period included:		
	2021: year-end dividend	XXX	YYY
	2021: half-year dividend	XXX	YYY
		XXX	YYY

IPSAS 1.132(c)

Contributed [share] capital - accounting policy

[INSERT DETAILS OF SPECIFIC CONTRIBUTED [SHARE] CAPITAL RECOGNISED BY THE ENTITY, common examples below]

i. Ordinary shares

Ordinary shares are classified as net assets/equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from net assets/equity.

ii. Treasury shares

When share capital recognised as net assets is repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from net assets.

Repurchased shares are classified as treasury shares (that are not immediately cancelled) and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in net assets and the resulting surplus or deficit on the transaction is presented in share capital.

[82] Note, this disclosure is only required for those reserves where their nature and purpose are not immediately clear. In practice, this is usually restricted to reserves that the entity creates for itself. Standard reserves such as foreign currency translation reserve, PP&E revaluation reserve, accumulated revenue and expense, and other reserves required by PBE Standards RDR would not usually require additional disclosure, as their nature and purpose is clear from the associated accounting policies and/or standard practice.

Note 33 – Capital and reserves (continued)

(i) Reconciliation of total comprehensive income to components of net assets/equity[83]

PBE Standard			|-------			*Attributable to owners of the controlling entity*			---------- |		
IPSAS 1.119(c) IPSAS 1.119(b)		Note	Contributed [Share] capital $'000	AFS fair value reserve $'000	Foreign currency reserve $'000	Revaluation surplus $'000	Amalgamation reserve $'000	Special purpose reserve $'000	Accumulated revenue and expense $'000	Total	Non-controlling interest $'000	Total net assets/ equity
	Balance as at January 1 2020		**xxx**	**xxx**	**xxx**	**xxx**	**-**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
	Surplus or deficit		-	-	-	-	-	-	xxx	xxx	xxx	xxx
	Other comprehensive revenue and expense:											
	Share of equity accounted associates other comprehensive revenue and expense		-	xxx	xxx	xxx	-	-	-	xxx	-	xxx
	Gain/(Loss) on revaluation of property, plant and equipment	18	-	-	-	(xxx)	-	-	-	(xxx)	(xxx)	(xxx)
	Gain/(Loss) on revaluation of available-for-sale financial assets		-	xxx	-	-	-	-	-	xxx	xxx	xxx
IPSAS 4.61(b)	Translation of foreign operations		-	-	xxx	-	-	-	xxx	-	-	-
	Balance as at 31 December 2020		**xxx**	**xxx**	**xxx**	**xxx**	**-**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
	Balance as at January 1 2021		**xxx**	**xxx**	**xxx**	**xxx**	**-**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
	Surplus or deficit		-	-	-	-	-	-	xxx	xxx	xxx	xxx
	Other comprehensive revenue and expense:											
	Share of equity accounted associates other comprehensive revenue and expense		-	xxx	xxx	xxx	-	-	-	xxx	-	xxx
	Gain/(Loss) on revaluation of property, plant and equipment	18	-	-	-	xxx	-	-	-	xxx	xxx	xxx
	Gain/(Loss) on revaluation of available-for-sale financial assets		-	xxx	-	-	-	-	-	xxx	xxx	xxx
	Amalgamation	36	-	-	-	-	(xxx)	-	-	(xxx)	-	(xxx)
IPSAS 4.61(b)	Translation of foreign operations		-	-	xxx	-	-	-	xxx	-	-	-
	Balance as at 31 December 2021		**xxx**	**xxx**	**xxx**	**xxx**	**(xxx)**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
	Prospectives as at 31 December 2021		**xxx**	**xxx**	**xxx**	**xxx**	**-**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

[83] This information could be presented on the face of the Statement of Changes in Net Assets/Equity instead of in a note such as this

Note 34 – Financial instruments

PBE Standard

(i) Classification of financial instruments

IPSAS 30.11 The tables below show the carrying amount of the Group's financial assets and financial liabilities.

Group – 31 December 2021		Carrying amount ($'000)						
		Financial assets				Financial liabilities		
	Note	FVTSD[84]	Held to maturity	Loans and receivables	Available for sale	FVTSD	Amortised cost	Total
Subsequently measured at fair value:								
Derivative assets	17	xxx	-	-	-	-	-	xxx
Securities:								
Debt (New Zealand corporate - private)	17	-	-	-	xxx	-	-	xxx
Debt (New Zealand government - listed)	17	-	-	-	xxx	-	-	xxx
Equity (New Zealand publicly listed)	17	-	-	-	xxx	-	-	xxx
Equity (New Zealand private)	17	-	-	-	xxx	-	-	xxx
Equity ([COUNTRY X] publicly listed)	17	-	-	-	xxx	-	-	xxx
Derivative liabilities	17	-	-	-	-	(xxx)	-	(xxx)
Subsequently not measured at fair value								
Cash and cash equivalent (assets)	12	-	-	xxx	-	-	-	xxx
Receivables	13	-	-	xxx	-	-	-	xxx
Recoverables (monetary)	15	-	-	xxx	-	-	-	xxx
Concessionary loans issued	24			xxx				xxx
Cash and cash equivalent (liabilities)	12	-	-	-	-	-	(xxx)	(xxx)
Payables	26	-	-	-	-	-	(xxx)	(xxx)
Loans	29	-	-	-	-	-	(xxx)	(xxx)
Finance leases payable	30	-	-	-	-	-	(xxx)	(xxx)
		xxx	xxx	xxx	xxx	(xxx)	(xxx)	

[84] FVTSD = Fair value through surplus or deficit

Note 34 - Financial instruments (continued)

PBE Standard

(i) Classification of financial instruments (continued)

IPSAS 30.11

Group - 31 December 2020

	Note	Carrying amount ($'000)						
		Financial assets				Financial liabilities		
		FVTSD	Held to maturity	Loans and receivables	Available for sale	FVTSD	Amortised cost	Total
Subsequently measured at fair value:								
Derivative assets	17	xxx	-	-	-	-	-	xxx
Securities:								
Debt (New Zealand corporate - private)	17	-	-	-	xxx	-	-	xxx
Debt (New Zealand government - listed)	17	-	-	-	xxx	-	-	xxx
Equity (New Zealand publicly listed)	17	-	-	-	xxx	-	-	xxx
Equity (New Zealand private)	17	-	-	-	xxx	-	-	xxx
Equity ([COUNTRY X] publicly listed)	17	-	-	-	xxx	-	-	xxx
Derivative liabilities	17	-	-	-	-	(xxx)	-	(xxx)
Subsequently not measured at fair value								
Cash and cash equivalent (assets)	12	-	-	xxx	-	-	-	xxx
Receivables	13	-	-	xxx	-	-	-	xxx
Recoverables (monetary)	15	-	-	xxx	-	-	-	xxx
Concessionary loans issued	24			xxx				xxx
Cash and cash equivalent (liabilities)	12	-	-	-	-	-	(xxx)	(xxx)
Payables	26	-	-	-	-	-	(xxx)	(xxx)
Loans	29	-	-	-	-	-	(xxx)	(xxx)
Finance leases payable	30	-	-	-	-	-	(xxx)	(xxx)
		xxx	xxx	xxx	xxx	(xxx)	(xxx)	

Note 34 – Financial instruments (continued)

PBE Standard

(ii) Fair values

Fair value determination for financial instruments subsequently measured at fair value are as follows:

IPSAS 30.RDR 31.1

(a) Debt securities (listed) and Equity securities (listed)

[INSERT SPECIFIC DETAILS ON THE BASIS OF DETERMINING FAIR VALUE - IF VALUATION METHOD USED DISCLOSURE ASSUMPTIONS USED, e.g.] Fair values are based on the quoted market price in the active market of the security at reporting date.

IPSAS 30.RDR 31.1

(b) Derivative financial instruments

[INSERT SPECIFIC DETAILS ON THE BASIS OF DETERMINING FAIR VALUE - IF VALUATION METHOD USED DISCLOSUE ASSUMPTIONS USED, e.g.] Fair values are based on broker quotes as at reporting date, and are tested for reasonableness against the discounted cash flows of estimated future cash flows (based on the contract terms and maturity, and using a market interest rate for a similar instrument at measurement date). Where appropriate, the credit risk of the Group (derivative liabilities) and counterparty (derivative assets) are included.

Interest rate ranges used in the discounted cash flow analysis were X.X% - X.X% (2021: Y.Y% - Y.Y%).

IPSAS 30.RDR 31.1

(c) Debt securities (private, non-listed), Concessionary loans issued, Loans, Finance leases payable

[INSERT SPECIFIC DETAILS ON THE BASIS OF DETERMINING FAIR VALUE - IF VALUATION METHOD USED DISCLOSUE ASSUMPTIONS USED, e.g.] Fair values are determined by discounted cash flows of estimated future cash flows (based on the contract terms and maturity, and using a market interest rate for a similar instrument at measurement date). Where appropriate, the credit risk of the Group is included.

Interest rate ranges used in the discounted cash flow analysis were:

- Debt securities (private non listed) X.X% - X.X% (2020: Y.Y% - Y.Y%)
- Concessionary loans issued X.X% - X.X% (2020: Y.Y% - Y.Y%)
- Loans X.X% - X.X% (2020: Y.Y% - Y.Y%)
- Finance leases payable X.X% - X.X% (2020: Y.Y% - Y.Y%).

IPSAS 30.RDR 31.1

(d) Equity securities (private, non-listed)

[INSERT SPECIFIC DETAILS ON THE BASIS OF DETERMINING FAIR VALUE - IF VALUATION METHOD USED DISCLOSUE ASSUMPTIONS USED, e.g.] Fair values are determined by discounted cash flows of estimated future cash flows (based on the expected cash flows and a risk-adjusted discount rate that incorporate a probability weighting of a rage of possible outcomes).

Key inputs and assumptions used in the valuation included:

- *Discount rate*: Based on the risk-free rate (based on government 10 year bonds), and adjusted for a market risk premium (for investing in securities), and any other systematic risk or entity specific risks not reflected in the cash flows.
- *Forecasted EBITDA:* Based on management's specific forecast estimations over the subsequent 5 years, including estimates of annual revenue growth and the EBITDA margin.

IPSAS 1.132(c)

Financial instruments – accounting policy

IPSAS 30.25

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies financial assets into the following categories: [*fair value through surplus or deficit*, *held-to-maturity*, *loans and receivables*, and *available-for-sale*].

The Group classifies financial liabilities into the following categories: [*fair value through surplus or deficit*, and *amortised cost*].

Financial instruments are initially measured at fair value, [plus for those financial instruments not subsequently measured at fair value through surplus or deficit], directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

Note 34 – Financial instruments (continued)

PBE Standard
IPSAS 1.132(c)

Financial instruments - accounting policy (continued)

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without any deduction for transaction costs. In the absence of an active market, the fair value of financial instruments is measured using valuation techniques with the objective of estimating what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations.

i. Fair value through surplus or deficit

A financial instrument is classified as *fair value through surplus or deficit* if it is:

- *Held-for-trading*:
  - All derivatives where hedge accounting is not applied.
  - Financial instruments acquired for the purpose of selling or repurchasing in the short term.
- *Designated at initial recognition*: If the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy.

Those *fair value through surplus or deficit* instruments sub-classified as *held-for-trading* comprise [INSERT LINE ITEMS, e.g. forward exchange contracts and interest rate swaps etc.].

Those *fair value through surplus or deficit* instruments sub-classified as *designated at initial recognition* comprise [INSERT LINE ITEMS]. Financial instruments classified as *fair value through surplus or deficit* are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

ii. Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. *Held-to-maturity* financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses (refer *Note 4(h)*).

Held-to-maturity financial assets comprise [INSERT LINE ITEMS, e.g. debentures, government bonds etc.].

iii. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise [INSERT LINE ITEMS, e.g. cash and cash equivalents, receivables, monetary recoverables, concessionary loans issued, etc.].

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

Concessionary loans issued are loans issued to third parties at rates and/or terms below market. Any difference between fair value and transaction price of the concessionary loan at initial recognition is recognised as a finance cost in surplus or deficit.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

Available-for-sale financial assets are subsequently measured at fair value with gains or losses (other than foreign exchange gains or losses) recognised in other comprehensive revenue and expense and presented in the *AFS fair value reserve* within net assets/equity, less impairment (refer *Note 4(h)*).

Upon derecognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

Available-for-sale financial assets comprise [INSERT LINE ITEMS, e.g. equity securities, debt securities etc.].

PBE Standard
IPSAS 1.132(c)

v. Amortised cost financial liabilities

Financial liabilities classified as *amortised cost* are non-derivative financial liabilities that are not classified as *fair value through surplus or deficit* financial liabilities.

Financial liabilities classified as *amortised cost* are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as *amortised cost* comprise [INSERT LINE ITEMS, e.g. cash and cash equivalents (bank overdrafts), payables, loans, finance lease payable etc.].

Note 34 – Financial instruments (continued)

PBE Standard
IPSAS 1.132(c)

Financial instruments – accounting policy (continued)

Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an *available-for-sale* financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

i. Financial assets classified as held-to-maturity and loans and receivables

The Group considers evidence of impairment for financial assets measured at amortised cost (*loans and receivables* and *held-to-maturity*) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against *loans and receivables* or *held-to-maturity* financial assets. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Individual trade receivables that are known to be uncollectible are written off when identified, along with associated allowances. Loans, together with associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

ii. Financial assets classified as available-for-sale

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in net assets/equity to surplus or deficit.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

In the case of debt instruments classified as available-for-sale, the impairment is assessed based on the same criteria as financial assets at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit. The cumulative loss that is reclassified from the fair value reserve in net assets/equity to surplus or deficit is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in surplus or deficit.

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired *available-for-sale* debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired *available-for-sale* equity security is recognised in other comprehensive revenue and expense.

Note 35 – Group entities[85]

PBE Standard
IPSAS 20.25
IPSAS 38.9
IPSAS 38.17
IPSAS 38.19

A listing of the Group's significant controlled entities is presented below:

	Note	Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
[CONTROLLED ENTITY #1]		AAA	45	45
[CONTROLLED ENTITY #2]		AAA	xxx	xxx
[CONTROLLED ENTITY #3]	36	AAA	90	25

IPSAS 8.18

All controlled entities have the same reporting date as the controlling entity.

There are no significant restrictions regarding to the transfer of dividends, loan repayments, and other funds from controlled entities.

[CONTROLLED ENTITY #1]

IPSAS 38.14
IPSAS 1.137

Although the controlling entity does not hold a majority of the ownership interest in [CONTROLLED ENTITY #1] it has determined that control exists because [INSERT REASON, e.g. it holds the majority of voting rights due to agreements with other shareholders].

[CONTROLLED ENTITY #3]

During the period the Group purchased an additional 65% of the ownership interest in [CONTROLLED ENTITY #3] (refer to *Note 36*) which had previously been accounted for as an equity-accounted associated (refer *Note 22*).

IPSAS 1.132(c)

Basis of consolidation - accounting policy

i. Controlled entities

Controlled entities are entities controlled by the Group. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with owners of the controlling entity in their capacity as owners, within net assets/equity.

The financial statements of the controlled entities are prepared for the same reporting period as the controlling entity, using consistent accounting policies.

ii. Loss of control of a controlled entity

On the loss of control, the Group derecognises the assets and liabilities of the controlled entity, any non-controlling interest, and the other components of net assets/equity related to the controlled entity. Any surplus or deficit arising on the loss of control is recognised in surplus or deficit.

If the Group retains any interest in the previously controlled entity, then such interest is measured at fair value at the date that control is lost. Subsequently, the retained interest is either accounted for as an equity-accounted associated or an available-for-sale financial asset depending on the level of influence retained.

iii. Non-controlling interests

Non-controlling interests are measured either at, on a PBE combination acquisition by acquisition basis, their proportionate share of the acquiree's identifiable net assets, or fair value.

Non-controlling interests are allocated their share of net surplus or deficit after tax in the consolidated statement of comprehensive revenue and expense and are presented within equity in the consolidated statement of financial position separately from equity attributable to owners of the controlling entity.

[85] Note that different disclosures are required when the entity is presenting **separate financial statements** as a result of applying the exemption afforded per PBE IPSAS 6.16 from preparing consolidated financial statements (refer to PBE IPSAS 6.63).
Note that different disclosures are required when the entity is presenting separate financial statements and is either (i) a venturer with an interest in a jointly controlled entity, or (ii) has only an investment in an associate (refer to PBE IPSAS 6.64).

Note 35 – Group entities (continued)

PBE Standard
IPSAS 1.132(c)

Basis of consolidation – accounting policy (continued)

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates and jointly-controlled-entities are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

v. Loss of significant influence or joint control

Upon loss of significant influence of an associate, or joint control over the joint venture, the Group measures and recognises any remaining investment at its fair value, and accounts for the remaining investment at fair value in accordance with PBE IPSAS 29. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in surplus or deficit.

Foreign operations – accounting policy

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Zealand Dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive revenue and expense and presented in the foreign currency translation reserve (translation reserve) in net assets/equity. However, if the foreign operation is a non-wholly-owned controlled entity, then the relevant proportion of the translation difference is allocated to the Non-controlling interests.

When a foreign operation is disposed of, such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to surplus or deficit as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a controlled entity that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to Non-controlling interests. When the Group disposes of only part of its investment in an associate or jointly-controlled-entity that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to surplus or deficit.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive revenue and expense, and are presented in the foreign currency translation reserve in net assets/equity.

Note 36 – PBE combinations

PBE Standard

IPSAS 40.120(a), (b) and (c)

(i) ACQUISITIONS[86]

On [DD MM 2021] the group acquired 100% of the shares and voting interests in [CONTROLLED ENTITY X]

IPSAS 40.120(a)

[CONTROLLED ENTITY X] is involved in [INSERT DETAILS].

(i) Net identifiable assets acquired

IPSAS 40.120(i)

The Group acquired and assumed the following amounts of assets and liabilities as at acquisition date, and any material gain or loss recognised subsequently up until reporting date:

PBE Standard		Note	Acquisition date ($'000)	Subsequent gain or loss ($'000)	Reporting date ($'000)
IPSAS 40.120 (f)(i)	Cash and cash equivalents		xxx		
	Receivables (from exchange transactions):				
IPSAS 40.120 (h)(i)	Trade receivables		xxx	(xxx)	xxx
	Inventories		xxx		
	Property plant and equipment	18	xxx	xxx	xxx
	Intangible assets	19	xxx		
	Investment properties	20	xxx	xxx	xxx
	Biological assets	21	xxx	xxx	xxx
	Other investments		xxx		
	[OTHER ASSETS]		xxx		
	Payables (from exchange transactions)		(xxx)		
	Loans		(xxx)		
	Provisions	31	(xxx)		
	[OTHER LIABILITIES]		(xxx)		
	Net identifiable assets acquired		**xxx**		

IPSAS 40.124

The fair values above represent the full and final amounts of each item in respect of the PBE combination accounting. Therefore, none of the amounts above represent 'provisional amounts' that would be subsequently finalised during the *measurement period* (being the period lasting no more than one year from acquisition date).

IPSAS 40.120 (f)

(ii) Consideration transferred

The fair value of the consideration transferred included the following:

	($'000)
Cash and cash equivalents	BBB
[OTHER][87]	xxx
Total consideration transferred	CCC

[86] Note, the example above is only for a single material PBE combination acquisition. These disclosures are required for EACH material PBE combination acquisition during the period. Refer to PBE IPSAS 40. RDR 121.1 for disclosure requirements for immaterial PBE combination acquisitions. Also, this example does not address PBE combination acquisitions achieved in stages. Refer to the specific treatment and disclosure requirements of PBE IPSAS 40 for clients that have such acquisition.

[87] Examples include: Tangible or intangible assets, contingent consideration liabilities, equity instruments, settlement of a pre-existing relationship with the acquire (refer PBE IPSAS 40.120(f)). It should be noted that the existence of several of the above items will trigger additional disclosures, including (but not limited to): contingent consideration (PBE IPSAS 40.120(g) and .124(b)), transactions recognised separately from the acquisition (PBE IPSAS 40.120(l) and (m)).

Note 36 – PBE combinations (continued)

PBE Standard

(i) ACQUISITIONS (continued)

(iii) Goodwill[88]

IPSAS 40.124

There were no adjustments to goodwill in the current period relating to PBE combination acquisitions in previous periods.

Goodwill is able to be recognised in this acquisition as [CONTROLLED ENTITY X] is a cash generating operation and net cash inflows are being generated[89]. Goodwill in relation to the PBE combinations was recognised as follows:

PBE Standard		($'000)
	Total consideration transferred (fair value)	CCC
IPSAS 40.120 (p)(i)	*Plus:* Non-controlling interests (proportionate interest[90])	xxx
	Less: Net identifiable assets acquired (fair value)	(xxx)
		xxx

IPSAS 1.132(c)

Acquisitions - accounting policy

PBE combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control of the acquired operations is gained.

The Group gains control of an acquired operations when it gains (i) power over the operation, (ii)exposure, or rights, to variable benefits from its involvement with the operation, and (iii) the ability to use its power over the operation to affect the nature or amount of the benefits from its involvement with the operation.

IPSAS 40.85

The Group measures goodwill at the acquisition date as:

The aggregate of:

- The fair value of consideration transferred;
- The recognised amount of any Non-controlling interests in the acquiree; and
- The fair value of any pre-existing equity interest in the acquiree.

Less:

IPSAS 40.85
IPSAS 40.86

- The fair value of the net identifiable assets acquired, and liabilities assumed.

Goodwill is only recognised to the extent that the acquisition results in the generation of net cash inflows and the goodwill arises from the acquisition of cash-generating operations. In all other circumstances, the excess of consideration transferred over the fair values of the net identifiable assets acquired is recognised as a loss in surplus or deficit.

IPSAS 40.88

Any gain on bargain purchase is recognised immediately in surplus or deficit.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in surplus or deficit.

Transactions costs related to a PBE combination acquisition incurred by the Group, other than those associated with the issue of debt or equity securities, are expensed in surplus or deficit as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not subsequently remeasured and settlement is accounted for within net assets/equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in surplus or deficit.

If the PBE combination acquisition is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in surplus or deficit. It is then considered in the determination of goodwill.

If the initial accounting for an acquisition is incomplete by the end of the reporting period in which the acquisition occurs, the Group reports in the financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period the provisional amounts recognised are adjusted retrospectively to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period does not exceed one year from the acquisition date.

[88] If the PBE combination acquisition instead resulted in (i) a bargain purchase, refer to the disclosures required by PBE IPSAS 40.120(o), or (ii) a loss, as goodwill was unable to be recognised, refer to the disclosures required by PBE IPSAS 40.120(n).

[89] If instead of goodwill being recognised, the acquisition results in (i) a loss or (ii) a bargain purchase, other additional disclosure is required. Please refer to PBE IPSAS 40(n) and (o) respectively

[90] Note, if the entity had instead elected fair value measurement, additional disclosures would be required (refer to PBE IPSAS 40.120(p)(ii)).

Note 36 – PBE combinations (continued)

PBE Standard

(ii) AMALGAMATIONS

IPSAS 40.54(a), (b) and (c)

On [DD MM 2021], the Group entered into an amalgamation with [NOT-FOR-PROFIT ENTITY] as a result of referenda approved by each operations' respective members. [NOT-FOR-PROFIT ENTITY] carried out similar charitable work to the Group but operated in areas of the country that were not previously covered by the Group. As the Group wanted to expand its charitable offerings country- wide and [NOT-FOR-PROFIT ENTITY] was under pressure to maintain operations in the current economic climate, it was decided that an amalgamation would benefit the members of both operations. [DD MM 2021] was [NOT-FOR-PROFIT ENTITY]'s reporting date for 2021.

IPSAS 40.54(h)

IPSAS 40.51
IPSAS 40.54(e)

The following are the major classes of assets and liabilities transferred as part of the amalgamation, at their carrying values of [NOT-FOR-PROFIT ENTITY]. As [NOT-FOR-PROFIT ENTITY] was also reporting under PBE Standards RDR, no adjustments were required to be made to the carrying amounts of these items. In addition, there were no transactions between the Group and [NOT-FOR-PROFIT ENTITY] prior to the amalgamation.

IPSAS 40.54(d)
IPSAS 40.51

	Note	Acquisition date ($'000)
Property, plant and equipment	18	xxx
Intangible assets	19	xxx
Biological assets	21	xxx
Other receivables		(xxx)
Trade and other payables		(xxx)
Employee benefit liabilities		(xxx)
Borrowings		(xxx)
Net assets acquired via amalgamation		**BBB**
Impact of amalgamation recognised in net assets/equity		**(BBB)**

Amalgamation costs of $xxx were expended during the period.

IPSAS 1.132(c)

AMALGAMATIONS – accounting policy

Amalgamations are accounted for using the modified pooling of interests method as at the amalgamation date, which is the date on which the Group (as resulting entity) obtains control of the combining operation.

IPSAS 40.19

The Group is the resulting entity when it gains control of one or more operations, and in which there is evidence that the combination has the economic substance of an amalgamation.

IPSAS 40.26
IPSAS 40.27

As of the amalgamation date, the Group, in accordance with PBE Standards RDR, recognises in the financial statements the assets, liabilities and any non-controlling interests of the combining operation as of the amalgamation date at their carrying amounts adjusted to eliminate the effects of all transactions between the Group and the combining operation and to ensure that the combining operation's accounting polices conform with those of the Group.

IPSAS 40.37
IPSAS 40.38
IPSAS 40.39

Amalgamations do not give rise to goodwill. Instead, the aggregate of the carrying amount of the combining operation's assets liabilities and any non-controlling interest is recognised as a single balance in net assets/equity. In addition, any amalgamation adjustments required to eliminate transactions between the combining operation and the Group, any adjustments made to the combining operation's carrying amounts of assets and liabilities to conform with the Group's accounting policies and adjustments made in respect of the exceptions to the recognition and/or measurement principles required on amalgamation are recognised within net assets/equity.

IPSAS 40.45

Transactions costs related to amalgamations are expensed in surplus or deficit as incurred.

IPSAS 40.51

When an amalgamation has occurred, the prior period results of the combining operation are not included in the resulting entity's (i.e., Group's) comparative financial information. The Group has elected a policy to not include prior period results in relation to the combining operation in the notes.

If the initial accounting for an amalgamation is incomplete by the end of the reporting period in which the amalgamation occurs, the Group reports in the financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period the provisional amounts recognised are adjusted retrospectively to reflect new information obtained about facts and circumstances that existed as of the amalgamation date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the amalgamation date or learns that more information is not obtainable. However, the measurement period does not exceed one year from the amalgamation date.

Note 37 – Related party transactions[91]

PBE Standard

(i) Controlling entity and ultimate controlling entity

IPSAS 20.26

The controlling and ultimate controlling party of [NAME - TIER 2 PUBLIC BENEFIT ENTITY] is [ENTITY A] and [ENTITY B] respectively[92].

[INSERT DETAILS OF TRANSACTIONS BETWEEN THE CONTROLLING ENTITY AND ITS OWN CONTROLLING ENTITY AND/OR ULTIMATE CONTROLLING ENTITY, INCLUDING TERMS AND CONDITIONS, INCLUDING (BUT NOT LIMITED TO)]

- Purchase and/or sale of goods
- Provision and/or receipt of services
- Provision and/or receipt of donations, grants, and/or sponsorship etc.
- Advance and/or receipt of loans

FOR EXAMPLE:

IPSAS 20.27.1

Sale of goods

During the period the Group sold goods [DETAIL] totalling $XXX thousand (2020: $YYY thousand) to [ENTITY A] on normal trade terms and conditions. At reporting date there as a total of $XXX thousand (2020: $YYY thousand) remained receivable, which is included within *Trade receivables from exchange transactions* in *Note 16*. There were no amounts written off or impaired during the period (2021: nil).

IPSAS 20.27.1

Receipt of services

During the period the Group received services [DETAIL] totalling $XXX thousand (2020: $YYY thousand) to [ENTITY B] on normal trade terms and conditions. At reporting date there as a total of $XXX thousand (2020: $YYY thousand) remained payable, which is included within *Trade payables from exchange transactions* in *Note 29*. There were no amounts forgiven during the period (2021: nil).

IPSAS 20.27.1

Donations, grants, and sponsorship

During the period the Group provides goods [DETAIL] and services [DETAIL] to [ENTITY A] for no charge [INSERT REASON, e.g. as part of ENTITY A's fundraising activities]. Under normal trade terms and conditions, the value of the goods and services provided would have been $XXX thousand (2020: $YYY thousand) and $XXX thousand (2020: $YYY thousand) respectively.

IPSAS 20.27.1

Advances made

The Group has provided a short-term advance facility to [ENTITY A] for $XXX thousand. Terms and conditions are that the advances are non-interest bearing and must be paid within 120 days. A reconciliation of opening and closing balances with payments received and additional advances made is presented below:

	Note	2021 $'000	2020 $'000
Opening balance (1 January)		**xxx**	**xxx**
Repayments received		(xxx)	(xxx)
Further advances made		xxx	xxx
Closing balance (31 December)	13	**xxx**	**xxx**

IPSAS 20.27.1

Advances received

The Group has been provided a short-term advance facility from [ENTITY B] for $XXX thousand. Terms and conditions are that the advances are non-interest bearing and must be paid within 120 days. A reconciliation of opening and closing balances with payments made and additional advances received is presented below:

	Note	2021 $'000	2020 $'000
Opening balance (1 January)		**xxx**	**xxx**
Repayments made		(xxx)	(xxx)
Further advances received		xxx	xxx
Closing balance (31 December)	26	**xxx**	**xxx**

[91] Note that references to PBE IPSAS 20 above are in relation to *not-for-profit* entity disclosures, however the requirements and wordings are identical for *public sector* entities, except for PBE IPSAS 20.34(c) in respect to loans made to key management personnel where disclosure is only required for loans made that are not widely available to, or known about by, people who are not key management personnel.

[92] Note that this disclosure is required irrespective of whether there have been any transactions between the parties.

Note 37 – Related party transactions (continued)[93]

PBE Standard

(ii) Key management personnel remuneration

IPSAS 20.34.1(a)

The Group classifies its key management personnel into one of three classes:[94]

- Members of the governing body
- Senior executive officers, responsible for reporting to the governing body
- Chief operating officers, responsible for the operation of the Group's operating segments, and reporting to the Senior executive officers.

Members of the governing body are paid an annual fee of $XXX as well as $XXX in honoraria for each meeting attended during the period.
Senior executive officers and Chief operating officers are employed as employees of the Group, on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in 'people' for Members of the governing body, and 'full-time-equivalents' (FTE's) for Senior executive officers and Chief operating officers) in each class of key management personnel is presented below:

	2021		2020	
	Remuneration $'000	Number of individuals	Remuneration $'000	Number of individuals
Members of the governing body	xxx	X people	xxx	X people
Senior executive officers	xxx	X FTE's	xxx	X FTE's
Chief operating officers	xxx	X FTE's	xxx	X FTE's
	xxx		**xxx**	

IPSAS 20.34.1(b)(i)

Legal consulting fee's totalling $XXX thousand (2020: $YYY thousand) were paid at market rates to member of the governing body for the provision of expert legal advice for a specific matter outside of the scope of their normal duties.

IPSAS 20.34.1(b)(ii)

A number of close family members of key management personnel are employed by the Group on normal employment terms. The total aggregate remuneration paid to close family members of key management personnel was $XXX thousand (2020: $YYY thousand).

(iii) Key management personnel advances

IPSAS 20.34.1(c)

As detailed in *Note 14*, the Group provides advances to key management personnel, subject to a maximum draw down amount of XX% of the employee's salary, capped to a maximum of $XXX thousand. Terms and conditions are that the advances are non-interest bearing and must be paid within 120 days. A reconciliation of opening and closing balances with payments made and additional advances received is presented below for each key management personnel that received advances during the period.

			[MR/MRS ABC] [MEMBER OF GOVERNING BODY]		[MR/MRS ABC] [SENIOR EXECUTIVE OFFICER]		Total	
		Note	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
	Opening balance (1 January)		**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
IPSAS 20.34.1(c)(ii)	Repayments made		(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
IPSAS 20.34.1(c)(i)	Further advances received		xxx	xxx	xxx	xxx	xxx	xxx
IPSAS 20.34.1(c)(iii)	**Closing balance (31 December)**	15	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

(iv) Other related parties

IPSAS 20.27.1

[DISCLOSE NATURE OF RELATIONSHIP, TYPES OF TRANSACTIONS, ELEMENTS OF THE TRANSACTIONS TO CLARIFY THEIR SIGNIFICANCE]

[93] Note that references to PBE IPSAS 20 are in relation to not-for-profit disclosures, however the requirements and wordings are identical in respect to the corresponding paragraphs that relate to public sector entities, except for PBE IPSAS 20.34(c) in respect to loans made to key management personnel where disclosure is only required for loans made that are not widely available to, or known about by, people who are not key management personnel.

[94] This disclosure is SPECIFIC to each entity and therefore will need to be amended on an entity-by-entity basis. The Implementation guidance to PBE IPSAS 20 provides additional illustrative examples of disclosures.

Note 38 – Commitments and contingencies

PBE Standard	
	(i) Commitments
	INCLUDE DETAILS OF THE FOLLOWING FOR EACH **MATERIAL** COMMITMENT THAT EXISTS AS AT REPORTING DATE, including those:
IPSAS 17.89(c)	• Relating to property, plant and equipment (incl. purchase, construction)
IPSAS 16.86(h)	• Relating to investment property (incl. purchase, construction, develop, repairs and maintenance, enhancements etc.)
IPSAS 27.47(c)	• Relating to biological assets
IPSAS 31.121(e)	• Relating to intangible assets
	• Other (e.g. inventory, any other assets, any concessionary loan obligations)
	(ii) Contingent liabilities[95]
	INCLUDE DETAILS OF EACH **MATERIAL** CONTINGENT LIABILITIES THAT EXISTS AS AT REPORTING DATE, incl.
	• Explanation of what the contingent liability is in relation to
IPSAS 19.100(b)	• That no liability has been recognised, and the nature of the uncertainties that have led to this treatment
IPSAS 19.100(a)	• The estimated amount (or range of amounts) payable
IPSAS 19.108	• If the estimated amount cannot be estimated, the reason why
IPSAS 19.100(c)	• Information on any reimbursements that the entity might be subsequently entitled to (i.e. insurance)
IPSAS 1.38	• Whether going concern would be jeopardised if the contingent liability crystallised.
	(iii) Contingent assets
IPSAS 19.105	INCLUDE DETAILS OF EACH **MATERIAL** CONTINGENT ASSET THAT EXISTS AS AT REPORTING DATE, incl.
	• Explanation of what the contingent asset is in relation to
	• That no asset has been recognised, and the nature of the uncertainties that have led to this treatment
	• The estimated amount (or range of amounts) receivable
IPSAS 19.108	• If the estimated amount cannot be estimated, the reason why

Note 39 – Events after reporting date

IPSAS 14.30	INCLUDE DETAILS OF THE FOLLOWING FOR EACH **MATERIAL** NON-ADJUSTING EVENT AFTER REPORTING DATE THAT OCCURS UP UNTIL THE DATE THE FINANCIAL STATEMENTS ARE AUTHORISED FOR ISSUE, incl.
IPSAS 14.30(a)	• The nature of the event
IPSAS 14.30(b)	• The estimate of the financial effect of the event, or if this cannot be estimated, a statement to that effect.

[95] In extremely rare cases where disclosures would prejudice the Group's position in relation to a dispute with other parties, disclose this fact together with the general nature of the dispute and why the required disclosures cannot be made (refer PBE IPSAS 19.109).

Note 40 – Other Significant accounting policies[96]

PBE Standard

(i) Impairment of non-financial assets

IPSAS 1.132(c)

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill, indefinite life intangible assets, and intangible assets not yet available for use are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in us, the estimated future cash flows (for *cash-generating assets*) or future remaining service potential (for *non-cash-generating assets*)[97] are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Cash-generating assets and non-cash generating assets are distinguished by [INSERT CRITERIA].

IPSAS 26.114
IPSAS 21.72A

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a PBE combination acquisition is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in surplus or deficit. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

[96] Disclosure of accounting policies required by PBE IPSAS 1.21(f)

[97] Note that PBE IPSAS 21 paragraphs 44 – 49 detail specific methods for determining value-in-use for non-cash-generating assets. An entity with material impairments relating to non-cash-generating assets should include additional narrative disclosing the method used and details of that method.

APPENDIX A
FIRST TIME ADOPTER APPLYING PBE FRS 47

(Financial statements previously prepared under another (non-PBE Standard) financial reporting framework

(a) Disclosure in first set of PBE Standards RDR financial statements

An entity must insert a comment that the financial statements are their first financial statements prepared in accordance with PBE Standards RDR. This sentence has been added to *Note 1 – Reporting entity*.

PBE Standard	**Note 1 - Reporting entity**
	TIER 2 PUBLIC BENEFIT ENTITY (the "controlling entity") is a charity registered under…
	These consolidated financial statements for the year ended 31 December 2021 comprise …
	This is the Group's first set of financial statements presented in accordance with PBE Standards RDR.
IPSAS 1.132(b)	Upon transition to PBE Standards RDR the Group has applied a number of the transitional provisions afforded in FRS-47, these are detailed in *Note XX*.
	The Group is primarily involved in…

(b) Comparative information

A Tier 2 entity is afforded a number of SIGNIFICANT EXEMPTIONS in the year it adopts PBE Standards RDR (when moving from a non-PBE standard framework), specifically:

- **They do NOT have to present a third statement of financial position at the beginning of the earliest comparative period (i.e., date of transition in most cases) (refer PBE FRS 47.RDR 27.1), and**
- **Comparative information (i.e., financial statements and associated notes) is NOT required (refer PBE FRS 47.RDR 27.2), however it must:**
  - **Attach a copy of the of the previous year's financial statements (refer PBE FRS 47.RDR 27.3), and**
  - **Explain [in the notes] the significant differences in accounting policies (refer PBE FRS 47.RDR 27.3).**

(c) Explanation to the transition to PBE Standards RDR[98]

In order to explain the transition to PBE Standards RDR an entity must present only a reconciliation of *net assets/equity* between the date of transition, and at the end of the latest period that the entity reported in accordance with previous accounting framework (refer PBE FRS 47.30).

Similar reconciliations of *total comprehensive revenue and expense*, nor *cash flows*, are not required for Tier 2 reporters.

The reconciliations for net assets/equity and accompanying narrative notes are illustrated below.

[98] Refer to PBE FRS-47.29.

(c) Explanation to the transition to PBE Standards RDR (continued)

PBE Standard

Note X1 - Effect of PBE Standards RDR adoption (continued)

	[NZ FRS	[Adj. 1]	[Adj. 2]	[Adj. 3]	[Adj. 4]	[Adj. 5]	PBE Standards (RDR)
	31 December 2019	*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*1 January 2020*
	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's
Contributed [Share] capital	xxx	-	-	-	-	-	xxx
AFS fair value reserve	-	-	-	-	-	-	-
Foreign currency translation reserve	xxx	-	-	-	-	-	xxx
Revaluation surplus	-	-	-	-	-	-	-
Special purpose reserve	xxx	-	-	-	-	-	xxx
Accumulated revenue and expense	xxx	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	-	-	-	-	-	xxx
		-	-	-	-	-	
Non-controlling interests	xxx	-	-	-	-	-	xxx
Total net assets/equity	xxx	xxx	xxx	xxx	xxx	xxx	xxx

	[NZ FRS	[Adj. 1]	[Adj. 2]	[Adj. 3]	[Adj. 4]	[Adj. 5]	PBE Standards (RDR)
	31 December 2020	*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*31 December 2020*
	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's
Contributed [Share] capital	xxx	-	-	-	-	-	xxx
AFS fair value reserve	-	-	-	-	-	-	-
Foreign currency translation reserve	xxx	-	-	-	-	-	xxx
Revaluation surplus	-	-	-	-	-	-	-
Special purpose reserve	xxx	-	-	-	-	-	xxx
Accumulated revenue and expense	xxx	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	-	-	-	-	-	xxx
		-	-	-	-	-	
Non-controlling interests	xxx	-	-	-	-	-	xxx
Total net assets/equity	xxx	xxx	xxx	xxx	xxx	xxx	xxx

(c) Explanation to the transition to PBE Standards RDR (continued)

PBE Standard

Note X1 - Effect of PBE Standards RDR adoption (continued)

(iii) Notes to reconciliations

FRS 47.37 ***Note (a)***

- The Group has elected to use fair value as deemed cost for property, plant and equipment upon transition, resulting in a $XXX thousand increase in the carrying amount as at 1 January 2020.
- Subsequently, the Group has elected to measure the *land and buildings* class using the revaluation model, rather than at cost as was the accounting policy previously. This has resulting in a $XXX thousand revaluation increase in the *revaluation surplus* within net assets/equity, recognised in other comprehensive revenue and expense during the period to 31 December 2020.
- Due to the above increases in carrying value, the comparative amount of depreciation expense within *other expenses* has increased by $XXX thousand for the period to 31 December 2020.

FRS 47.37 ***Note (b)***

- The Group has elected to use fair value as deemed cost for intangible assets upon transition, resulting in a $XXX thousand increase in the carrying amount as at 1 January 2020.
- Due to the above increases in carrying value, the comparative amount of amortisation expense within *other expenses* has increased by $XXX thousand for the period to 31 December 2020.

FRS 47.37 ***Note (c)***

- The Group has elected to use fair value as deemed cost for investment property upon transition, resulting in a $XXX thousand increase in the carrying amount as at 1 January 2020.
- Subsequently, the Group has elected to measure investment property using the fair value model, rather than at cost as was the accounting policy previously. This has resulted in a $XXX thousand revaluation gain recognised in *other income* within surplus or deficit during the period to 31 December 2020.

FRS 47.36 ***Note (d)***

- The Group has elected to use fair value as deemed cost for *available-for-sale* financial assets upon transition, resulting in a $XXX thousand increase in the carrying amount as at 1 January 2020.
- PBE Standards RDR requires these instruments are measured at fair value through other comprehensive revenue and expense, rather than at cost as was the accounting policy previously. This has resulted in a $XXX thousand revaluation increase in the *available-for-sale fair value reserve* within net assets/equity, recognised in other comprehensive revenue and expense during the period to 31 December 2020.

FRS 47.36 ***Note (e)***

- The Group has elected to use fair value as deemed cost for *derivative assets/liabilities* upon transition, resulting in a $XXX thousand increase in the carrying amount as at 1 January 2020.
- PBE Standards RDR requires these instruments are measured at fair value through other comprehensive revenue and expense, rather than at cost as was the accounting policy previously. With respect to *derivative assets*, this has resulted in a $XXX thousand gain recognised in *finance income* within surplus or deficit during the period to 31 December 2020. With respect to derivative liabilities, this has resulted in a $XXX thousand loss recognised in *finance cost* within surplus or deficit during the period to 31 December 2020.

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