TIER 1 PUBLIC BENEFIT ENTITY
NOT FOR-PROFIT ENTITY
ILLUSTRATIVE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

(AND APPENDICIES)
2022

ILLUSTRATIVE CONSOLIDATED FINANCIAL STATEMENTS
TIER 1 NOT FOR PROFIT
PUBLIC BENEFIT ENTITY

FOR THE YEAR ENDED 31 DECEMBER 2022

For more info visit www.bdo.nz

Public Benefit Entities Accounting Standards (PBE Standards)

This publication has been prepared based on the requirements of the PBE Standards applicable to Tier 1 Not-for-profit Public Benefit Entities, as issued by the External Reporting Board, effective for periods beginning on or after 1 January 2022 available here.

TIER 1 NOT FOR PROFIT is an **existing** preparer of PBE Standards. Thus PBE FRS 47 *First-time Adoption of PBE Standards has* not been applied. However, example disclosures of what would be required under these standards is provided in Appendix A.

Due to the nature of its operations, the consolidated financial statements of TIER 1 NOT FOR PROFIT do not incorporate disclosures relating to:

- 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 41 *Financial Instruments – Recognition and Measurement; and* PBE IPSAS 30 *Financial Instruments – Disclosures*[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 *Services 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)*

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

As the illustrative financial statements cover the annual period to 31 December 2022, PBE IAS 34 *Interim Financial Reporting* has not been applied.

TIER 1 NOT FOR PROFIT has applied the following newly effective standards or amendments for the first time for the period ended 31 December 2022:

- 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 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, 30 and 41 (respectively).

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 **TEAL** 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 themselves. The individual PBE Standards should be referred to so as to determine what sections PBE reporters must comply with.

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TIER 1 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2022

PBE Standard

FRS 48.11
FRS 48.30

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting. The Board of Trustees of TIER 1 NOT FOR PROFIT believes that the statements contained in this report accurately reflect the overall performance of TIER 1 NOT FOR PROFIT for the year ended 31 December 2022.[2]

Who we are and why do we exist?

FRS 48.15

Provide details of:

- why the entity exists,
- what it intends to achieve in broad terms over the medium to long term, and
- how it goes about this.

FRS 48.17
FRS 48.18

Information provided should be contextual to the entity's specific facts and circumstances. For example:
(a) Delivering goods and services directly to individuals, entities or groups (including members);
(b) Working together with other entities that share common objectives;
(c) Contracting with other entities to deliver goods and services on their behalf; or
(d) Making grants to other individuals or entities.

What are our strategic focus areas?

Provide details of strategic focus areas during the period

What did we do and how did we perform?

FRS 48.20

Provide information about what the entity has done during the reporting period in working towards its broader aims and objectives, as described above.

In reporting on what the entity has done during the reporting period provide an appropriate and meaningful mix of performance measures and/or descriptions for the reporting period. The performance measures and/or descriptions used may be:

a) Quantitative measures;
b) Qualitative measures; or
c) Qualitative descriptions.

Performance description	Measured on what basis		How was this achieved		Quantitative detail	
	2022	2021	2022	2021	2022	2021
KPI #1	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]
KPI #2	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]
KPI #3	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]
KPI #4	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]
KPI #5	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]	[ENTER DETAIL]

What does the future hold for 2023 and beyond?

[ENTER DETAIL]

[2] Please note, Statement of service Performance will be individual to each entity as information disclosed will be fact specific to each individual entity. The format provided above is purely an example of how disclosures required by PBE FRS 48 could be provided

TIER 1 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER 2022[2]

(Expenses presented by function) [5]

PBE Standard	[3]	Note	Group 2022 Actual $'000	Group *2022 Prospectives[4] $'000*	Group 2021 Actual $'000 Restated[5] (Note 6.1, 6.2)
IPSAS 1.21(b)					
IPSAS 1.22.1(a)					
IPSAS 1.99.1(a)	Revenue	8	xxx	*xxx*	xxx
	Cost of goods sold		(xxx)	*(xxx)*	(xxx)
	Gross Surplus		xxx	*xxx*	xxx
	Other income	9	xxx	*xxx*	xxx
	Administration		(xxx)	*(xxx)*	(xxx)
	Advocacy		(xxx)	*(xxx)*	(xxx)
	Fundraising		(xxx)	*(xxx)*	(xxx)
	Promotion		(xxx)	*(xxx)*	(xxx)
	Provision for charitable services		(xxx)	*(xxx)*	(xxx)
	Provision for services to members		(xxx)	*(xxx)*	(xxx)
	[OTHER FUNCTIONS][6]		(xxx)	*(xxx)*	(xxx)
	Other expenses	10	(xxx)	*(xxx)*	(xxx)
	Surplus/(Deficit) before net financing costs	11	xxx	*xxx*	xxx
	Finance income[7]		xxx	*xxx*	xxx
IPSAS 1.99.1(b)	Finance costs		(xxx)	*(xxx)*	(xxx)
	Net finance costs	12	xxx	*xxx*	xxx
IPSAS 1.99.1©	Share of equity accounted investees surplus/(deficit) for the year	24,25	xxx	*xxx*	xxx
	Surplus/(deficit) for the year from continuing operations		xxx	*xxx*	xxx
IPSAS 1.99.1© IPSAS 1.107© IFRS 5.33.(a)(i)	Surplus/(Deficit) for the year from discontinuing operations	7	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 associate's other comprehensive revenue and expense		xxx	*xxx*	xxx
IPSAS 1.103.1	Gain/(Loss) on revaluation of property, plant and equipment	20	xxx	*xxx*	(xxx)
IPSAS 41.173	Gain/(Loss) on revaluation of financial assets at FVOCRE[8]		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©	**Total comprehensive revenue and expense for the year[9]**		**xxx**	***xxx***	**xxx**

[3] 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

[4] 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).

[5] Restated per PBE IPSAS 3.47(a) in relation to the prior period error disclosed in *Note 6.1* and change in accounting policy in *Note 6.2*.

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

[7] 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 entity's financial performance.

[8] FVOCRE refers to fair value through other comprehensive revenue and expense.

[9] 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 1 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expenses presented by function)

PBE Standard		Note	Group		
			2022 Actual $'000	*2022* *Prospectives[10]* *$'000*	2021 Actual $'000 Restated[11] (Note 6.1, 6.2)
IPSAS 1.98.2(a)	**Surplus/(deficit) attributable to:**				
	Owners of the controlling entity		xxx	*xxx*	xxx
.1,	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.

[10] 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).

[11] Restated per PBE IPSAS 3.47(a) in relation to the prior period error disclosed in *Note 6* and change in accounting policy in *Note 6.2*.

TIER 1 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

PBE Standard	Group	Note	Contributed [Share] capital	FVOCRE[8] reserve	Foreign currency translation reserve	Revaluation surplus	Special purpose reserve[12]	Accumulated revenue and expense (restated)	Total (restated)	Non-controlling interest	Total net assets/ equity (restated)
IPSAS 1.21© IPSAS 1.119©			|-------------		*Attributable to the owners of the controlling entity*				-------------|		
			$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Balance as at 1 January 2021 (previously reported)		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
IPSAS 1.118(b)	Prior period error	6.1	-	-	-	xxx	-	xxx	xxx	-	xxx
	Change in accounting policy PBE IPSAS 41	6.2	-	(xxx)	-	-	-	xxx	xxx	-	xxx
	Restated balance as at 1 January 2021		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
IPSAS 1.118(a)	**Total comprehensive income for the year[13]**	35	-	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		xxx	-	-	-	-	-	xxx	-	xxx
	Distributions	35	-	-	-	-	-	(xxx)	(xxx)	-	(xxx)
	Transfers - special purpose reserve		-	-	-	-	xxx	(xxx)	-	-	-
	Transfers - disposal of revalued land and buildings		-	-	-	-	-	-	-	-	-
	Acquisition of controlled entity	40	-	-	-	-	-	-	-	-	-
	Total transactions with owners of the company		xxx	-	-	-	xxx	(xxx)	xxx	-	xxx
	Restated balance at 31 December 2021	6.2	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 income between surplus or deficit and other comprehensive revenue and expense.

TIER 1 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

PBE Standard	Group	Note	|-------------			*Attributable to the owners of the controlling entity*				-------------|		
IPSAS 1.21(c) IPSAS 1.119(c)			Contributed [Share] capital	FVOCRE[8] reserve	Foreign currency translation reserve	Revaluation surplus	Amalgamation Reserve	Special purpose reserve[14]	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 2022	**6.2**	xxx	xxx	xxx	xxx	-	xxx	xxx	xxx	xxx	xxx
IPSAS 1.118(a)	**Total comprehensive income for the year[15]**	35	-	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		xxx	-	-	-	-	-	-	xxx	-	xxx
	Distributions	35	-	-	-	-	-	-	(xxx)	(xxx)	-	(xxx)
	Transfers – special purpose reserve		-	-	-	-	-	xxx	(xxx)	-	-	-
	Transfers – disposal of revalued land and buildings		-	-	-	(xxx)	-	-	xxx	-	-	-
	Acquisition of controlled entity	40	-	-	-	-	-	-	-	-	xxx	xxx
	Amalgamation	40					(xxx)					(xxx)
	Total transactions with owners of the company		xxx	-	-	-	(xxx)	xxx	(xxx)	xxx	-	xxx
	Balance at 31 December 2022 (Actual)		xxx	xxx	xxx	xxx	(xxx)	xxx	xxx	xxx	xxx	xxx
	Balance at 31 December 2022 (Prospectives)[16]		*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.

[14] 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.
[15] There is no specific requirement in *PBE Standards* to split total comprehensive income between surplus or deficit and other comprehensive revenue and expense.
[16] 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 1 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

PBE Standard		Note	Group		
			2022	*2022*	2021
IPSAS 1.21(a)			Actual	*Prospectives*[17]	Actual
			$'000	*$'000*	$'000
					Restated[18] (Note 6.1 and 6.2)
	ASSETS				
	Current assets[19]				
IPSAS 1.88(i)	Cash and cash equivalents	14	xxx	*xxx*	xxx
IPSAS 1.88(h)	Receivables (from exchange transactions)	15	xxx	*xxx*	xxx
IPSAS 1.88(g)	Recoverables (from non-exchange transactions)	16	xxx	*xxx*	xxx
IPSAS 1.88(f)	Inventories	17	xxx	*xxx*	xxx
IPSAS 1.89	Prepayments and other assets	18	xxx	*xxx*	xxx
IPSAS 1.88(d)	Other investments and derivative assets	19	xxx	*xxx*	xxx
IPSAS 1.89	Biological assets	23	xxx	*xxx*	xxx
	Concessionary loans issued	26	xxx	*xxx*	xxx
IPSAS 1.88.1(a)	Assets held for sale	27	xxx	-	-
			xxx	***xxx***	**xxx**
	Non-current assets				
IPSAS 1.88(a)	Property, plant and equipment	20	xxx	*xxx*	xxx
IPSAS 1.88(c)	Intangibles and goodwill	21	xxx	*xxx*	xxx
IPSAS 1.88(b) IPSAS 13.62	Investment property	22	xxx	*xxx*	xxx
IPSAS 1.89	Biological assets	23	xxx	*xxx*	xxx
IPSAS 1.88(e)	Equity accounted investees	24,25	xxx	*xxx*	xxx
IPSAS 1.88(d)	Other investments and derivative assets	19	xxx	*xxx*	xxx
	Concessionary loans issued	26	xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**
	TOTAL ASSETS		**xxx**	***xxx***	**xxx**

[17] 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).

[18] Restated per PBE IPSAS 3.47(a) in relation to the prior period error disclosed in *Note 6.1* and change in accounting policy in *Note 6.2*.

[19] 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 1 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

PBE Standard		Note	Group		
			2022	*2022*	2021
IPSAS 1.21(a)			Actual	*Prospectives[20]*	Actual
	LIABILITIES		$'000	*$'000*	$'000
	Current liabilities[21]				Restated[22] (Note 6.1 and 6.2)
IPSAS 1.88(i)	Cash and cash equivalents – bank overdraft[23]	14	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(k)	Payables (from exchange transactions)	28	(xxx)	*(xxx)*	(xxx)
	Deferred revenue	29	(xxx)	*(xxx)*	(xxx)
IPSAS 1.89	Employee benefit liability	30	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Loans	31	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Finance leases payable	32	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Derivative liabilities	19	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(l)	Provisions	33	(xxx)	*(xxx)*	(xxx)
	Non-exchange liabilities	34	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88.1(b)	Liabilities held for sale	27	(xxx)	-	-
	Non-current liabilities				
IPSAS 1.89	Employee benefit liability	30	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Loans	31	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Finance leases payable	32	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(m)	Derivative liabilities	19	(xxx)	*(xxx)*	(xxx)
IPSAS 1.88(l)	Provisions	33	(xxx)	*(xxx)*	(xxx)
	Non-exchange liabilities	34	(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	35	(xxx)	*(xxx)*	(xxx)
IPSAS 1.95(c)	FVOCRE 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	40	xxx	-	-
IPSAS 1.95(c)	Special purpose reserve[24]	35	(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)**

[20] 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).

[21] 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.

[22] Restated per PBE IPSAS 3.47(a) in relation to the prior period error disclosed in *Note 6.1* and change in accounting policy in *Note 6.2*.

[23] 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.

[24] 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 1 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

PBE Standard		Note	Group		
			2022	*2022*	2021
IPSAS 1.21(d)			Actual	*Prospectives[25]*	Actual
IPSAS 2.18, 31	**CASH FLOWS FROM OPERATING ACTIVITIES[26]**		$'000	*$'000*	$'000
	Proceeds from[27]:				
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	24	xxx	*xxx*	xxx
IPSAS 2.22(i)-(j)	Payments to suppliers and employees[28]		(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	**42**	**xxx**	***xxx***	**xxx**

[25] 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).

[26] 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).

[27] 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).

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

TIER 1 NOT FOR PROFIT
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

PBE Standard		Note	Group		
IPSAS 1.21(d)			2022 Actual $'000	*2022 Prospectives[29] $'000*	2021 Actual $'000
IPSAS 2.18, 31	CASH FLOWS FROM INVESTING ACTIVITIES				
IPSAS 2.40	Interest received[30]		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	7	xxx	-	-
IPSAS 20.27.1	Dividends from equity accounted investees[30]		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)	40	(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	42			
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[31]		(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**	14	**xxx**	***xxx***	**xxx**

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

[29] 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).

[30] Interest received and dividends received may alternatively be classified as investing activities (refer PBE IPSAS 2.40).

[31] Interest paid may alternatively be classified as a financing activity (refer PBE IPSAS 2.40).

TIER 1 NOT FOR PROFIT
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

PBE Standard

Note 1 – Reporting entity

IPSAS 1.150(d)
IPSAS 1.63(a)
IPSAS 1.28.1(b)
IPSAS 1.28.1(a)
IPSAS 1.150(c)
IPSAS 1.150(a)

TIER 1 NOT FOR PROFIT (the 'controlling entity') is a charity[32] registered under the Charities Act 2005, and domiciled in New Zealand, and is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013). The controlling entity's registered office and principal place of business is [ADDRESS].

These consolidated financial statements for the year ended 31 December 2022 comprise the controlling entity and its controlled entities (together referred to as the 'Group') and individually as 'Group entities'.

IPSAS 1.63(b)
IPSAS 1.63(c)

The Group is primarily involved in [DETAIL THE GROUP'S OPERATIONS AND PRINCIPAL ACTVITIES].

IPSAS 1.150(b)

Note 2 – Basis of preparation

(a) Statement of compliance

IPSAS 1.127(a)
IPSAS 1.28
IPSAS 1.28.1(c)

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with *Public Benefit Entity Standards* ("PBE Standards") as appropriate for Tier 1 not-for-profit public benefit entities. The financial statements comply with the requirements of the Financial Reporting Act 2013 [add in detail of compliance with other applicable legislation, if applicable].

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

IPSAS 14.26
IPSAS 1.28.2

(b) Measurement basis

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:

IPSAS 1.132(a)

- 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[33]
- 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]

IPSAS 23.107(b)

(c) Functional and presentation currency

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 1.63(d)
IPSAS 1.63(e)
IPSAS 4.64

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

IPSAS 4.63

(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 6.1 and 6.2*) or as a result of the operation of a discontinued operation during the current period (see *Note 7*).

[32] Note, if the entity is a *limited life* entity details of this must be disclosed (refer PBE IPSAS 1.150(e)).
[33] 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
- Reclassification of property, plant and equipment to (from) investment property/inventory
- IPSAS 31.121(a) Intangible assets having indefinite useful lives

(b) Assumptions and estimation uncertainties

IPSAS 1.140

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2022 include the following:

i. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of PBE Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible, or for non-cash-generating assets, depreciated replacement cost

PBE Standard

Note 3 – Use of judgements and estimates (continued)

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)[34]:

- 2022: $XXX decrease in depreciation
- 2022: $XXX decrease in depreciation
- 2022: $XXX decrease in depreciation
- 2022: $XXX decrease in depreciation
- 2022: $XXX decrease in depreciation.

[34] If the effect of the change in estimate on future period cannot be practicably estimated, this fact must be disclosed (refer PBE IPSAS 3.45).

PBE Standard	

Note 4 – Changes in accounting policy

IPSAS 3.33

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

(i) PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 *Financial Instruments* is effective from 1 January 2022 and was adopted by the Group on that date. (Refer note 6.2)

PBE IPSAS 41 introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, measurement of financial assets at fair value through other comprehensive revenue and expense is also restricted.

PBE IPSAS 41 has had a material impact on the Group measurement and recognition of financial instruments.

All classified available for sale financial assets have been reclassified to fair value through profit or loss. In addition, certain financial assets classified as loans and receivables fail the classification for measurement at amortised cost and as such, have been reclassified to being measured at fair value through profit or loss.

The new expected credit loss impairment model has been introduced which significantly increased the amount of impairment provisioning and has introduced the development of new impairment models by the Group. [AMEND AS APPROPRIATE]

(ii) PBE FRS 48 Service Performance Reporting

PBE FRS 48 Service Performance Reporting is effective for periods from 1 January 2022 and was adopted by the Group on that date.

PBE FRS 48 requires specific disclosures for the reporting of service performance information which have been provided in the consolidated statement of service performance. [AMEND AS APPROPRIATE]

IPSAS 3.34

(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 – Accounting standards issued not yet effective

IPSAS 3.35
IPSAS 3.36

The following are new, revised, or amended standards that are applicable to the Group which are in issue but are not yet required to be adopted for the year ended 31 December 2022:

(i) [DISCLOSE THE FOLLOWING FOR EACH NEW, REVISED, AMENDED STANDARD NOT YET ADOPTED]:

- The title of the *PBE Standard*
- The nature of the new, revised, or amended standard
- The date of mandatory adoption
- The date that the entity plans to adopt the new, revised, or amended standard
- Details of the likely impact on the financial statements (or if not known or unreasonably determinable, a statement to that effect)

Note 6.1 – Prior period error [NOTE THAT THIS IS A HYPOTHETICAL EXAMPLE FOR ILLUSTRATIVE PURPOSES ONLY]

PBE Standard

IPSAS 3.54(a)

During the current period it was noted by the Director's that the revaluation of one of items of land and buildings that had been performed for the year ended 31 December 2018 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 2019, 2020, and 2021 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[35]:

PBE Standard		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 2021**	**xxx**	**(xxx)**	**(xxx)**	**(xxx)**	**(xxx)**
	Effect of the prior period error (1 January 2021)	xxx	(xxx)	(xxx)	(xxx)	(xxx)
	Restated balance at 1 January 2021	**xxx**	**(xxx)**	**(xxx)**	**(xxx)**	**(xxx)**
IPSAS 3.54(b)	**Balance reported at 31 December 2021**	**xxx**	**(xxx)**	**(xxx)**	**(xxx)**	**(xxx)**
	Effect of the prior period error (1 January 2021)	xxx	(xxx)	(xxx)	(xxx)	(xxx)
	Effect of the prior period error (31 December 2021)	-	(xxx)	-	(xxx)	(xxx)
	Restated balance at 31 December 2021	**xxx**	**(xxx)**	**(xxx)**	**(xxx)**	**(xxx)**

[35] 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 6.2 – Change in accounting policy [NOTE THAT THIS IS A HYPOTHETICAL EXAMPLE FOR ILLUSTRATIVE PURPOSES ONLY]

PBE Standard

The Group adopted PBE IPSAS 41 with a transition date of 1 January 2021. As a result, and due to the changes in the accounting policies for financial instruments, the prior year financial statements have been restated. The group has chosen to restate comparatives on adoption of PBE IPSAS 41 and, therefore, adjustments are reflected in the restated prior year financial statements.

The following tables show the adjustments recognised for each line item of the financial statements affected[36]:

Impact on items in the consolidated statement of financial position

		31 December 2020 As originally Presented $'000	PBE IPSAS 41 $'000	1 January 2021 As restated $'000	31 December 2021 As originally Presented $'000	PBE IPSAS 41 $'000	1 January 2022 As restated $'000
Assets							
Current assets							
Available for sale instruments	a	xxx	(xxx)	-	xxx	(xxx)	-
Financial assets at FVOCRE[8]	b	-	xxx	xxx	-	xxx	xxx
Trade and other receivables	c	xxx	(xxx)	(xxx)	xxx	(xxx)	(xxx)
Total assets		**xxx**	**(xxx)**	**(xxx)**	**xxx**	**(xxx)**	**(xxx)**
Liabilities							
Non-current liabilities							
Loans and borrowings	d	xxx	xxx	xxx	xxx	xxx	xxx
Deferred tax liability	e	xxx	xxx	xxx	xxx	xxx	xxx
Total liabilities		xxx	(xxx)	(xxx)	xxx	(xxx)	(xxx)
Net assets		-	-	-	-	-	-
Reserves	f	**xxx**	**(xxx)**	**(xxx)**	**xxx**	**(xxx)**	**(xxx)**
Total equity		**xxx**	**(xxx)**	**(xxx)**	**xxx**	**(xxx)**	**(xxx)**

[36] 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 6.2 – Change in accounting policy [NOTE THAT THIS IS A HYPOTHETICAL EXAMPLE FOR ILLUSTRATIVE PURPOSES ONLY] (continued)

PBE Standard

Impact on items in the consolidated statement of comprehensive revenue and expense

		Period ended 31 December 2021 As originally Presented $'000	PBE IPSAS 41 $'000	Period ended 31 December 2021 As restated $'000
Other comprehensive revenue and expense:				
Items that will not be reclassified to surplus or deficit:				
Valuation (losses)/gains on fair value through other comprehensive revenue and expense	g	xxx	(xxx)	(xxx)
Total comprehensive revenue and expense		**xxx**	**(xxx)**	**(xxx)**
Total comprehensive revenue and expense attributable to:				
Owners of the parent		xxx	(xxx)	(xxx)
Non-controlling interest		-	-	-
Total comprehensive revenue and expense		**xxx**	**(xxx)**	**(xxx)**

Explanation of adjustments:

a. [Provide explanation of adjustment due to change in policy]
b. [Provide explanation of adjustment due to change in policy]
c. [Provide explanation of adjustment due to change in policy]
d. [Provide explanation of adjustment due to change in policy]
e. [Provide explanation of adjustment due to change in policy]
f. [Provide explanation of adjustment due to change in policy]
g. [Provide explanation of adjustment due to change in policy]

Note 7 – Discontinued operations

PBE Standard

IFRS 5.30 IFRS 5.41(a)-(b) IFRS 5.34

In [December 2022], the group sold its [DESCRIPTION OF OPERATION], which management had committed to a plan for disposal in [July 2022] due to [REASONS WHY DECISION TO DISCONTINUE].

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		Group		
		2022	2022	2021
		Actual	*Prospectives*[37]	Actual
	(i) Results of discontinued operation	$'000	*$'000*	$'000
IFRS 5.33(b)(i)	Revenue	xxx	*xxx*	xxx
IFRS 5.33(b)(i)	Expenses	xxx	*xxx*	xxx
IFRS 5.33(b)(i)	**Results from activities of discontinued operations**[38]	**xxx**	***xxx***	**xxx**
IFRS 5.33(b)(iii)	Gain/(loss) on sale of discontinued operations	xxx	-	-
	Surplus/(Deficit) for the period	**xxx**	**-**	**-**

IFRS 5.33(d)

The surplus/deficit from the discontinued operation of $XXX thousand (2021: surplus/deficit of $XXX thousand) is attributable entirely to the owners of the entity.

Of the surplus/deficit from continuing operations presented in the consolidated statement of surplus or deficit and other comprehensive revenue and expense of $XXX thousand (2021: surplus/deficit of $XXX thousand), an amount of $XXX thousand is attributable to the owners of the entity (2021: $XXX thousand).

PBE Standard		2022	2022	2021
		Actual	*Prospectives*	Actual
	(ii) Cash flows from (used in) discontinued operations	$'000	*$'000*	$'000
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**

PBE Standard		Note	2022	2022
IPSAS 2.50(d) IFRS 5.38	*(iii) 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)*
IPSAS 2.50(c)	Cash and cash equivalents	**7(iii)**	(AAA)	*(AAA)*
	Trade and other payables		xxx	*xxx*
	Provisions	**33**	xxx	*xxx*
	[OTHER ITEMS]		xxx	*xxx*
	Net assets/equity and liabilities		**(xxx)**	***(xxx)***
IPSAS 2.50(a)-(b)	Consideration received, satisfied in cash		xxx	*xxx*
	Cash and cash equivalents disposed of	**7(iii)**	(AAA)	*(AAA)*
	Net cash inflow reported in the statement of cash flows		**xxx**	***xxx***

[37] 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).

[38] 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.

Note 7 – Discontinued operations (continued)

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.

TIER 1 NOT FOR PROFIT
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 8 - Revenue

PBE Standard		Note	Group		
IPSAS 1.108			2022 Actual $'000	*2022 Prospectives[39] $'000*	2021 Actual $'000
	Revenue from exchange transactions:				
IPSAS 9.39(b)(vi)	Membership fees and subscriptions		xxx	*xxx*	xxx
IPSAS 9.39(b)(i) IPSAS 9.39(c)	Sale of goods		xxx	*xxx*	xxx
IPSAS 9.39(b)(ii)	Rendering of services		xxx	*xxx*	xxx
IPSAS 16.86(f)(i)	Rental income on investment property[40]	22	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	20	-	-	xxx
	Intangible assets received	21	xxx	-	-
	Investment property received	22	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	31	xxx	-	xxx
	Concessionary loans received (day-one fair value difference)[41]	34	-	-	xxx
	[OTHER NON-EXCHANGE REVENUE]		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**

IPSAS 23.108 — Unrecognised services in-kind received included:

- [DETAILS OF UNRECOGNISED SERVICES IN-KIND RECEIVED #1]
- [DETAILS OF UNRECOGNISED SERVICES IN-KIND RECEIVED #2]

[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] Note that PBE IPSAS 13.69(b) requires separate disclosure of any contingent rental revenue recognised (none in this example).

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

Note 8 – Revenue (continued)

PBE Standard
IPSAS 1.132(c)

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.

i. Revenue from exchange transactions

Membership fees and subscriptions

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.

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.

IPSAS 9.39(a)
IPSAS 9.39(a)

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.

IPSAS 9.39(a)

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[42]. 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
- For sales of [ITEM(S) #3] that occur on the Group entity's premises, transfer occurs at the point of sale.

Rendering of services

IPSAS 9.39(a)

[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[43]. 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

[42] 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.
[43] Each entity will need to provide specific details of how stage-of-completion is assessed for each different service it provides.

Note 8 – Revenue (continued)

PBE Standard

- Fair value is reliably measurable.

IPSAS 1.132(c)

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.

ii. Revenue from non-exchange transactions

Grants, Donations, Legacies and bequests

IPSAS 23.107(a)

The recognition of non-exchange revenue from g*rants*, d*onations*, l*egacies 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*.

Concessionary loans received – day-one fair value difference

IPSAS 23.107(a)

In accordance with *Note 36* 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*.

Debt forgiveness

IPSAS 23.107(a)

In accordance with *Note 36* 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 9 - Other Income

PBE Standard		Note	Group 2022 Actual $'000	2022 *Prospectives*[44] *$'000*	2021 Actual $'000 Restated[45] (Note 6.1, 6.2)
IPSAS 9.39(b)(iv)	Royalties		xxx	*xxx*	xxx
IPSAS 9.39(b)(v)	Dividends from non-equity accounted investees[46]		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*	-
IPSAS 27.38	Fair value increase on biological assets		xxx	*xxx*	-
IPSAS 17.89(d)	Insurance proceeds – damaged property, plant and equipment		xxx	-	xxx
IPSAS 13.44(c)	Rental income from sub-lease of operating leases	32	xxx	*xxx*	xxx
	[SUNDRY INCOME]		xxx	*xxx*	xxx
			xxx	*xxx*	xxx

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.

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.

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.

[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] Restated per PBE IPSAS 3.47(a) in relation to the prior period error disclosed in *Note 6.1* and change in accounting policy in *Note 6.2*.
[46] Note: Could also be presented as an item of 'Finance Income' – refer *Note* 12.

Note 10 – Other expenses

PBE Standard		Note	Group 2022 Actual $'000	2022 *Prospectives*[47] *$'000*	2021 Actual $'000
IFRS 5.41(c)	Impairment loss on remeasurement of disposal group	27	xxx	xxx	xxx
IPSAS 31.117(e)(iv)	Impairment expense/(reversal) of goodwill	21	xxx	-	-
IPSAS 1.107(c	Loss on disposal of property, plant and equipment		-	-	xxx
IPSAS 16.87(d)	Fair value decrease on investment property	22	-	-	xxx
IPSAS 27.38	Fair value decrease on biological assets	23	-	-	xxx
	[SUNDRY EXPENSES]		xxx	xxx	xxx
			xxx	xxx	xxx

Note 11 – Expenses by nature[48] *(** 2021 restated – refer Note 6.1 and 6.2)*

					Restated[49] (Note 6.1, 6.2)
IPSAS 12.47(d)	Finished goods recognised in cost of goods sold		xxx	*xxx*	xxx
IPSAS 1.115	Employee benefits	13	xxx	*xxx*	xxx
IPSAS 1.115	Depreciation	20	xxx	*xxx*	xxx
IPSAS 1.115	Amortisation	21	xxx	*xxx*	xxx
IPSAS 17.88(e)(v) IPSAS 1.107(a)	Impairment expense/(reversal) of property, plant and equipment	20	(xxx)	-	xxx
IPSAS 31.117(e)(iv)	Impairment expense/(reversal) of intangibles	21	(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	17	xxx	-	-
IPSAS 13.44(c)	Non-cancellable operating lease payments[50]		xxx	*xxx*	xxx
IPSAS 16.86(f)(ii)	Investment property operating expenses (properties generating rental revenue)		xxx	*xxx*	xxx
IPSAS 16.86(f)(iii)	Investment property operating expenses (properties not generating rental revenue)		xxx	*xxx*	xxx
IPSAS 1.107(f)	Legal settlements	33	xxx	-	-
IPSAS 1.107(g)	Reversal of provisions	33	xxx	-	-
IPSAS 31.125	Research expenditure		xxx	*xxx*	xxx
	Professional fees – FIRM X:				
IPSAS 1.116.1(a)	Audit of the financial statements		xxx	*xxx*	xxx
IPSAS 1.116.1(b) IPSAS 1.116.2	OTHER SERVICES – SPECIFY NATURE		xxx	*xxx*	xxx
	Professional fees – FIRM Y:				
IPSAS 1.116.1(b) IPSAS 1.116.2	OTHER SERVICES – SPECIFY		xxx	*xxx*	xxx
IPSAS 1.106	[OTHER MATERIAL EXPENSE ITEMS BY NATURE]		xxx	*xxx*	xxx

[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] Required by PBE IPSAS 1.115 when expenses are presented by function on the face of the statement of comprehensive revenue and expense.
[49] Restated per PBE IPSAS 3.47(a) in relation to the prior period error disclosed in *Note 6.1* and change in accounting policy in *Note 6.2*.
[50] Note: An entity must disaggregate between contingent rentals and/or sub-leases – refer to PBE IPSAS 13.44.

Note 12 – Net finance costs

PBE Standard		Note	Group		
			2022 Actual $'000	*2022 Prospectives[51] $'000*	2021 Actual $'000
	FINANCE INCOME				
	Interest income:[52]				
	Debt instruments at FVOCRE[8]		xxx	*xxx*	xxx
	Financial assets at amortised cost		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)	Fair value gain (those held-for-trading/classified at initial recognition)		xxx	*xxx*	xxx
IPSAS 4.61(a)	Net foreign exchange gain		xxx	*xxx*	-
IPSAS 40.120(q)(ii)	Fair value gain on remeasurement of previous interest in acquiree	40	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)	Fair value loss (those held-for-trading/classified at initial recognition)		(xxx)	*(xxx)*	(xxx)
IPSAS 30.24(a)(ii)	Loss reclassified from other comprehensive revenue and expense on disposal - debt instruments		(xxx)	*(xxx)*	(xxx)
IPSAS 30.24(e)	Impairment	36	(xxx)	-	-
	Assets at amortised cost:				
IPSAS 30.24(e)	Impairment	36	(xxx)	*(xxx)*	(xxx)
IPSAS 30.37(a)(ii)	Concessionary loans issued - fair value adjustment (initial recognition)	26	-	-	(xxx)
IPSAS 19.97(e)	Unwind of discount on provisions	33	(xxx)	*(xxx)*	(xxx)
IPSAS 4.61(a)	Net foreign exchange loss		-	-	(xxx)
	Total finance expense		**(xxx)**	***(xxx)***	**(xxx)**
	NET FINANCE COSTS		**(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).
[52] Note: The example above does not have any interest income on impaired financial assets – refer to PBE IPSAS 30.24(d).

Note 12 – Net finance costs (continued)

PBE Standard

Finance income and finance costs - accounting policy

Finance income comprises [interest income on 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, 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].

Borrowing costs are expensed in the period they are incurred [53].

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.

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 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).

Note 13 – Employee benefit expense

		Note	Group		
			2022	*2022*	2021
			Actual	*Prospectives[54]*	Actual
			$'000	*$'000*	$'000
IPSAS 39.25	Short-term employee benefits		xxx	*xxx*	xxx
IPSAS 39.55	Defined contribution plans		xxx	*xxx*	xxx
IPSAS 39.161	Long-term employee benefits		xxx	*xxx*	xxx
IPSAS 39.174l	Termination benefits		xxx	*xxx*	xxx
IPSAS 1.115	**Total employee benefit expense**		**xxx**	***xxx***	**xxx**

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

[54] 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 14 – Cash and cash equivalents

PBE Standard		Note	Group 2022 Actual $'000	2022 *Prospectives*[51] *$'000*	2021 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:

	2022 Actual	2022 Prospectives	2021 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 (2021: $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.

Note 15 - Receivables - exchange transactions

PBE Standard		Note	Group 2022 Actual $'000	Group 2022 *Prospectives*[55] *$'000*	Group 2021 Actual $'000
IPSAS 1.94(b)	Trade receivables from exchange transactions[56]	36	xxx	*xxx*	xxx
	Allowance for impairment	36	(xxx)	*(xxx)*	(xxx)
	Net trade receivables from exchange transactions	***36***	***xxx***	***xxx***	***xxx***
IPSAS 1.94(b) IPSAS 20.34.1(c)(iii)	Advances to related parties - key management personnel	41	xxx	*xxx*	xxx
IPSAS 20.27.1	Advances to related parties - other	41	xxx	*xxx*	xxx
IPSAS 1.94(b)	Sundry receivables		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**

Note 16 - Recoverables - non-exchange transactions

	Monetary			
IPSAS 1.93	Legacies and bequests	xxx	*xxx*	xxx
	[OTHERS][57]	xxx	*xxx*	xxx
		xxx	***xxx***	**xxx**
	Non-monetary			
IPSAS 1.93	Legacies and bequests	xxx	*xxx*	xxx
	[OTHERS][54]	xxx	*xxx*	xxx
		xxx	***xxx***	**xxx**
IPSAS 23.106(b)		**xxx**	***xxx***	**xxx**

[55] 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).
[56] Amount relates to the aggregate of the revenue streams presented in *Note 8* for exchange transactions – disaggregate if material.
[57] Amount may relate to those other non-exchange revenue streams presented in *Note 8*.

Note 17 - Inventories

PBE Standard		Note	Group 2022 Actual $'000	2022 *Prospectives*[58] *$'000*	2021 Actual $'000
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) IPSAS 12.47(g)

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 due to [INSERT REASON, e.g., obsolescence, trade restrictions, decrease in brand recognition etc.] (2021: nil).

IPSAS 12.47(f)

There were no reversals of previously written down inventory items (2021: nil)[59].

IPSAS 12.47(h)

There are no items of inventory pledged as security against any of the Group's liabilities (2021: nil).

IPSAS 12.47(a)

Inventory - accounting policy

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.

Note 18 - Prepayments and other assets

	Note	2022 Actual	2022 Prospectives	2021 Actual
Prepayments		xxx	*xxx*	xxx
Capitalised lease incentives on investment property	22	xxx	*xxx*	xxx
		xxx	***xxx***	**xxx**

[58] 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).

[59] Note that if this is not the case, additional disclosure regarding the reasons for the reversal is required to be disclosed (refer PBE IPSAS 12.47(g)).

Note 19 – Other investments and derivatives

PBE Standard		Note	Group 2022 Actual $'000	Group 2022 *Prospectives*[60] *$'000*	Group 2021 Actual $'000
	ASSETS				
IPSAS 30.11(d)	*Fair value through other comprehensive revenue and expense financial assets*[61]				
	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)	*Derivatives (held-for-trading)*				
	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)	*Derivatives (held-for-trading)*				
	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

[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] 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 20 – 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		$'000	$'000	$'000	$'000	$'000	$'000	$'000
IPSAS 17.88(e)	**Balance as at 1 Jan 2021 (restated)**	6	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**-**	**xxx**
IPSAS 17.88(e)(i) IPSAS 17.89(b)	Additions (exchange)		xxx	xxx	xxx	xxx	xxx	xxx	**xxx**
IPSAS 17.88(e)(i)	Additions (non-exchange)[62]	8	-	xxx	-	-	-	-	**xxx**
IPSAS 17.88(e)(iii)	Acquired – PBE combination	40	-	-	-	-	-	-	**-**
IPSAS 17.88(e)(iv)	Revaluation gain/(loss)		(xxx)	-	-	-	-	-	**xxx**
IPSAS 17.88(e)(ix) IPSAS 17.89(b) IPSAS 5.40(b)	[Borrowing costs capitalised][63]		-	-	-	-	-	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	27	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	-	**(xxx)**
IPSAS 17.88(e)(ix)	Reclassified to investment property	22	(xxx)	-	-	-	-	-	**(xxx)**
IPSAS 17.88(e)(viii)	Foreign exchange rate movements		xxx	xxx	xxx	xxx	xxx	xxx	**xxx**
IPSAS 17.88(e)	**Balance as at 31 Dec 2021 (restated)**	6	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
IPSAS 17.88(e)	**Balance as at 1 Jan 2022**		**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**-**	**xxx**
IPSAS 17.88(e)(i) IPSAS 17.89(b)	Additions (exchange)		xxx	xxx	xxx	xxx	xxx	xxx	**xxx**
IPSAS 17.88(e)(i)	Additions (non-exchange)[59]	8	-	-	-	-	-	-	**-**
IPSAS 17.88(e)(iii)	Acquired - PBE combinations - acquisition	40	xxx	xxx	xxx	xxx	xxx	-	**xxx**
IPSAS 17.88(e)(iii)	Acquired - PBE combinations - amalgamation	40	xxx	xxx	xxx	xxx	xxx	-	**xxx**
IPSAS 17.88(e)(iv)	Revaluation gain/(loss)		xxx	-	-	-	-	-	**xxx**
IPSAS 17.88(e)(ix) IPSAS 17.89(b) IPSAS 5.40(b)	[Borrowing costs capitalised][60]		-	-	-	-	-	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	27	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	-	**(xxx)**
IPSAS 17.88(e)(ix)	Reclassified to investment property	22	(xxx)	-	-	-	-	-	**(xxx)**
IPSAS 17.88(e)(viii)	Foreign exchange rate movements		xxx	xxx	xxx	xxx	xxx	xxx	**xxx**
IPSAS 17.88(e)	**Balance as at 31 Dec 2022**		**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
	Prospectives as at 31 Dec 2022[64]		***xxx***	***xxx***	***xxx***	***xxx***	***xxx***	***xxx***	***xxx***

[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.
[63] Only if the entity elects to apply the allowed alternative treatment for borrowing costs specified by PBE IPSAS 5.17-20. Please refer to footnote 53.
[64] 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 20 – Property, plant and equipment (continued)

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
	<u>Accumulated depreciation and impairment</u>	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000
IPSAS 17.88(d) IPSAS 17.88(e)	**Balance as at 1 Jan 2021 (restated)**	6	xxx	xxx	xxx	xxx	xxx	-	xxx
IPSAS 17.88(e)(vii)	Depreciation	11	xxx	xxx	xxx	xxx	xxx	-	xxx
IPSAS 17.88(e)(v)	Impairment	11	-	xxx	-	-	-	-	xxx
IPSAS 17.88(e)(vi)	Reversal of impairment	11	-	-	-	-	-	-	-
IPSAS 17.88(e)(ix)	Disposals		-	-	(xxx)	-	-	-	(xxx)
IPSAS 17.88(e)(ii)	Re-classified to assets held for sale	27	-	-	-	-	-	-	-
IPSAS 17.88(e)(viii)	Foreign exchange rate movements		xxx	xxx	xxx	xxx	xxx	-	xxx
IPSAS 17.88(d) IPSAS 17.88(e)	**Balance as at 31 Dec 2021 (restated)**	6	xxx	xxx	xxx	xxx	xxx	-	xxx
IPSAS 17.88(d) IPSAS 17.88(e)	**Balance as at 1 Jan 2022**		xxx	xxx	xxx	xxx	xxx	-	xxx
IPSAS 17.88(e)(vii)	Depreciation	11	xxx	xxx	xxx	xxx	xxx	-	xxx
IPSAS 17.88(e)(v)	Impairment	11	-	-	-	-	-	-	-
IPSAS 17.88(e)(vi)	Reversal of impairment	11	-	(xxx)	-	-	-	-	(xxx)
IPSAS 17.88(e)(ix)	Disposals		(xxx)	-	-	-	-	-	(xxx)
IPSAS 17.88(e)(ii)	Re-classified to assets held for sale	27	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	-	(xxx)
IPSAS 17.88(e)(viii)	Foreign exchange rate movements		xxx	xxx	xxx	xxx	xxx	-	xxx
IPSAS 17.88(d) IPSAS 17.88(e)	**Balance as at 31 Dec 2022**		xxx	xxx	xxx	xxx	xxx	-	xxx
	Prospectives as at 31 Dec 2022[65]		xxx	xxx	xxx	xxx	xxx	-	xxx
	<u>Net book value</u>								
IPSAS 17.88(e)	**As at 1 Jan 2021**		xxx	xxx	xxx	xxx	xxx	xxx	xxx
IPSAS 17.88(e)	**As at 31 Dec 2021**		xxx	xxx	xxx	xxx	xxx	xxx	xxx
IPSAS 17.88(e)	**As at 31 Dec 2022**		xxx	xxx	xxx	xxx	xxx	xxx	xxx
	Prospectives as at 31 Dec 2022[62]		xxx	xxx	xxx	xxx	xxx	xxx	xxx
	Prospectives as at 31 Dec 2022[62]		xxx	xxx	xxx	xxx	xxx	xxx	xxx

[65] 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 20 – 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] (2021: $YYY thousand)
- $XXX thousand of [motor vehicles] (2021: $YYY thousand)
- $XXX thousand of [computer equipment] (2021: $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)

IPSAS 26.120(a)
IPSAS 26.120(b)
IPSAS 26.120(c)

In [October 2021], due to [INSERT EVENTS AND CIRCUMSTANCES LEADING TO IMPAIRMENT], the group tested [INSERT DETAILS OF THE ITEM – INCLUDING ITS NATURE] within plant and machinery for impairment and recognised an impairment loss of $XXX thousand.

IPSAS 26.120(a)
IPSAS 26.120(b)
IPSAS 26.120(c)

Subsequently, during [July 2022], due to [INSERT EVENTS AND CIRCUMSTANCES LEADING TO IMPAIRMENT REVERSAL], the group reversed the level of impairment loss relating to the [INSERT ITEM] equal to $XXX thousand.

IPSAS 26.120(e)
IPSAS 26.120(f)
IPSAS 26.120(g)

The recoverable amount represents [fair value less cost to sell/value in use]…

- [IF FAIR VALUE LESS COST TO SELL], and was determined by [INSERT BASIS, including any reference to an active market]
- [IF VALUE IN USE], using a discount rate of X.X% (2021: Y.Y%).

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 (2021: $YYY thousand) and certain plant and machinery with a carrying amount of $XXX (2021: $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)
IPSAS 5.40(c)

[Included in the costs of construction was an amount of $XXX thousand (2021: $YYY thousand) relating to capitalised interest, which was calculated using a capitalisation rate of X.X% (2021: Y.Y%).[38]]

(v) Revalued land and buildings

IPSAS 17.92(a)-(b)

Land and buildings were revalued as at [31 December 2022] 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[66]

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. 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 (2021: $YYY thousand), which is based on [an insurance valuation as at reporting date].

[66] Refer to PBE IPSAS 17.10-11 for details on *Heritage Assets*.

Note 20 – Property, plant and equipment (continued)

PBE Standard

IPSAS 23.106(d)

(vii) Additions through non-exchange transactions

In 2022 the Group received $XXX thousands 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].

PBE Standard
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.
- *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.

  IPSAS 1.132(c)

  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[50]].

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*.

Note 20 – Property, plant and equipment (continued)

PBE Standard

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 are expensed as incurred.

IPSAS 17.88(b)

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.

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(c)

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

- Buildings X years / Y% (2021: X years / Y%)
- Plant and machinery X years / Y% (2021: X years / Y%)
- Motor vehicles X years / Y% (2021: X years / Y%)
- Fixtures and fittings X years / Y% (2021: X years / Y%)
- Computer equipment X years / Y% (2021: X years / Y%)
- [Bearer plants X years / Y% (2021: X years / Y%)]

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

Note 21 – Intangibles and goodwill

PBE Standard	Group		Goodwill[67]	Software	Develop-ment	Trademarks and patents	Intangibles under construction	Total
	Cost [or valuation][68]	Note	$'000	$'000	$'000	$'000	$'000	$'000
IPSAS 31.117(e)	**Balance as at 1 Jan 2021**		xxx	xxx	-	xxx	xxx	xxx
IPSAS 31.117(e)(i)	Additions (acquired externally)[69]		-	-	-	xxx	-	xxx
IPSAS 31.117(e)(i)	Additions (developed internally)		-	-	-	-	xxx	xxx
IPSAS 31.117(e)(viii)	Additions (non-exchange)[70]	8	-	-	-	-	-	-
IPSAS 31.117(e)(i)	Acquired - PBE combinations	40	-	-	-	-	-	-
IPSAS 31.117(e)(viii) IPSAS 4.40(b)	[Borrowing costs capitalised][71]		-	-	-	-	xxx	xxx
IPSAS 31.117(e)(viii)	Transfer - intangibles under construction		-	-	-	-	-	-
IPSAS 31.117(e)(viii)	Disposals		-	-	-	-	-	-
IPSAS 31.117(e)(ii)	Re-classified to assets held for sale	27	-	-	-	-	-	-
IPSAS 31.117(e)(vii)	Foreign exchange rate movements		xxx	xxx	-	xxx	xxx	xxx
IPSAS 31.117(e)	**Balance as at 31 Dec 2021**		xxx	xxx	-	xxx	xxx	xxx
IPSAS 31.117(e)	**Balance as at 1 Jan 2022**		xxx	xxx	-	xxx	xxx	xxx
IPSAS 31.117(e)(i)	Additions (acquired externally)[66]		-	-	-	-	-	xxx
IPSAS 31.117(e)(i)	Additions (developed internally)		-	-	xxx	-	xxx	xxx
IPSAS 31.117(e)(viii)	Additions (non-exchange)[67]	8	-	xxx	-	-	-	xxx
IPSAS 31.117(e)(i)	Acquired - PBE combination - acquisitions	40	xxx	xxx	-	xxx	-	xxx
IPSAS 31.117(e)(i)	Acquired - PBE combination - amalgamations	40	xxx	xxx	-	xxx	-	xxx
IPSAS 31.117(e)(viii) IPSAS 4.40(b)	[Borrowing costs capitalised][68]		-	-	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	27	-	(xxx)	(xxx)	(xxx)	-	(xxx)
IPSAS 31.117(e)(vii)	Foreign exchange rate movements		xxx	xxx	xxx	xxx	xxx	xxx
IPSAS 31.117(e)	**Balance as at 31 Dec 2022**		xxx	xxx	xxx	xxx	-	xxx
	Prospectives as at 31 Dec 2022		*xxx*	*xxx*	*xxx*	*xxx*	-	*xxx*

[67] A full reconciliation of the carrying value of goodwill is required by PBE IPSAS 40.124(d).
[68] 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.
[69] Note that in this example the entity has not acquired any intangible assets through non-exchange transactions (i.e., donated assets). If this were the case, additional disclosures would be required (refer PBE IPSAS 31.121(c))
[70] 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.
[71] Only if the entity has elected to apply the allowed alternative treatment for borrowing costs specified by PBE IPSAS 5.17-20. Please see footnote 53.

Note 21 – Intangibles and goodwill (continued)

PBE Standard	Group	Note	Goodwill[72]	Software	Develop-ment	Trademarks and patents	Intangibles under construction	Total
	Accumulated amortisation and impairment	Note	$'000	$'000	$'000	$'000	$'000	$'000
IPSAS 31.117(c) IPSAS 31.117(e)	**Balance as at 1 Jan 2021**		-	xxx	-	xxx	-	xxx
IPSAS 31.117(e)(vi)	Amortisation	11	-	xxx	-	xxx	-	xxx
IPSAS 31.117(e)(iv)	Impairment	11	-	-	-	xxx	-	xxx
IPSAS 31.117(e)(v)	Reversal of impairment	11	-	-	-	-	-	-
IPSAS 31.117(e)(viii)	Disposals		-	-	-	-	-	-
IPSAS 31.117(e)(ii)	Re-classified to assets held for sale	27	-	-	-	-	-	-
IPSAS 31.117(e)(vii)	Foreign exchange rate movements		-	xxx	-	xxx	-	xxx
IPSAS 31.117(c) IPSAS 31.117(e)	**Balance as at 31 Dec 2021**		-	xxx	-	xxx	-	xxx
IPSAS 31.117(c) IPSAS 31.117(e)	**Balance as at 1 Jan 2022**		-	xxx	-	xxx	-	xxx
IPSAS 31.117(e)(vi)	Amortisation	11	-	xxx	xxx	xxx	-	xxx
IPSAS 31.117(e)(iv)	Impairment	11	xxx	-	-	-	-	xxx
IPSAS 31.117(e)(v)	Reversal of impairment	11	-	-	-	(xxx)	-	(xxx)
IPSAS 31.117(e)(viii)	Disposals		-	-	-	-	-	-
IPSAS 31.117(e)(ii)	Re-classified to assets held for sale	27	-	(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 2022**		xxx	xxx	xxx	xxx	-	xxx
	Prospectives as at 31 Dec 2022[73]		*xxx*	*xxx*	*xxx*	*xxx*	-	*xxx*
	Net book value							
	As at 1 Jan 2021		xxx	xxx	-	xxx	xxx	xxx
	As at 31 Dec 2021		xxx	xxx	-	xxx	xxx	xxx
	As at 31 Dec 2022		xxx	xxx	xxx	xxx	-	xxx
	Prospectives as at 31 Dec 2022[70]		*xxx*	*xxx*	*xxx*	*xxx*	-	*xxx*

[72] A full reconciliation of the carrying value of goodwill is required by PBE IPSAS 40.124(d).
[73] 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 – 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]	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	$'000	**$'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 (2021: $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.

IPSAS 31.121(d)

(ii) Security and restrictions

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 21.77(a)
IPSAS 21.77(b)
IPSAS 21.77(c)

During 2021, due to [INSERT EVENTS AND CIRCUMSTANCES LEADING TO IMPAIRMENT], the group tested [INSERT DETAILS OF THE ITEM – INCLUDING ITS NATURE] within trademarks and patents for impairment and recognised an impairment loss of $XXX thousand.

IPSAS 21.77(a)
IPSAS 21.77(b)
IPSAS 21.77(c)

Subsequently, during 2022, due to [INSERT EVENTS AND CIRCUMSTANCES LEADING TO IMPAIRMENT REVERSAL, AND HOW THE RECOVERABLE SERVICE AMOUNT WAS DETERMINED], the group reversed the level of impairment loss relating to the [INSERT ITEM] equal to $XXX thousand.

IPSAS 21.77(e)
IPSAS 21.77(f)
IPSAS 21.77(g)

The recoverable amount represents [fair value less cost to sell/value in use]…

- [IF FAIR VALUE LESS COST TO SELL], and was determined by [INSERT BASIS, including any reference to an active market]
- [IF VALUE IN USE] and was determined by [INSERT APPROACH TAKEN].

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[74]:

	2022	**2021**
	$'000	**$'000**
[NAME OF CGU #1]	xxx	xxx
[NAME OF CGU #2]	xxx	-
	xxx	**xxx**

IPSAS 26.124

There are no other CGU's that in aggregate hold an insignificant amount of goodwill[75].

IPSAS 26.122.1

There are no unallocated amounts of goodwill as at reporting date[76].

[74] Note that PBE IPSAS 26.123(a) also requires this disclosure for intangible assets with indefinite useful lives (there are no such assets in these illustrative consolidated financial statements).
[75] Note that if this is not the case, significant additional disclosures are required by PBE IPSAS 26.124.
[76] Note that if this is not the case, additional disclosures are required by PBE IPSAS 26.122.1.

Note 21 – Intangibles and goodwill (continued)

PBE Standard

(iv) Impairment of goodwill (continued)

(iv)(a) Information regarding impairment testing of [NAME OF CGU #1] [IMPAIRED] [FAIR VALUE LESS COST TO SELL]

IPSAS 26.120(d)(i) The activities and operations of the [NAME OF CGU #1] CGU include [INSERT DETAILS].

IPSAS 26.120(d)(iii) The aggregation of assets included in identifying this CGU has not changed during the period.[77]

IPSAS 26.120(e) IPSAS 26.120(f) IPSAS 26.123(d) The recoverable amount of [NAME OF CGU #1] was determined using fair value less cost to sell, determined by a binding sales agreement[78] entered into by the Group and an external third-party purchaser prior to year-end and subsequently settled after year end, adjusted for the incremental costs incurred in the disposal of the CGU.

IPSAS 26.120(a) IPSAS 26.115(a) IPSAS 26.115(b) 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.

(iv)(b) Information regarding impairment testing of [NAME OF CGU #2] [NOT IMPAIRED] [VALUE IN USE]

IPSAS 26.120(d)(i) The activities and operations of the [NAME OF CGU #2] CGU include [INSERT DETAILS] [79].

IPSAS 26.120(d)(iii) The aggregation of assets included in identifying this CGU has not changed during the period.

IPSAS 26.123(b) The recoverable amount of [NAME OF CGU #2] was calculated using value-in-use, determined by discounting the cash flows to be generated from continued future use.

IPSAS 26.123(c)(iii) The cash flow projections used in determining value-in-use include:

- Forecast period of specific cash flows for years 1 – 5, based on expectations of future outcomes taking into account past experience and anticipated future growth.
- Terminal period for growth in years beyond year 5, adjusting for any one-off events included in the forecast period.

IPSAS 26.123(c)(i) The table below details the significant key assumptions used by management in determining the CGU's value in use:

		2022	2021
IPSAS 26.123(c)(v)	Discount rate (WACC)	X.X%	Y.Y%
IPSAS 26.123(c)(iv)	Long-term growth rate (used to determine terminal value)	X.X%	Y.Y%
IPSAS 26.123(c)(i)	[OTHER SIGNIFICANT KEY ASSUMPTION #1][80]	[VALUE]	[VALUE]
IPSAS 26.123(c)(i)	[OTHER SIGNIFICANT KEY ASSUMPTION #2]	[VALUE]	[VALUE]

IPSAS 26.123(c)(ii) The discount rate used represents a pre-tax weighted-average-cost-of-capital (WACC), including within it the following significant parameters:

- Market debt leveraging XX% (2021: YY%)
- Market cost of debt XX% (2021: YY%)
- Market cost of net assets/equity XX% (2021: YY%)

IPSAS 26.123(c)(ii) The long-term growth rate was determined based on the expected steady growth rate applicable to the sectors and industries to which the [NAME OF CGU #1] CGU operates within.

IPSAS 26.123(c)(ii) [DETAILS OF MANAGEMENTS APPROACH IN DETERMINING OTHER SIGNIFICANT KEY ASSUMPTION #1]

IPSAS 26.123(c)(ii) [DETAILS OF MANAGEMENTS APPROACH IN DETERMINING OTHER SIGNIFICANT KEY ASSUMPTION #2]

[77] Note that if this is not the case, additional disclosures are required by PBE IPSAS 26.10(d)(iii).
[78] Note that PBE IPSAS 26.38-42 provides a hierarchy upon which *fair value less cost to sell* is determined, with a *binding sales agreement* being at the top. However, if other methods were used to determine *fair value less cost to sell* then significantly different disclosures would be required (in particular if a *discounted cash flows* method was used – refer to PBE IPSAS 26.123(d) and (e)).
[79] Note, that these disclosures are required by PBE IPSAS 26.120(d) **only** if there has been a material impairment loss recognised in respect of the CGU (which in this case there hasn't), however it is best practice to include them in all instances.
[80] Common examples include (but are not limited to): Revenue/EBITDA/EBIT growth rate, and/or one-off costs (i.e., restructuring, restoration etc.) during the forecast period for years 1 – 5.

Note 21 – Intangibles and goodwill (continued)

PBE Standard
IPSAS 26.124(d)(i)

The estimated recoverable amount exceeded the CGU's carrying amount by $XXX thousand (2021: $YYY).

IPSAS 26.124(d)(iii)

However, management have identified that a reasonably possible change in the significant key assumptions below would individually result in the recoverable amount and carrying amount being equal:

	2022	2021
Discount rate	X.X%	Y.Y%
Long-term growth rate (used to determine terminal value)	X.X%	Y.Y%
[OTHER SIGNIFICANT KEY ASSUMPTION #1][83]	[VALUE]	[VALUE]
[OTHER SIGNIFICANT KEY ASSUMPTION #2]	[VALUE]	[VALUE]

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 40)*).

All of the Group's intangible assets are subsequently measured in accordance with the *cost model*[81], 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.

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

IPSAS 31.117(a)
IPSAS 31.121(a)

- 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[50]].

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.

[81] 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 21 – Intangibles and goodwill (continued)

PBE Standard
IPSAS 31.117(b)

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(a)
IPSAS 31.121(b)

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

- Software X years / Y% (2021: X years / Y%)
- Development X years / Y% (2021: X years / Y%)
- Trademarks and patents X years / Y% (2021: X years / Y%)

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

Note 22 – Investment property[82]

PBE Standard		Note	Group		
			2022 Actual $'000	*2022 Prospectives[83] $'000*	2021 Actual $'000
IPSAS 16.87	**Opening balance (1 January)**		**xxx**	***xxx***	**xxx**
IPSAS 16.87(a)	Additions (properties)		xxx	*xxx*	xxx
IPSAS 16.87(g)	Additions (non-exchange)[84]	8	xxx	-	-
IPSAS 16.87(a)	Additions (subsequent expenditure on pre-existing properties)		xxx	*xxx*	xxx
IPSAS 16.87(b)	Acquired - PBE combination - acquisition	40	xxx	-	-
IPSAS 16.87(f)	Reclassifications from property, plant and equipment	20	xxx	-	-
IPSAS 16.87(g)	Reclassifications to assets held for sale	27	(xxx)	-	-
IPSAS 16.87(c)	Disposals		-	-	(xxx)
IPSAS 16.87(e)	Foreign exchange rate movements		xxx	*xxx*	xxx
	Carrying amount pre-revaluation		AAA	*AAA*	AAA
IPSAS 16.87(d)	Increase/(decrease) in fair value	9,10	BBB	*BBB*	(BBB)
IPSAS 16.87	**Closing balance (31 December)**		**xxx**	***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)

[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.
- Whether fair value was determined more on market evidence, or other factors (and if so, what factors).

[82] 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 20* for Property, Plant and Equipment (refer PBE IPSAS 16.90).

[83] 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).

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

Note 22 - Investment property (continued)

PBE Standard

(iii) Adjustments to fair value determined by independent valuers

IPSAS 16.88

The Group recognised lease incentives separately in the statement of financial position as 'Capitalised leased incentives' within 'Prepayments and other assets', however such amounts are incorporated into the fair values determined by the independent valuers. Therefore, in order to avoid double-counting, the carrying amount of capitalised lease incentives is deducted from these fair values in order to determine the fair value increase/(decrease) of investment properties. This is illustrated in the table below:

	Note	2022	2021
		$'000	$'000
Fair value determined by independent valuers		xxx	xxx
Less: Capitalised lease incentives	18	(xxx)	(xxx)
Less: Carrying amount pre-revaluation		(AAA)	(AAA)
Increase/(decrease) in fair value		BBB	(BBB)

(iv) 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]

IPSAS 1.132(c)

Investment property - accounting policy

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[53]].

Investment properties are subsequently measured at fair value[85].

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.

IPSAS 16.85(a)

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 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.

[85] 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 23 – Biological assets[86]

PBE Standard	Group	Note	[CLASS #1]	[CLASS #2]	Total	Current	Non-current
			$'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(c)	Additions (non-exchange)	8	-	-	-		
IPSAS 27.48(g)	Acquired – PBE combinations	40	-	-	-		
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) IPSAS 27.46	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	27	-	-	-		
IPSAS 27.48(a)	*Changes in fair value less cost to sell (bearer biological assets):*						
IPSAS 27.49	Due to changes in market prices	9,10	xxx	-	xxx		
IPSAS 27.49	Due to physical changes	9,10	xxx	-	xxx		
IPSAS 27.48(a)	*Changes in fair value less cost to sell (consumable biological assets):*						
IPSAS 27.49	Due to changes in market prices	9,10	-	xxx	xxx		
IPSAS 27.49	Due to physical changes	9,10	-	xxx	xxx		
IPSAS 27.48(h)	Foreign exchange rate movements		xxx	xxx	xxx		
IPSAS 27.48	**Balance as at 31 Dec 2021**		xxx	xxx	xxx	xxx	xxx

[86] 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 27.52-54).

Note 23 – Biological assets (continued)

PBE Standard	Group	Note	[CLASS #1]	[CLASS #2]	Total	Current	Non-current
			$'000	$'000	$'000	$'000	$'000
IPSAS 27.48	**Balance as at 1 Jan 2022**		xxx	xxx	xxx		
IPSAS 27.48(b)	Purchases		xxx	xxx	xxx		
IPSAS 27.48(c)	Additions (non-exchange)	8	xxx	-	xxx		
IPSAS 27.48(g)	Acquired - PBE combination - acquisition	40	xxx	xxx	xxx		
IPSAS 27.48(g)	Acquired - PBE combination - amalgamation	40	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) IPSAS 27.46	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	27	(xxx)	(xxx)	(xxx)		
IPSAS 27.48(a)	*Changes in fair value less cost to sell (bearer biological assets):*						
IPSAS 27.49	Due to changes in market prices	9,10	(xxx)	-	(xxx)		
IPSAS 27.49	Due to physical changes	9,10	(xxx)	-	(xxx)		
IPSAS 27.48(a)	*Changes in fair value less cost to sell (consumable biological assets):*						
IPSAS 27.49	Due to changes in market prices	9,10	-	(xxx)	(xxx)		
IPSAS 27.49	Due to physical changes	9,10	-	(xxx)	(xxx)		
IPSAS 27.48(h)	Foreign exchange rate movements		xxx	xxx	xxx		
IPSAS 27.48	**Balance as at 31 Dec 2022**		xxx	xxx	xxx	xxx	xxx
	Prospectives as at 31 Dec 2022[87]		xxx	xxx	xxx	xxx	xxx

[87] 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 23 – Biological assets (continued)

PBE Standard

(i) [CLASS #1][88]

IPSAS 27.39
IPSAS 27.44(a)

[CLASS #1] is a **[bearer]** biological asset held by the Group for the purposes of [INSERT DETAILS].

IPSAS 27.44(b)(i)

At reporting date, [CLASS #1] comprised approximately:

	[NON-FINANCIAL MEASURE] 2022	2021
[SUB-CLASS #1.1] [e.g., Immature saplings 0 – 3yrs]	XXX	YYY
[SUB-CLASS #1.2] [e.g., Established bearer plants 3yrs+]	XXX	YYY

IPSAS 27.44(b)(ii)

Agricultural produce harvested during the period consisted of [DETAILS, e.g., APPLES] in the amount of [INSERT NON-FINANCIAL MEASURE, e.g., KG's/TONNES ETC.] (2021: YYY).

IPSAS 27.45

The fair value of [CLASS #1] was determined by:[89]

[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.

IPSAS 27.47(a),(b)

There are no items of [CLASS #1] that have restrictions of title, use, or capacity to sell.

IPSAS 27.47(b)

There are no items of [CLASS #1] pledged as security for the Group's liabilities.

(ii) [CLASS #2][90]

IPSAS 27.39
IPSAS 27.44(a)

[CLASS #2] is a **[consumable]** biological asset held by the Group for the purposes of [INSERT DETAILS].

IPSAS 27.44(b)(i)

At reporting date, [CLASS #2] comprised approximately:

	[NON-FINANCIAL MEASURE] 2022	2021
[SUB-CLASS #2.1] [e.g., Calves 0 – 1yrs]	XXX	YYY
[SUB-CLASS #2.2] [e.g., Beef cows 1 – 3yrs]	XXX	YYY
[SUB-CLASS #2.3] [e.g., Beef cows 3yrs+]	XXX	YYY

IPSAS 27.44(b)(ii)

Agricultural produce harvested during the period consisted of [DETAILS, e.g., beef carcasses] in the amount of [INSERT NON-FINANCIAL MEASURE, e.g., KG's/TONNES ETC.] (2021: YYY).

[88] E.g., an apple orchard, measured in hectares, with apples as agricultural produce measured in kilograms/tonnes.
[89] 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 – 54.
[90] E.g., livestock, measured in numbers, with carcases as agricultural produce measured in kilograms/tonnes.

Note 23 – Biological assets (continued)

IPSAS 27.45 The fair value of [CLASS #2] was determined by:[91]

[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.

IPSAS 27.47(a),(b) There are no items of [CLASS #2] that have restrictions of title, use, or capacity to sell.

IPSAS 27.47(b) There are no items of [CLASS #2] pledged as security for the Group's liabilities.

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.

[91] 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 24 - Associates

PBE Standard

IPSAS 38.35(a) The Group holds significance over the following entities, all of which are accounted for using the equity method:

IPSAS 38.36(a)
IPSAS 38.36(b)

				|----Summarised financial information----|							
Name		**Voting rights**		**Total assets**		**Total liabilities**		**Revenue**		**Surplus/(Deficit)**	
	Note	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
		%	%	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
[ASSOCIATE #1]		25%	-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	Xxx
[ASSOCIATE #2]		-	19%	xxx	xxx	xxx	xxx	xxx	xxx	xxx	Xxx
[ASSOCIATE #3]		51%	51%	xxx	xxx	xxx	xxx	xxx	xxx	xxx	Xxx
[CONTROLLED ENTITY #3]	40	90%	25%	-	xxx	-	xxx	xxx	xxx	xxx	Xxx
				xxx	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**Xxx**

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 (2021: nil).

(i) [ASSOCIATE #1]

IPSAS 38.36(a)

[ASSOCIATE #1] is listed on the public stock exchange in [COUNTRY #1]. As at reporting date, based on the listed share price of $X.XX the fair value of the Group's interest was $XXX thousand. [ASSOCIATE #1] is considered to be a strategic investment that will generate funds for Tier 1 Not For Profit to be able to carry out its strategic purposes.

Note 24 – Associates (continued)

IPSAS 38.36(a)

(ii) [ASSOCIATE #2]

In 2021 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]

IPSAS 38.14

In 2022 and 2021 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

IPSAS 38.36

operating and financing activities of [ASSOCIATE #3], where a majority is required]. [ASSOCIATE #3] provides the Group with access to specialist project management knowledge and is considered to be a strategic investment in relation to the Group's activities...

The Group is not contractually liable for any share of losses reported by [ASSOCIATE #3]. During 2022 the Group's share of unrecognised losses amounted to $XXX (2021: $YYY), the Group's historical cumulative share of unrecognised losses as at reporting date amounted to $XXX (2021: $YYY).

(iv) [INVESTMENT X]

IPSAS 38.14

The Group holds a 22% interest in [INVESTMENT X] (2021: 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 19.*

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.

Note 25 - 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		Summarised financial information: Current assets		Non-current assets		Current liabilities		Non-current liabilities		Revenues		Expenses	
	2022 %	2021 %	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
[JV#1]	XX%	YY%	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
[JV #2]	XX%	YY%	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
			xxx	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

IPSAS 38.36 Both JV#1 and JV#2 assist the Group in meeting its charitable objectives and are considered strategic to the Group's activities.

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

	2022 $'000	2021 $'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 (2021: 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 (2021: 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 (2021: nil) [AMEND WHERE NECESSARY].

Note 25 – Joint ventures (continued)

Joint arrangements - 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 interest in 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 26 – Concessionary loans issued

PBE Standard

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:

PBE Standard		Note	2022 ($'000)	2021 ($'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)	12	-	(xxx)
IPSAS 30.37(a)(vi)	Assumed in PBE combination acquisitions		-	-
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 (2021: $YYY thousand).

Note 27 – Disposal group held for sale

PBE Standard

IFRS 5.41(a)-(b) On [31 December 2022] management had committed to a plan to sell [DESCRIPTION OF ASSET/DISPOSAL GROUP] due to [REASONS WHY DECISION TO DISCONTINUE]. Management expect 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[92]:

	Note	2022 $'000
Assets held for sale		
Property, plant and equipment	20	xxx
Intangibles	21	xxx
Investment property	22	xxx
Biological assets	23	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].

IFRS 5.42 There has been no change in the classification of [assets/disposal groups] held for sale during the period.

IPSAS 12.47(c) The carrying amount of inventory above includes $XXX thousand carried at fair value less cost to sell (2021: $XXX thousand).

[92] 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 27 – Disposal group held for sale (continued)

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.

Note 28 – Payables – exchange transactions

PBE Standard			Group		
IPSAS 1.93		Note	2022 Actual $'000	*2022* *Prospectives[93]* *$'000*	2021 Actual $'000
	Trade payables from exchange transactions		xxx	*xxx*	xxx
IPSAS 20.27.1	Advances from related parties	41	xxx	*xxx*	xxx
	Sundry accruals		xxx	*xxx*	xxx
			xxx	***xxx***	**xxx**

Note 29 – Deferred revenue

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

[93] 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 30 - Employee benefit liability

			Group	
	Note	**2022**	***2022***	**2021**
		Actual	***Prospectives[94]***	**Actual**
		$'000	***$'000***	**$'000**
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

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 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].

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.

[94] 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 31 – Loans[95]

PBE Standard

PBE Standard		Note	Currency	Effective Interest Rate	Year of Maturity	Group 2022 Current $'000	Group 2022 Non-current $'000	Group 2021 Current $'000	Group 2021 Non-current $'000
IPSAS 30.10 [95]	[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]	40	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 21*).

(ii) Defaults and beaches at reporting date and during the reporting period

IPSAS 30.22(a) — During the reporting period, the Group defaulted on [a/several] payment(s) of principal and/or interest in respect of [LOAN SUB-CLASS #1] and [LOAN SUB-CLASS #2].

IPSAS 30.22(b), IPSAS 30.22(c) — At reporting date, [LOAN SUB-CLASS #2] ($XXX thousand) was still in default and unresolved[96]. Subsequent to reporting date, the default was remedied with no change to the original terms of the loan[97].

IPSAS 30.23, 22(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 30.23, 22(b), IPSAS 30.23, 22(c) — At reporting date, the breach on bank covenant in respect of [LOAN SUB-CLASS #3] ($XXX thousand) was still unresolved[97]. 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 8*).

[95] 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.

[96] 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)).

[97] 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.

Note 32 - Leases

PBE Standard

Finance leases payable[98]	Note	Currency	Interest Rate	Year of Maturity	Group 2022 Actual $'000	Group *2022 Prospectives[99] $'000*	Group 2021 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**

PBE Standard	Finance leases payable are represented by:	Future minimum lease payments 2022 $'000	Future minimum lease payments 2021 $'000	Interest 2022 $'000	Interest 2021 $'000	Present value of minimum lease payments 2022 $'000	Present value of minimum lease payments 2021 $'000
IPSAS 13.40(b)							
IPSAS 13.40(c)(i)	Less than one year	AAA	AAA	(BBB)	(BBB)	[AAA +(BBB)]	[AAA +(BBB)]
IPSAS 13.40(c)(ii)	Between one and five years	AAA	AAA	(BBB)	(BBB)	[AAA +(BBB)]	[AAA +(BBB)]
IPSAS 13.40(c)(iii)	Greater than 5 years	AAA	AAA	(BBB)	(BBB)	[AAA +(BBB)]	[AAA +(BBB)]
	Total finance leases payable	**AAA**	**AAA**	**(BBB)**	**(BBB)**	**[AAA +(BBB)]**	**[AAA +(BBB)]**

IPSAS 13.40(d) There were no contingent rental payments recognised as an expense during the period [AMEND WHERE NECESSARY].

IPSAS 13.40(e) There are no future minimum future lease payments that are expected to be recovered through non-cancellable sub-leases [AMEND WHERE NECESSARY].

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.

[98] 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.

[99] 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 32 – Leases (continued)

PBE Standard

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:

		2022 $'000	2021 $'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

IPSAS 13.44(b) The Group sub-leases its leased [INSERT NATURE OF SUB-LEASED ITEM, e.g., BUILDINGS AND/OR EQUIPMENT] to external third parties.

The total future non-cancellable minimum sub-lease payments at reporting date are $XXX thousand (2021: $XXX thousand).

(ii) Leases as lessor

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

		2022 $'000	2021 $'000
IPSAS 13.69(a)(i)	Less than one year	xxx	xxx
IPSAS 13.69(a)(ii)	Between one and five years	xxx	xxx
IPSAS 13.69(a)(iii)	Greater than 5 years	xxx	xxx
	Total non-cancellable operating lease payments	**xxx**	**xxx**

IPSAS 13.69(c) Refer to *Note 22* for details of material operating lease arrangements relating to the Group's investment properties.

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 32 – Leases (continued)

PBE Standard

Determining whether an arrangement contains a lease

At the inception of an arrangement the Group determines whether the 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.

Note 33 – Provisions[100]

PBE Standard		Note	Group 2022[101] [PROV. #1] e.g., Legal claim $'000	[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 acquisitions	40	-	xxx	xxx	**xxx**
	Decreases due to disposals	7	-	(xxx)	(xxx)	**(xxx)**
IPSAS 19.97(b)	Additional provisions made		-	xxx	xxx	**xxx**
IPSAS 19.97(c)	Provisions used during the period (settlement)	11	(xxx)	-	-	**(xxx)**
IPSAS 19.97(d)	Unused provisions reversed during the period	11	(xxx)	-	-	**(xxx)**
IPSAS 19.97(e)	Effect of discounting long-term provisions	12	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] [102]

- 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) — Uncertainties regarding the amount and/or timing of outflow (including assumptions over the occurrence of future events)
- IPSAS 19.98(c) — Existence of any expected reimbursement
- IPSAS 19.98(c) — The amount of any asset recognised in respect of any expected reimbursement

(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)

[100] Common examples in practice include: Warranties, Restructuring (PBE IPSAS 1.107(b), Restoration, Onerous contracts, Legal etc.
[101] Comparative information is not required (refer PBE IPSAS 17.97).
[102] 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 33 – Provisions (continued)

IPSAS 19.98(b) • Uncertainties regarding the amount and/or timing of outflow (including assumptions over the occurrence of future events)
IPSAS 19.98(c) • Existence of any expected reimbursement
IPSAS 19.98(c) • The amount of any asset recognised in respect of any expected reimbursement

(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) • Uncertainties regarding the amount and/or timing of outflow (including assumptions over the occurrence of future events)
IPSAS 19.98(c) • Existence of any expected reimbursement
IPSAS 19.98(c) • The amount of any asset recognised in respect of any expected reimbursement

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.

[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 34 – Non-exchange liabilities

PBE Standard		Note	Group 2022 Actual $'000	2022 Prospectives[103] $'000	2021 Actual $'000
	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 32).

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	2022 ($'000)	2021 ($'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.

[103] 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 35 - Capital and reserves

PBE Standard	*(i) Share capital*	Ordinary shares		[OTHER SHARES] [e.g., PREFERENCE SHARES]	
		2022	2021	2022	2021
		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[104]

[SPECIAL PURPOSE RESERVE]

IPSAS 1.98(B)

[INSERT A DESCRIPTION OF THE NATURE AND PURPOSE OF THE RESERVE]

(iii) Dividends [OR SIMILAR DISTRIBUTIONS]

		2022	2021
IPSAS 1.117	Dividends declared and paid by the controlling entity during the period included:	$'000	$'000
	2021: year-end dividend of X.XX cents per share (2021: Y.YY cents per share)	XXX	YYY
	2022: half-year dividend of X.XX cents per share (2021: Y.YY cents per share)	XXX	YYY
		XXX	**YYY**

IPSAS 1.149(a)

Subsequent to reporting date the controlling entity declared its current year-end dividend of X.XX cents per share, which was paid on [DATE].

IPSAS 1.149(b)

There are no cumulative preference shares, or similar distributions, not recognised by the Group.

[104] 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 would not usually require additional disclosure, as their nature and purpose is clear from the associated accounting policies and/or standard practice.

Note 35 – Capital and reserves (continued)

(i) Reconciliation of total comprehensive income to components of net assets/equity[105]

PBE Standard			|-------			*Attributable to owners of the controlling entity*			---------- |			
IPSAS 1.119(c) IPSAS 1.119(b)			Contributed [Share] capital	FVOCRE reserve	Foreign currency reserve	Revaluation surplus	Amalgamation reserve	Special purpose reserve	Accumulated revenue and expense	Total	Non-controlling interest	Total net assets/ equity
		Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Balance as at 1 January 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	20	-	-	-	(xxx)	-	-	-	(xxx)	(xxx)	(xxx)
	Gain/(Loss) on revaluation of financial assets		-	xxx	-	-	-	-	-	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
	Balance as at 1 January 2022		xxx	xxx	xxx	xx	-	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	20	-	-	-	xxx	-	-	-	xxx	xxx	xxx
	Gain/(Loss) on revaluation of financial assets		-	xxx	-	-	-	-	-	xxx	xxx	xxx
	Amalgamation	40	-	-	-	-	(xxx)	-	-	(xxx)	-	(xxx)
IPSAS 4.61(b)	Translation of foreign operations		-	-	xxx	-	-	-	xxx	-	-	-
	Balance as at 31 December 2022		xxx	xxx	xxx	xxx	(xxx)	xxx	xxx	xxx	xxx	xxx
	Prospectives as at 31 December 2022		xxx	xxx	xxx	xxx	-	xxx	xxx	xxx	xxx	xxx

[105] 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 35 – Capital and reserves (continued)

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.

iii. ***Foreign operations***

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 – Financial instruments

PBE Standard

(i) Classification and fair values of financial instruments

IPSAS 30.11 The tables below show the carrying amount and fair values (expect those where carrying amount approximates fair value[106]) of the Group's financial assets and financial liabilities.

IPSAS 30.29
IPSAS 30.33

Group – 31 December 2022

	Note	Carrying amount per Statement of Financial Position ($'000)							
		Financial assets				Financial liabilities			Level of
		FVSD[107] /(Hedge instrument)	FVOCRE[8] Debt instruments	FVOCRE[8] (designated at initial recognition)	Amortised cost	FVSD[106] /(Hedge instrument)	Amortised cost	Fair Value	Fair value Hierarchy
Subsequently measured at fair value:									
Derivative assets[107]	19	xxx	-	-	-	-	-	xxx	1,2,3
Securities:									1,2,3
Debt (New Zealand corporate - private)	19	-	xxx	-	-	-	-	xxx	1,2,3
Debt (New Zealand government - listed)	19	-	xxx	-	-	-	-	xxx	1,2,3
Equity (New Zealand publicly listed)	19	-	-	xxx	-	-	-	xxx	1,2,3
Equity (New Zealand private)	19	-	-	xxx	-	-	-	xxx	1,2,3
Equity ([COUNTRY X] publicly listed)	19	-	-	xxx	-	-	-	xxx	1,2,3
Derivative liabilities[108]	19	-	-	-	-	(xxx)	-	(xxx)	1,2,3
Subsequently not measured at fair value									
Cash and cash equivalent (assets)	14	-	-	-	xxx	-	-	xxx	
Receivables	15	-	-	-	xxx	-	-	xxx	
Recoverables (monetary)	16	-	-	-	xxx	-	-	xxx	
Concessionary loans issued	26	-	-	-	xxx			xxx	
Cash and cash equivalent (liabilities)	14	-	-	-	-	-	(xxx)	(xxx)	
Payables	28	-	-	-	-	-	(xxx)	(xxx)	
Loans	31	-	-	-	-	-	(xxx)	(xxx)	
Finance leases payable	32	-	-	-	-	-	(xxx)	(xxx)	
		xxx	xxx	xxx	xxx	(xxx)	(xxx)		

[106] Note, in accordance with PBE IPSAS 30.35(a) the entity is not required to disclose the fair value of these (short-term) items, which would otherwise be required by PBE IPSAS 30.29.
[107] PBE IPSAS 30.11(a) and (e) requires separate disclosure of *fair value through surplus or deficit* financial instruments that are (i) *mandatorily measured* or (ii) *designated at initial recognition* (n/a here)
[108] Note that in this example derivative assets are not permitted to be offset against derivative liabilities (refer PBE IPSAS 30.30).

Note 36 – Financial instruments (continued)

PBE Standard

IPSAS 30.11
IPSAS 30.29
IPSAS 30.33

(i) Classification and fair values of financial instruments (continued)

Group – 31 December 2021

		Carrying amount per Statement of Financial Position ($'000)							
		Financial assets				Financial liabilities			Level of fair
	Note	FVSD[109] /(Hedge instrument)	FVOCRE[8] Debt instrument	FVOCRE[8] (designated at initial recognition)	Amortised cost	FVSD[106] /(Hedge instrument)	Amortised cost	Fair Value	Value hierarchy
Subsequently measured at fair value:									
Derivative assets[109]	19	xxx	-	-	-	-	-	xxx	1,2,3
Securities:									1,2,3
Debt (New Zealand corporate - private)	19	-	xxx	-	-	-	-	xxx	1,2,3
Debt (New Zealand government - listed)	19	-	xxx	-	-	-	-	xxx	1,2,3
Equity (New Zealand publicly listed)	19	-	-	xxx	-	-	-	xxx	1,2,3
Equity (New Zealand private)	19	-	-	xxx	-	-	-	xxx	1,2,3
Equity ([COUNTRY X] publicly listed)	19	-	-	xxx	-	-	-	xxx	1,2,3
Derivative liabilities[110]	19	-	-	-	-	(xxx)	-	(xxx)	1,2,3
Subsequently not measured at fair value									
Cash and cash equivalent (assets)	14	-	-	-	xxx	-	-	xxx	
Receivables	15	-	-	-	xxx	-	-	xxx	
Recoverables (monetary)	16	-	-	-	xxx	-	-	xxx	
Concessionary loans issued	26	-	-	-	xxx			xxx	
Cash and cash equivalent (liabilities)	14	-	-	-	-	-	(xxx)	(xxx)	
Payables	28	-	-	-	-	-	(xxx)	(xxx)	
Loans	31	-	-	-	-	-	(xxx)	(xxx)	
Finance leases payable	32	-	-	-	-	-	(xxx)	(xxx)	
		xxx	xxx		xxx	(xxx)	(xxx)		

[109] PBE IPSAS 30.11(a) and (e) requires separate disclosure of *fair value through surplus or deficit* financial instruments that are (i) *mandatorily measured*, or (ii) *designated at initial recognition* (n/a here)
[110] Note that in this example derivative assets are not permitted to be offset against derivative liabilities (refer PBE IPSAS 30.30).

Note 36 – Financial instruments (continued)

PBE Standard

(ii) Fair values

IPSAS 30.32

The fair value hierarchy (presented in the tables above) disaggregates fair value into the following three levels:

- Level 1: Quoted unadjusted prices in active markets for identical instruments
- Level 2: Inputs that are not level 1 that are observable either directly or indirectly
- Level 3: Inputs that are not observable.

Fair value determination for level 2 and level 3 financial instruments disclosed above are as follows:

IPSAS 30.31

(a) Derivative financial instruments

[INSERT SPECIFIC DETAILS, 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 30.31

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

[INSERT SPECIFIC DETAILS, 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% (2021: Y.Y% - Y.Y%)
- Concessionary loans issued X.X% - X.X% (2021: Y.Y% - Y.Y%)
- Loans X.X% - X.X% (2021: Y.Y% - Y.Y%)
- Finance leases payable X.X% - X.X% (2021: Y.Y% - Y.Y%).

IPSAS 30.31

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

[INSERT SPECIFIC DETAILS, 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).

IPSAS 30.33(e)

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.

A reasonably possible change in these key inputs, holding all other inputs constant, would have the following impact.

	OCI	
	Increase ($'000)	**Decrease ($'000)**
31 December 2022		
Discount rate (X.X% movement)	(xxx)	xxx
Revenue growth rate (X.X% movement)	(xxx)	xxx
EBITDA margin (X.X% movement)	xxx	(xxx)
31 December 2021		
Discount rate (Y.Y% movement)	(xxx)	xxx
Revenue growth rate (Y.Y% movement)	(xxx)	xxx
EBITDA margin (Y.Y% movement)	xxx	(xxx)

Note 36 – Financial instruments (continued)

PBE Standard

(iii) Reconciliation of level 3 fair values

IPSAS 30.33(c) The table below shows a reconciliation between the opening to closing balances of level 3 financial instruments

PBE Standard		Note	Debt securities ($'000)	Equity securities ($'000)
IPSAS 30.33(c)	**1 January 2021 (opening)**		**xxx**	**xxx**
IPSAS 30.33(c)(iii)	Purchases		xxx	xxx
	Assumed in PBE combination acquisitions	40	-	-
IPSAS 30.33(c)(iii)	Disposals		(xxx)	xxx
IPSAS 30.33(c)(i)	*Gains and losses recognised in surplus or deficit:*			
	Impairment	13, 38	-	-
	Gain/(loss) reclassified from OCRE – debt instruments at FVOCRE[111]		xxx	xxx
IPSAS 30.33(c)(ii)	*Gains and losses recognised in other comprehensive revenue and expense:*			
	Revaluation gain/(loss)		xxx	xxx
IPSAS 30.33(c)(iv)	Transfers into level 3		-	-
IPSAS 30.33(c)(iv)	Transfers out of level 3		-	-
IPSAS 30.33(c)	**31 December 2021 (closing)**		**xxx**	**xxx**
IPSAS 30.33(c)	**1 January 2022 (opening)**		**xxx**	**xxx**
IPSAS 30.33(c)(iii)	Purchases		xxx	xxx
	Assumed in PBE combination acquisitions	40	xxx	xxx
IPSAS 30.33(c)(iii)	Disposals		(xxx)	xxx
IPSAS 30.33(c)(i)	*Gains and losses recognised in surplus or deficit:*			
	Impairment	13, 38	(xxx)	-
	Gain/(loss) reclassified from OCRE – debt instruments @ FVOCRE[111]		xxx	xxx
IPSAS 30.33(c)(ii)	*Gains and losses recognised in other comprehensive revenue and expense:*			
	Revaluation gain/(loss)		xxx	xxx
IPSAS 30.33(c)(iv)	Transfers into level 3		-	-
IPSAS 30.33(c)(iv)	Transfers out of level 3		-	-
IPSAS 30.33(c)	**31 December 2022 (closing)**		**xxx**	**xxx**

IPSAS 30.33(c) There were no transfers of financial instruments into, or out of, level 3 during the period (2021: nil).

[111] Under PBE IPSAS 41 gains/(losses) are only recycled to surplus or deficit in relation to debt instruments at FVOCRE[8]. Gains/(losses) on equity instrument at FVOCRE are never recycled to surplus or deficit.

Note 36 – Financial instruments (continued)

PBE Standard
IPSAS 1.132(c)

Financial instruments – accounting policy (continued)

(i) Recognition and initial measurement

IPSAS 41.10

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

IPSAS 41.57,60

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTSD, transaction costs that are directly attributable to its acquisition or issue. At initial recognition, an entity may measure short-term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

IPSAS 41.14-17

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Classification and subsequent measurement
Financial assets

IPSAS 41.39

IPSAS 41.54, 94

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive revenue and expense (FVOCRE) – debt investment and equity investment; or fair value through surplus or deficit (FVTSD).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

IPSAS 41.40

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

IPSAS 41.41

A debt investment is measured at FVOCRE if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

IPSAS 41.43, 106

IPSAS 41.44

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCRE. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCRE as described above are measured at FVTSD. This includes all derivative financial assets (see Note 28(A)). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCRE as at FVTSD if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

IPSAS 41.AG49

Financial assets – Management model assessment

The Group makes an assessment of the objective of the management model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

IPSAS 41.AG51-AG52, AG57, AG60

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;

Note 36 – Financial instruments (continued)

PBE Standard

Financial instruments – accounting policy (continued)

- the risks that affect the performance of the management model (and the financial assets held within that management model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

IPSAS 41.61

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTSD.

IPSAS 41.42, AG63-AG64, AG67-AG71

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

IPSAS 41.AG73(b), AG74

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the
prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

PSAS 41.101	Financial assets at FVSD	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit
IPSAS 41.103	Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.
IPSAS 41.111-112	Debt investments at FVOCRE	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Other net gains and losses are recognised in OCRE. On derecognition, gains and losses accumulated in OCRE are reclassified to surplus or deficit.
IPSAS 41.106-107, AG222	Equity investments at FVOCRE	These assets are subsequently measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCRE and are never reclassified to surplus or deficit.

Note 36 – Financial instruments (continued)

PBE Standard

Financial instruments – accounting policy (continued)

IPSAS 41.101

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTSD. A financial liability is classified as at FVTSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus of deficit.

IPSAS 41.14-17

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

IPSAS 41.17(b)

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

IPSAS 41.35-36

Financial liabilities

IPSAS 41.37

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

(iv) Offsetting

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

IPSAS 41.2, 73

(v) Impairment of non-derivative financial assets

IPSAS 41.75, 77, 83, 87-88

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCRE.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

Note 36 – Financial instruments (continued)

PBE Standard

Financial instruments – accounting policy (continued)

IPSAS 30.42F(b)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

IPSAS 30.42F(a)(i)

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per [Rating Agency X] or BBB- or higher per [Rating Agency Y].

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

IPSAS 41.92

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

IPSAS 41.90

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

IPSAS 30.42F(d), 42G(a)(iii)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCRE are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

IPSAS 41.73-74

IPSAS 30.42F(e)

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.
For debt securities at FVOCRE, the loss allowance is charged to surplus or deficit and is recognised in OCRE.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount
written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Note 37 – Financial risk management

PBE Standard

(i) Overall risk management framework

IPSAS 30.38

INSERT DETAILS OF THE **ENTITY'S SPECIFIC** RISK MANAGEMENT FRAMEWORK, INCLUDING (BUT NOT LIMITED TO):

- Who is responsible for overseeing the group's risk management framework
- How this oversight operates, and how often it operates
- What specific procedures and/or policies are included in this oversight, and how often these are reviewed
- Where applicable, details of the existence and specific operations of any sub-committees (e.g., audit committees).

(ii) Credit risk

IPSAS 30.40

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from its financial assets, including [cash and cash equivalents, derivative assets, receivables, monetary recoverables, and debt securities].

IPSAS 30.43(a)

The carrying amount of the above financial assets represent the Group's maximum exposure to credit risk.

IPSAS 30.40

Cash and cash equivalents and derivative assets

INSERT DETAILS OF THE **ENTITY'S SPECIFIC** EXPOSURE AND MANAGEMENT OF CREDIT RISK, e.g.]

The Group has a total of $XXX thousand (2021: $YYY) of cash and cash equivalents with financial institutions. It is the Group's policy to only have cash and cash equivalents and derivatives held in financial institutions that have a [INSERT CREDIT RATING AGENCY] credit rating of above [INSERT GRADE].

It is also the Group's policy to ensure that no more than XX% of 'cash funds' (defined as, cash and cash equivalents less cash physically held) are held with a single financial institution. Details of the spread of the Group's cash and cash equivalents between different financial institutions is detailed below:

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

PBE IPSAS 30.42H, 49P

The amount of impairment allowance as at xxx 2022 is $xx thousand (2021: $xx thousand).

IPSAS 30.41(a)
IPSAS 30.43(a)
IPSAS 30.43(c)

	Credit rating		% of cash funds held	
	2022	**2021**	**2022**	**2021**
[FINANCIAL INSTITUTION #1]	XXX	XXX	XX%	XX%
[FINANCIAL INSTITUTION #2]	XXX	XXX	XX%	XX%

IPSAS 30.40

Debt instruments

INSERT DETAILS OF THE **ENTITY'S SPECIFIC** EXPOSURE AND MANAGEMENT OF CREDIT RISK, e.g.]

The Group has a total of $XXX thousand (2021: $YYY) invested in debt securities. It is the Group's policy to ensure that no more than XX% of debt securities are invested in New Zealand private debt securities, and of those that are invested publically that these are only in New Zealand government bonds that have a [INSERT CREDIT RATING AGENCY] credit rating of above [INSERT GRADE], with no more than XX% are invested in a single investment. At reporting date, XX% (2021: YY%) of the Group's debt securities were in private debt securities.

Note 37 – Financial risk management (continued)

PBE Standard

12-month and lifetime probabilities of default are based on historical data supplied by [Rating Agency X] for each credit rating and are recalibrated based on current bond yields and CDS prices. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 40% except when a security is credit impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate

Details of the spread of the Group's publically invested debt securities is detailed below:

IPSAS 30.41(a)
IPSAS 30.43(a)
IPSAS 30.43(c)

	Credit rating		% of public debt securities held	
	2022	2021	2022	2021
[NZ GOVERNMENT BOND #1]	XXX	XXX	XX%	XX%
[NZ GOVERNMENT BOND #2]	XXX	XXX	XX%	XX%

IPSAS 30.44(a) There are no balances of debt securities that were past due but not impaired as at reporting date (2021: nil).

IPSAS 30.44(b)
IPSAS 30.44(c)

During the period an impairment loss of $XXX thousand was recognised in respect to private debt securities due to financial difficulties of the issuer. No collateral is held in respect of this amount.
The movement in the allowance for impairment in respect of private debt securities is detailed below:

	2022	2021
	($'000)	($'000)
Opening balance (1 January)	**-**	**-**
Net remeasurement of loss allowance	xxx	xxx
Financial assets derecognised	-	-
New financial assets acquired	-	-
Financial assets impaired	xxx	(xxx)
Closing balance (31 December)	**xxx**	**xxx**

IPSAS 30.40

Receivables (from exchange transactions)

INSERT DETAILS OF THE **ENTITY'S SPECIFIC** EXPOSURE AND MANAGEMENT OF CREDIT RISK, e.g.]

The Group's exposure to credit risk is influenced by the specific individual characteristics of each counter party within the different sub-class of receivables presented in *Note 16*.

IPSAS 30.43(b)
IPSAS 30.41(a)
IPSAS 30.43(a)

In respect to *trade receivables from exchange transactions*, the Group enforces a maximum amount of purchases that can be bought on credit ($XXX thousand) as a way to mitigate its exposure to individual debtors. Terms of trade require payment 30 days from the date of invoice. Customers that wish to transact at levels above the maximum credit limit must apply in writing to the [GROUP'S GOVERNING BODY] and have at least XX years of good trading history with the Group and/or individually satisfy the Group's internal creditworthiness requirements, including credit ratings and bank references.
In addition, the Group includes retention of title clauses for all goods sold as collateral over trade receivable balances.

At reporting date, the maximum exposure to credit risk for *trade receivables from exchange transactions* is detailed in the table below:

	2022	2021
	($'000)	($'000)
[CATEGORY #1][112]	xxx	xxx
[CATEGORY #2]	xxx	xxx
	xxx	**xxx**

[112] Presentation of exposure to credit risk requires judgement and consideration of entity specific circumstances. Examples may include, by geography, and/or, by industry, and/or, by client type, and/or, by credit rating.

Note 37 – Financial risk management (continued)

PBE Standard

IPSAS 30.43(a) The aging of *trade receivables from exchange transactions*, and credit quality of those balances that are neither past due nor impaired, as at reporting date, is presented below:

IPSAS 30.44(a)

PBE Standard		Note	2022 Gross ($'000)	2022 Impairment ($'000)	2022 Net ($'000)	2021 Gross ($'000)	2021 Impairment ($'000)	2021 Net ($'000)
	Not past due (nor impaired)[113]							
IPSAS 30.43(c)	Below max. credit limit		xxx	-	xxx	xxx	-	xxx
IPSAS 30.43(c)	Above max. credit limit		xxx	-	xxx	xxx	-	xxx
	Past due 1 – 30 days		xxx	-	xxx	xxx	-	xxx
	Past due 31 – 60 days		xxx	(AAA)	xxx	xxx	-	xxx
	Past due 61 days+		xxx	(xxx)	xxx	xxx	(xxx)	xxx
		15	**xxx**	**(xxx)**	**xxx**	**xxx**	**xxx**	**xxx**

[113] In this example, the entity has provided its analysis of the credit quality of *trade receivables from exchange transactions* that are neither past due nor impaired based on whether they are on terms that are below or above the maximum credit limit.

Note 37 – Financial risk management (continued)

PBE Standard
IPSAS 30.44(b)

During the period there was an amount of $AAA thousand related to a customer that was declared bankrupt during the period. Even though the Group has a retention of title in respect of the goods, there is no indication that these are still in the customer's possession. This is also presented in movement in the impairment allowance below as an individual impairment.

IPSAS 30.38

Receivables (from exchange transactions) (continued)[114]

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 2021		xxx	xxx	xxx
Impairment loss		-	xxx	xxx
Impairment loss reversal		-	-	-
Write off to bad debts		-	-	-
Balance as at 31 December 2021		xxx	xxx	xxx
Impairment loss		AAA	xxx	xxx
Impairment loss reversal		-	-	-
Write off to bad debts		-	-	-
Balance as at 31 December 2022	15	xxx	xxx	xxx

IPSAS 30.38

In respect to *Advances to related parties* that are key management personnel, the Group enforces a maximum amount of draw down being a XX% of the employee's salary, capped to a maximum of $XXX thousand, as a way to mitigate its exposure to individual debtors. The [GROUP'S GOVERNING BODY] must approve all amounts advanced and drawn down to related parties, and may require additional information to be provided, such as credit ratings and bank references.

IPSAS 30.41(a)
IPSAS 30.43(a)
IPSAS 30.20

All amounts are advanced with a pre-agreed payment schedule not exceeding 120 days which are deducted automatically from the key management personnel's salary. Refer to *Note 42* for further details of terms and conditions.

The carrying amount of *Advances to related parties* that are key management personnel represents the maximum exposure to credit risk[115]. Also, there are no amounts overdue nor impaired as at year end[116].

IPSAS 30.38

In respect to all other *Advances to related parties*, the [GROUP'S GOVERNING BODY] must approve all amounts advanced and drawn down to related parties, and may require additional information to be provided, such as credit ratings and bank references, be provided. Refer to *Note 41* for further details of terms and conditions.

IPSAS 30.41(a)
IPSAS 30.43(a)
IPSAS 30.20

The carrying amount of all other *Advances to related parties* represents the maximum exposure to credit risk[113]. Also, there are no amounts overdue nor impaired as at year end[114].

[114] The Group also has *Sundry receivables* presented in *Note 15* - *Receivables - exchange transactions*, however no credit risk information is presented here as it is assumed *Sundry receivables* are immaterial. If this is not the case, disclosure will be required.
[115] Presentation of exposure to credit risk requires judgement and consideration of entity specific circumstances. Here, it is presumed that both balances of *Advances to related parties* cannot be broken down any further – this may not be the case in all instances.
[116] Note that if amounts were outstanding and/or impaired disclosures similar to those presented for *Receivables (from exchange transactions)* would be required.

Note 37 – Financial risk management (continued)

PBE Standard IPSAS 30.38

Monetary Recoverables (from non-exchange transactions)

INSERT DETAILS OF THE **ENTITY'S SPECIFIC** EXPOSURE AND MANAGEMENT OF CREDIT RISK, e.g.

The Group's exposure to credit risk is influenced by the specific individual characteristics of each counter party.

IPSAS 30.41(a) IPSAS 30.43(a) IPSAS 30.20

Receivables in relation to recoverables are only recognised when it is probable that the corresponding revenue will flow to the Group, per the Group's revenue recognition policy.

Accordingly, the carrying amount of *Monetary Recoverables (from non-exchange transactions)* represents the maximum exposure to credit risk. Also, there are no amounts outstanding nor impaired as at year end.

(iii) Liquidity risk

IPSAS 30.40

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

INSERT DETAILS OF THE **ENTITY'S SPECIFIC** EXPOSURE AND MANAGEMENT OF LIQUIDITY RISK, e.g.

IPSAS 30.46(c)

The Group ensures that maturity profile of its short-term liquid financial assets (such as cash and cash equivalents, and trade receivables) is sufficient to meet the contractual cash flow obligations of its financial liabilities.

IPSAS 2.61(a)

The Group also enters into interest rate and forward foreign exchange contracts to economically hedge its cash outflows that are exposed to interest rates and/or foreign currencies.

The group also ensures that it has available lines of credit with sufficient amounts undrawn:
- The Group has a $XXX thousand unsecured overdraft facility, of which $XXX thousand remains undrawn (2021: $YYY thousand).

IPSAS 30.46

The table below details the undiscounted contractual cash flows (principal and interest) of the Group's financial liabilities:

		Contractual cash flows[117]					
	Group 2022	**0 - 1 Months $'000**	**1 - 3 Months $'000**	**3 - 12 Months $'000**	**12 - 60 Months $'000**	**Total amount $'000**	**Carrying amount $'000**
IPSAS 30.46(a)	*Non-derivative financial liabilities:*						
	Cash and cash equivalents (bank overdrafts)	xxx	-	-	-	xxx	xxx
	Payables (from exchange transactions)	xxx	xxx	-	-	xxx	xxx
	Loans:						
	[LOAN SUB-CLASS #1]	xxx	xxx	xxx	xxx	xxx	xxx
	[LOAN SUB-CLASS #2]	xxx	xxx	xxx	xxx	xxx	xxx
	[LOAN SUB-CLASS #3]	xxx	xxx	xxx	xxx	xxx	xxx
	Concessionary loans received	xxx	xxx	xxx	xxx	xxx	xxx
	Finance leases payable	xxx	xxx	xxx	xxx	xxx	xxx
IPSAS 30.46(b)	*Derivative financial liabilities:*						
	Derivatives	xxx	xxx	xxx	xxx	xxx	xxx
		xxx	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

[117] PBE IPSAS 30 does not specify the time bands to be used, instead an entity must use judgement regarding the number and labelling of time bands used. The time bands presented here are those per paragraph AG12 of PBE IPSAS 30.

Note 37 – Financial risk management (continued)

PBE Standard

Group 2021

		Contractual cash flows					
		0 - 1 Months $'000	1 - 3 Months $'000	3 - 12 Months $'000	12 - 60 Months $'000	Total amount $'000	Carrying amount $'000
IPSAS 30.46(a)	*Non-derivative financial liabilities:*						
	Cash and cash equivalents (bank overdrafts)	xxx	-	-	-	xxx	xxx
	Payables (from exchange transactions)	xxx	xxx	-	-	xxx	xxx
	Loans:						
	[LOAN SUB-CLASS #1]	xxx	xxx	xxx	xxx	xxx	xxx
	[LOAN SUB-CLASS #2]	xxx	xxx	xxx	xxx	xxx	xxx
	[LOAN SUB-CLASS #3]	xxx	xxx	xxx	xxx	xxx	xxx
	Concessionary loans received	xxx	xxx	xxx	xxx	xxx	xxx
	Finance leases payable	xxx	xxx	xxx	xxx	xxx	xxx
IPSAS 30.46(b)	*Derivative financial liabilities:*						
	Derivatives	xxx	xxx	xxx	xxx	xxx	xxx
		xxx	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

IPSAS 30.AG11 As detailed in *Note 32* and *Note 38*, the Group is subject to externally imposed commitments on its loan balances, the breach of which may require the Group to repay some, or all of the amounts earlier than their contractual payment dates presented above.

PBE Standard

(iv) Market risk

IPSAS 30.40 Market risk arises from the Group's use of financial instruments that are interest bearing, denominated in foreign currencies, and/or traded in public markets. Specifically, market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

INSERT DETAILS OF THE **ENTITY'S SPECIFIC** EXPOSURE AND MANAGEMENT OF INTEREST RATE RISK, e.g.

IPSAS 30.40 The Group is exposed to interest rate risk in respect of its fixed interest rate financial assets and financial liabilities, and its floating rate financial liabilities.

IPSAS 30.41(a) Fixed interest rates attached to the Group's loans represent its greatest exposure to interest rate risk. The group manages this risk by entering into fixed-for-floating fixed interest rate swaps for XX% of each individual loan balance.

The Group's exposure to interest rate risk is presented below:

	Weighted average Interest rate		Nominal amounts	
	2022 %	2021 %	2022 ($'000)	2021 ($'000)
Financial assets:				
Cash and cash equivalents	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
Debt securities (NZ corporate - private)	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
Debt securities (NZ government - public)	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
Derivative assets - interest rate swaps	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
			xxx	**xxx**

Note 37 – Financial risk management (continued)

PBE Standard

	2022 %	2021 %	2022 ($'000)	2021 ($'000)
Financial liabilities:				
Cash and cash equivalents	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
[LOAN SUB-CLASS #1]	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
[LOAN SUB-CLASS #2]	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
[LOAN SUB-CLASS #3]	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
Concessionary loans received	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
Finance leases payable	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
Derivative liabilities - interest rate swaps	X.X - X.X%	Y.Y - Y.Y%	xxx	xxx
			xxx	**xxx**
Net exposure to interest rate risk			**xxx**	**xxx**

IPSAS 30.47(b)
IPSAS 30.47(c)

A reasonably possible increase of X.X% (2021: A.A%) and decrease of Y.Y% (2021: B.B%) in interest rates would have the following impact on surplus or deficit and net assets/equity:

IPSAS 30.47(a)

	Surplus or deficit		Net assets/equity	
	2022 ($'000)	2021 ($'000)	2022 ($'000)	2021 ($'000)
Interest rate increase of X.X% (2015: A.A%)	xxx	xxx	xxx	xxx
Interest rate decrease of Y.Y% (2015: B.B%)	xxx	xxx	xxx	xxx

Foreign currency risk

INSERT DETAILS OF THE **ENTITY'S SPECIFIC** EXPOSURE AND MANAGEMENT OF FOREIGN CURRENCY RISK, e.g.

IPSAS 30.40 The Group is exposed to foreign currency risk in respect of its financial assets and liabilities that it holds in foreign currencies. The Group manages this risk by entering into forward foreign exchange contracts for XX% of the net foreign currency exposure

IPSAS 30.41(a) The Group's exposure to foreign currency risk is presented below:

	2022			2021		
	[CUR #1] ($'000)	[CUR #2] ($'000)	[CUR #3] ($'000)	[CUR #1] ($'000)	[CUR #2] ($'000)	[CUR #3] ($'000)
Financial assets:						
Cash and cash equivalents	xxx	xxx	xxx	xxx	xxx	xxx
Receivables (exchange transactions)	xxx	xxx	xxx	xxx	xxx	xxx
Recoverables - monetary (non-exchange transactions)	xxx	xxx	xxx	xxx	xxx	xxx
Equity securities ([COUNTRY X] publicly listed)	xxx	-	-	xxx	-	-
Derivative assets - foreign exchange contracts	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
Financial liabilities:						
Cash and cash equivalents	xxx	xxx	xxx	xxx	xxx	xxx
Payables (exchange transactions)	xxx	xxx	xxx	xxx	xxx	xxx
Loans	xxx	xxx	xxx	xxx	xxx	xxx
Finance leases payable	xxx	xxx	xxx	xxx	xxx	xxx
Derivative liabilities – foreign exchange contracts	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**
Net exposure to interest rate risk	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

Note 37 – Financial risk management (continued)

PBE Standard

(iv) Market risk (continued)

PBE Standard
IPSAS 30.47(b)
IPSAS 30.47(c)

A reasonably possible increase of X.X%, X.X%, and X.X% (2021: A.A%, A.A%, and A.A%) and a decrease of Y.Y%, Y.Y%, and Y.Y% (2021: B.B%, B.B%, and B.B%) in the respective currency rates of [CUR #1], [CUR #2], and [CUR #3] would have the following impact on surplus or deficit and net assets/equity:

IPSAS 30.47(a)

	Surplus or deficit		Net assets/equity	
	2022 ($'000)	2021 ($'000)	2022 ($'000)	2021 ($'000)
[CUR #1]				
Rate increase of X.X% (2021: A.A%)	xxx	xxx	xxx	xxx
Rate decrease of Y.Y% (2021: B.B%)	xxx	xxx	xxx	xxx
[CUR #2]				
Rate increase of X.X% (2021: A.A%)	xxx	xxx	xxx	xxx
Rate decrease of Y.Y % (2021: B.B%)	xxx	xxx	xxx	xxx
[CUR #3]				
Rate increase of X.X% (2021: A.A%)	xxx	xxx	xxx	xxx
Rate decrease of Y.Y % (2021: B.B%)	xxx	xxx	xxx	xxx

Price risk

INSERT DETAILS OF THE **ENTITY'S SPECIFIC** EXPOSURE AND MANAGEMENT OF PRICE RISK, e.g.

IPSAS 30.40

The Group is exposed to price risk in respect of its publically listed debt and equity instruments classified as available-for-sale financial assets.
In respect of its publically listed debt instruments, the Group manages this risk indirectly by requiring that these are invested only in government bonds that have a [INSERT CREDIT RATING AGENCY] credit rating of above [INSERT GRADE].

IPSAS 30.41(a)

In respect of its publically listed equity instruments, the Group manages this risk indirectly by requiring that the portfolio is spread across different sectors with various amounts of systematic risk to movements in the economy as a whole.
The Group's maximum exposure to price risk is presented below:

	2022 ($'000)	2021 ($'000)
New Zealand:		
Debt securities (government - listed)	xxx	xxx
Equity securities (publicly listed):		
[SECTOR A]	xxx	xxx
[SECTOR B]	xxx	xxx
	xxx	**xxx**
[COUNTRY X]:		
Equity securities (publicly listed):		
[SECTOR A]	xxx	xxx
[SECTOR C]	xxx	xxx
	xxx	**xxx**
	xxx	**xxx**

Note 37 – Financial risk management (continued)

PBE Standard
IPSAS 30.47(b)
IPSAS 30.47(c)
IPSAS 30.47(a)

A reasonably possible increase of X.X% and X.X% (2021: A.A% and A.A%) and a decrease of Y.Y% and Y.Y% (2021: B.B% and B.B%) in the overall economy of New Zealand and [COUNTRY X] would have the following impact on surplus or deficit and net assets/equity:

	Surplus or deficit		Net assets/equity	
	2022	2021	2022	2021
	($'000)	($'000)	($'000)	($'000)
New Zealand:				
Increase of X.X% (2021: A.A%)	xxx	xxx	xxx	xxx
Decrease of Y.Y% (2021: B.B%)	xxx	xxx	xxx	xxx
[COUNTRY X]:				
Increase of X.X% (2021: A.A%)	xxx	xxx	xxx	xxx
Decrease of Y.Y % (2021: B.B%)	xxx	xxx	xxx	xxx

Note 38 – Capital management

IPSAS 1.148A

INSERT DETAILS OF THE **ENTITY'S SPECIFIC** OBJECTIVES, POLICIES, AND PROCESSES OF MANAGING 'CAPITAL', INCLUDING:

QUALITATIVE AND QUALTATIVE INFORMATION ON:

IPSAS 1.148B(a)(i)
IPSAS 1.148(b)

- What the entity manages as 'capital' (i.e., net assets/equity, debt etc.)[118]

IPSAS 1.148B(a)(ii)
IPSAS 1.148B(d)
IPSAS 1.148B(e)

- The nature of any externally imposed capital requirements, including
  - How those are incorporated in the entity's capital management policies
  - Were they complied with
  - If not complied with, the consequences of non-compliance

IPSAS 1.148B(a)(iii)

- How the entity is meeting its own objectives for managing capital

IPSAS 1.148B(c)

- Changes in any of the above

[118] For many entities 'capital' will refer to the components of net assets/equity, however some entities may regard certain liabilities (such as debt) as 'capital' and include them in their capital management plans.

Note 39 – Group entities[119]

PBE Standard

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

IPSAS 20.25
IPSAS 38.9
IPSAS 38.17
IPSAS 38.19

	Note	Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
[CONTROLLED ENTITY #1]		AAA	45	45
[CONTROLLED ENTITY #2]		AAA	xxx	xxx
[CONTROLLED ENTITY #3]		AAA	90	25

IPSAS 38.18

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 40*) which had previously been accounted for as an equity-accounted associated (refer *Note 24*).

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 controllers of the controlling entity in their capacity as controllers, within net assets/equity.

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.

[119] 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 39 – Group entities (continued)

PBE Standard

iii. Non-controlling interests

Non-controlling interests are measured either at, on a PBE combination by PBE combination 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.

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 investees 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 41 *Financial Instruments: Recognition and Measurement*. 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.

Note 40 - PBE combinations

PBE Standard

(i) *ACQUISITIONS*[120]

IPSAS 40.120 (a)
IPSAS 40.120 (b)
IPSAS 40.120 (c)

On [DD MM 2022] the group acquired 65% of the shares and voting interests in [CONTROLLED ENTITY X]

IPSAS 40.120 (a)
IPSAS 40.120 (d)

[CONTROLLED ENTITY X] is involved in [INSERT DETAILS], and a controlling interest was therefore obtained by the Group in order to facilitate [INSERT DETAILS OF REASONS WHY THE ACQUISITION WAS MADE].

(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) IPSAS 2.50(b)	Cash and cash equivalents		AAA		
	Receivables (from exchange transactions):				
IPSAS 40.120 (h)(i)	Trade receivables		xxx	(xxx)	xxx
	Inventories		xxx		
	Property plant and equipment	20	xxx	xxx	xxx
	Intangible assets	21	xxx		
	Investment properties	22	xxx	xxx	xxx
	Biological assets	23	xxx	xxx	xxx
	Other investments		xxx		
	[OTHER ASSETS]		xxx		
	Payables (from exchange transactions)		(xxx)		
	Loans		(xxx)		
	Provisions	33	(xxx)		
	[OTHER LIABILITIES][121]		(xxx)		
IPSAS 2.50(a)	**Net identifiable assets acquired**		**xxx**		

IPSAS 40.1204(a)

The fair values above represent the full and final amounts of each item in respect of the PBE combination acquisition 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 (h)(ii)
IPSAS 40.120 (h)(iii)

The amount above in relation to *Trade receivables* comprise gross contractual cash flows of $XXX thousand, of which $XXX thousand was expected to be uncollectable as at acquisition date.

(ii) Acquisition costs

The Group incurred a total of $XXX thousand in relation to acquisition costs comprising of legal fees, due diligence, and consultancy fees. These costs have been included within [LINE ITEM] in the statement of comprehensive revenue and expense.

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[120] Note, the example is only for a single material PBE combination acquisition. These disclosures are required for <u>EACH</u> material PBE combination acquisition during the period. Also, refer to PBE IPSAS 40.121 for disclosure requirements for immaterial PBE combinations acquisitions.
Also, this example assumes no pre-existing relationships between the Group and the acquiree. If this is not the case, refer to PBE IPSAS 40.112 for the appropriate accounting treatment considerations and paragraph 120(l) for any associated disclosure requirements.
Also, this example does not address PBE combination acquisition achieved in stages. Refer to the specific treatment and disclosure requirements of PBE IPSAS 40 for clients that have such a PBE combination.

[121] Refer to PBE IPSAS 40.120(j) and 124(c) for the disclosure requirements relating to any contingent liabilities identified at acquisition date that have been recognised, or not recognised because their fair value could not be reliably determined.

Note 40 - PBE combinations (continued)

PBE Standard

(iii) Consideration transferred

IPSAS 40.120 (f)

The fair value of the consideration transferred included the following

PBE Standard		($'000)
IPSAS 40.120 (f)(i) IPSAS 2.50(b)	Cash and cash equivalents	BBB
IPSAS 40.120 (f)(i) IPSAS 40.120 (f)(ii) IPSAS 40.120 (f)(iii)	[OTHER][122]	xxx
IPSAS 40.120 (f)	**Total consideration transferred**	CCC
IPSAS 40.120 (f)(i) IPSAS 2.50(b)	Cash and cash equivalents paid as consideration	BBB
IPSAS 2.50(c)	Cash and cash equivalents acquired	(AAA)
	Net cash and cash equivalents paid per statement of cash flows	**xxx**

(iv) Goodwill

IPSAS 40.120.119
IPSAS 40.1204(d)

There were no adjustments to goodwill in the current period relating to PBE combinations 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[123]. Goodwill in relation to the PBE combinations was recognised as follows:

PBE Standard		($'000)
	Total consideration transferred (fair value)	CCC
IPSAS 40.120 (p)	*Plus:* Non-controlling interests (proportionate interest[124])	xxx
	Plus: Pre-existing interest (fair value)	xxx
	Less: Net identifiable assets acquired (fair value)	(xxx)
		xxx

IPSAS 40.120 (q)

The remeasurement of the controlling entity's previous 25% interest in [CONTROLLED ENTITY X] at acquisition date to fair value resulted in a gain of $XXX thousand, this is included within finance income (refer to *Note 12*).

IPSAS 40.120 (e)

The goodwill recognised represents the synergies and assembled workforce of [CONTROLLED ENTITY X] which will be utilised by the Group going forward.

(v) Impact of the acquisition to the results of the Group

IPSAS 40.120 (r)(i)
IPSAS 40.120 (r)(ii)

The table below details the impact of the acquisition to the results of the Group in terms of the revenue and net surplus[125] or deficit of [CONTROLLED ENTITY X] during the year:

- That is recognised in the statement of comprehensive revenue and expense since acquisition date, and
- That would have been recognised in the statement of comprehensive revenue and expense had [CONTROLLED ENTITY X] been consolidated since the beginning of the reporting period.

	Recognised in statement of comprehensive revenue and expense	
	In the current period since acquisition date	**Had the acquiree been consolidated since the beginning or the reporting period**
	($'000)	**($'000)**
Revenue	xxx	xxx
Surplus or deficit	xxx	xxx

[122] 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)), settlement of pre-existing relationships ((PBE IPSAS 40.120(m)).

123 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

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

[125] Note that PBE IPSAS 40.120(r) only requires either revenue or surplus or deficit to be disclosed. Both are presented here as best practice. If it is impracticable to make this disclosure, this fact must be disclosed along with the reason(s) why.

Note 40 – PBE combinations (continued)

PBE Standard

Acquisitions – accounting policy

IPSAS 1.132(c) PBE combination acquisitions are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

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.

IPSAS 40.88 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. Any gain on bargain purchase gain 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 an 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 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.

Note 40 – PBE combinations (continued)

PBE Standard

(ii) *AMALGAMATIONS*[126]

IPSAS 40.54(a), (b) and (c)
IPSAS 40.54(h)
IPSAS 40.120(h)

On [01 Jan 2022], 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. As 31 Dec 2021 was the last reporting date for both the Group and NOT-FOR-PROFIT ENTITY] no additional information is required to be provided about movements in numbers between last reporting date and date of the amalgamation.

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	20	xxx
Intangible assets	21	xxx
Biological assets	23	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)**

IPSAS 40.54(f)

The amount recognised in net assets/equity represents the net assets amalgamated.

Amalgamation costs of $xxx were expensed during the period.

IPSAS 40.54(g)

The Group has elected not to include financial statements for the combining operations for periods prior to the amalgamation date

IPSAS 40.55

The Group did not have any amalgamations in prior periods.

[126] Note, the example is only for a single PBE combination amalgamation. These disclosures are required for **EACH** PBE combination amalgamation during the period.

Note 40 – PBE combinations (continued)

PBE Standard

(ii) *AMALGAMATIONS* (continued)

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, 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 41 – Related party transactions[127]

PBE Standard

(i) Controlling entity and ultimate controlling entity

IPSAS 20.26 The controlling and ultimate controlling party of [NAME - TIER 1 NOT FOR PROFIT] is [ENTITY A] and [ENTITY B] respectively[128].

[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 (2021: $YYY thousand) to [ENTITY A] on normal trade terms and conditions. At reporting date there as a total of $XXX thousand (2021: $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 (2021: $YYY thousand) to [ENTITY B] on normal trade terms and conditions. At reporting date there as a total of $XXX thousand (2021: $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 (2021: $YYY thousand) and $XXX thousand (2021: $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	2022 $'000	2021 $'000
Opening balance (1 January)		**xxx**	**xxx**
Repayments received		(xxx)	(xxx)
Further advances made		xxx	xxx
Closing balance (31 December)	15	**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:

[127] 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.
[128] Note that this disclosure is required irrespective of whether there have been any transactions between the parties.

Note 41 – Related party transactions (continued)[129]

PBE Standard

	Note	2022 $'000	2021 $'000
Opening balance (1 January)		**xxx**	**xxx**
Repayments made		(xxx)	(xxx)
Further advances received		xxx	xxx
Closing balance (31 December)	28	**xxx**	**xxx**

(ii) Key management personnel remuneration

IPSAS 20.34.1(a)

The Group classifies its key management personnel into one of three classes:[130]

- 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:

	2022		2021	
	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)

IPSAS 20.34.1(b)(ii)

Legal consulting fee's totalling $XXX thousand (2021: $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.

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 (2021: $YYY thousand).

(iii) Key management personnel advances

IPSAS 20.34.1(c)

As detailed in *Note 36*, 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.

[129] 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.
[130] 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 41 - Related party transactions (continued)

PBE Standard		Note	[MR/MRS ABC] [MEMBER OF GOVERNING BODY] 2022 $'000	[MR/MRS ABC] [MEMBER OF GOVERNING BODY] 2021 $'000	[MR/MRS ABC] [SENIOR EXECUTIVE OFFICER] 2022 $'000	[MR/MRS ABC] [SENIOR EXECUTIVE OFFICER] 2021 $'000	Total 2022 $'000	Total 2021 $'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]

Note 42 – Statement of Cash Flows Reconciliations

PBE Standard

IPSAS 2.29

i. Reconciliation of operating cash flows to net surplus	Note	Group 2022 Actual $'000	2022 *Prospectives*[131] $'000	2021 Actual $'000
Net surplus / (deficit)		xxx	*xxx*	xxx
Adjustments for non-cash items:				
Depreciation	20	xxx	*xxx*	xxx
Amortisation	21	xxx	*xxx*	xxx
Impairment losses (reversals) on property plant and equipment	20	(xxx)	-	xxx
Impairment losses (reversals) on intangible assets	21	xxx	-	-
Impairment losses on remeasurement of disposal group	10	xxx	-	-
Decrease/(increase) in fair value of investment properties	22	(xxx)	*xxx*	xxx
Decrease/(increase) in fair value of biological assets	23	xxx	*xxx*	(xxx)
Impairment losses (reversals) on trade receivables	36	xxx	*xxx*	xxx
Net finance costs[132]	12	xxx	*xxx*	xxx
Share of equity accounted associates surplus/ (deficit)		(xxx)	*(xxx)*	(xxx)
Loss/ (gain) on disposal of property, plant and equipment	9	(xxx)	-	xxx
Loss/ (gain) on disposal of intangible assets	9	(xxx)	-	-
Loss/ (gain) on disposal of investment property	9	-	-	(xxx)
Provisions made	33	xxx	-	xxx
Unused provisions reversed	33	(xxx)	-	-
Non-exchange revenue (non-cash)	8	(xxx)	-	(xxx)
Adjustments for movements in:				
(Increase)/decrease in receivables		xxx	*xxx*	xxx
(Increase)/decrease in recoverables		xxx	*xxx*	xxx
(Increase)/decrease in inventories		xxx	*xxx*	xxx
(Increase)/decrease in prepayments and other assets		xxx	*xxx*	xxx
Increase/(decrease) in payables		xxx	*xxx*	xxx
Increase/(decrease) in deferred revenue		xxx	*xxx*	xxx
Increase/(decrease) in employee benefit liability		xxx	*xxx*	xxx
Increase/(decrease) in provisions		xxx	*xxx*	xxx
Increase/(decrease) in non-exchange liabilities		xxx	*xxx*	xxx
Net operating cash inflow / (outflow)		xxx	*xxx*	xxx

[131] 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).

[132] Note that because in the statement of cash flows both interest received, and interest paid are not classified as operating activities the total net finance cost is a reconciling item. If this was not the case, the specific non-cash items within net finance cost would need to split out and presented.

Note 42 - Statement of Cash Flows Reconciliations (continued)

PBE Standard
IPSAS 2.55A-E

ii) Reconciliation of Liabilities Arising from Financing Activities

	1 Jan 2022	Cash flows	Non-cash Flows			31 Dec 2022
			Acquisition	Foreign exchange movement	Fair value changes	
	$'000	$'000	$'000	$'000	$'000	$'000
2022						
Balance as at 1 Jan 2021	**xxx**	**xxx**	-	**xxx**	**xxx**	**xxx**
Long-term borrowings	xxx	xxx	xxx	xxx	xxx	xxx
Short-term borrowings	xxx	xxx	xxx	xxx	xxx	xxx
Lease liabilities	xxx	xxx	xxx	xxx	xxx	xxx
Assets held to hedge long-term borrowings	xxx	xxx	xxx	xxx	xxx	**xxx**
Total liabilities from financing activities	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

	1 Jan 2021	Cash flows	Non-cash Flows			31 Dec 2021
			Acquisition	Foreign exchange movement	Fair value changes	
	$'000	$'000	$'000	$'000	$'000	$'000
2021						
Balance as at 1 Jan 2021	**xxx**	**xxx**	-	**xxx**	**xxx**	**xxx**
Long-term borrowings	xxx	xxx	xxx	xxx	xxx	xxx
Short-term borrowings	xxx	xxx	xxx	xxx	xxx	xxx
Lease liabilities	xxx	xxx	xxx	xxx	xxx	xxx
Assets held to hedge long-term borrowings	xxx	xxx	xxx	xxx	xxx	**xxx**
Total liabilities from financing activities	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**	**xxx**

Note 43 - Commitments and contingencies

PBE Standard

(i) Commitments

IPSAS 17.89(c)
IPSAS 16.86(h)
IPSAS 27.47(c)
IPSAS 31.121(e)

INCLUDE DETAILS OF THE FOLLOWING FOR EACH **MATERIAL** COMMITMENT THAT EXISTS AS AT REPORTING DATE, including those:

- Relating to property, plant and equipment (incl. purchase, construction)
- Relating to investment property (incl. purchase, construction, develop, repairs and maintenance, enhancements etc.)
- Relating to biological assets
- Relating to intangible assets
- Other (e.g., inventory, any other assets, any concessionary loan obligations)

(ii) Contingent liabilities[133]

INCLUDE DETAILS OF EACH **MATERIAL** CONTINGENT LIABILITIES THAT EXISTS AS AT REPORTING DATE, incl.

IPSAS 19.100(b)
IPSAS 19.100(a)
IPSAS 19.108
IPSAS 19.100(c)
IPSAS 1.38

- Explanation of what the contingent liability is in relation to
- That no liability has been recognised, and the nature of the uncertainties that have led to this treatment
- The estimated amount (or range of amounts) payable
- If the estimated amount cannot be estimated, the reason why
- Information on any reimbursements that the entity might be subsequently entitled to (i.e., insurance)
- 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
- IPSAS 19.108 — The estimated amount (or range of amounts) receivable
- If the estimated amount cannot be estimated, the reason why

Note 44 - 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)
IPSAS 14.30(b)

- The nature of the event[134]
- The estimate of the financial effect of the event, or if this cannot be estimated, a statement to that effect.

[133] 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).

[134] Note that if the event after reporting date is a *PBE combination acquisition*, there are significant specific disclosures required (refer to PBE PBE IPSAS 40.122)

Note 45 - Other Significant accounting policies[135]

PBE Standard
IPSAS 1.132(c)

Impairment of non-financial assets

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*)[136] 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.

IPSAS 26.114
IPSAS 21.72A

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

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.

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

[136] 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 financial statements

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

PBE Standard	Note 1 – Reporting entity
	TIER 1 NOT FOR PROFIT (the "controlling entity") is a charity registered under…
	These consolidated financial statements for the year ended 31 December 2022 comprise …
FRS 46.40(a)	This is the Group's first set of financial statements presented in accordance with PBE Standards.
IPSAS 1.132(b)	Upon transition to PBE Standards the Group has applied a number of the transitional provisions afforded in PBE FRS-47, these are detailed in *Note* XX.
	The Group is primarily involved in…

(b) Presentation of a third statement of financial position (at the date of transition)

An entity must prepare an opening statement of financial position as at the date of transition to PBE Standards (i.e., as at 1 January 2021). This may be presented either as:

(i) An additional column in the primary financial statements, or
(ii) A note to the financial statements.

In practice, many entities elect to follow option (ii) and combine this with the reconciliation required by PBE FRS 47.30(a) - section (c) below.

(c) Explanation to the transition to PBE standards[137]

An entity must present a number of reconciliations in accordance with PBE FRS 47.30 in order to explain the transition to PBE Standards:

- **Net assets/equity: at the date of transition, and at the end of the latest period that the entity reported in accordance with previous GAAP**
- **Total comprehensive revenue and expense: at the end of the latest period that the entity reported in accordance with previous GAAP**
- **Cash flows: at the end of the latest period that the entity reported in accordance with previous GAAP (not shown here).[138]**

The reconciliations for net assets/equity, total comprehensive revenue and expense, and accompanying narrative notes to the reconciliations are illustrated below.

[137] Refer to PBE FRS-47.29.

[138] Note, such a reconciliation would rarely be required, as many PBE's have not historically been required to present a statement of cash flows, when reporting under anon-PBE Framework. If, however a PBE has previously presented a statement of cash flows, it is expected that any adjustments upon transition would be minimal, and potentially only arise in relation to (i) re-categorising interest and dividend cash flows (ii) differences in the items in the statement of financial position that meet the definition of cash and cash equivalents.

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

Note X1 - Effect of PBE Standards adoption

PBE Standard	*(i) Statement of financial position [EXTRACT]*[139]	Ref	As at 1 January 2021				As at 31 December 2021			
FRS 47.30(a)(i) FRS 47.30(a)(ii)			Previous GAAP	Transition Adjustment	Error Adjustment[140]	PBE Standards[141]	Previous GAAP	Transition Adjustment	Error Adjustment[127]	PBE Standards
		Ref	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	ASSETS									
	...									
FRS 47.37	Property, plant and equipment	*(a)*	xxx	xxx	-	xxx	xxx	xxx	-	xxx
FRS 47.37	Intangible assets	*(b)*	xxx	xxx	-	xxx	xxx	xxx	-	xxx
FRS 47.37	Investment property	*(c)*	xxx	xxx	-	xxx	xxx	xxx	-	
	Other investments and derivatives:									
FRS 47.36	- Debt and equity securities (FVOCRE)	*(d)*	xxx	xxx	-	xxx	xxx	xxx	-	xxx
FRS 47.36	- Derivative assets (fair value through surplus or deficit)	*(e)*	-	xxx	-	xxx	xxx	xxx	-	xxx
	...									
	LIABILITIES									
	...									
FRS 47.36	Derivative liabilities (fair value through surplus or deficit)	*(e)*	-	(xxx)	-	(xxx)	(xxx)	(xxx)	-	(xxx)
	...									
	NET ASSETS/EQUITY									
	...									
	Revaluation surplus	*(a)*	-	-	-	-	-	(xxx)	-	(xxx)
	FVOCRE reserve	*(d)*	-	-	-	-	-	(xxx)	-	(xxx)
	Accumulated revenue and expense	*(f)*	(xxx)	(xxx)	-	(xxx)	(xxx)	(xxx)	-	(xxx)
	...									
	TOTAL		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

[139] Note that the table below is only an extract for illustrative purposes, showing the column headings and examples of **only some** specific line items required by PBE FRS 47 (in practice, entities that are transitioning from non-PBE Standard based accounting standards are likely to **have many** transition adjustments across **many** different line items. In the reconciliation note, an entity needs to include each line item and sub-heading that is presented in the primary statement of financial position (i.e., the reconciliation note needs to be a 'mirror' of the statement of financial position).
[140] Note this column ensures compliance with FRS 47.32 (i.e., requirement to separately present transition adjustments relating to accounting policy changes from errors identified during transition).
[141] Note this column ensures compliance with FRS 47.25 (i.e., requirement to provided and opening statement of financial position under PBE Standards – as per *Appendix A* section (a) above).

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

PBE Standard

Note X1 - Effect of PBE Standards adoption (continued)

FRS 47.30(b)

(ii) Statement of comprehensive revenue and expense [EXTRACT]

	Ref	Previous GAAP $'000	Transition Adjustment $'000	Error Adjustment[142] $'000	PBE Standards $'000
		For the year ended 31 December 2021			
Revenue					
…					
Other income	*(c)*	xxx	xxx		xxx
…					
Other expenses:					
Depreciation	*(a)*	(xxx)	(xxx)	-	(xxx)
Amortisation	*(b)*	(xxx)	(xxx)	-	(xxx)
…					
Finance income	*(e)*	-	xxx	-	xxx
Finance cost	*(e)*	-	(xxx)	-	(xxx)
…					
Surplus/(deficit) for the period		**xxx**	**xxx**	**xxx**	**xxx**
Other comprehensive revenue and expense					
…					
Gain/(loss) on revaluation of property, plane, and equipment	*(a)*	-	xxx	-	xxx
Gain/(Loss) on revaluation of financial assets at FVOCRE	*(d)*	-	xxx	-	xxx
…					
Other comprehensive revenue and expense for the period		**xxx**	**xxx**	**xxx**	**xxx**
Total comprehensive revenue and expense for the period		**xxx**	**xxx**	**xxx**	**xxx**

[142] Note, this column ensures compliance with PBE FRS 47.32 (i.e., requirement to separately present transition adjustments relating to accounting policy changes from errors identified during transition)

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

PBE Standard

Note X1 - Effect of PBE Standards 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 2021.
- 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 2021.
- 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 2021.

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 2021.
- 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 2021.

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 2021.
- 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 2021.

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

- The Group has elected to designate equity instrument financial assets at FVOCRE upon transition, resulting in a $XXX thousand increase in the carrying amount as at 1 January 2021.
- PBE Standards require 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 *FVOCRE Equity reserve* within net assets/equity, recognised in other comprehensive revenue and expense during the period to 31 December 2021.

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

- The Group has changed the accounting for *derivative assets/liabilities* upon transition, resulting in a $XXX thousand increase in the carrying amount as at 1 January 2021.
- PBE Standards require 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 2021. 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 2021.

Note (f)

- The breakdown of transition adjustments in respect of *Accumulated revenue and expense* is detailed below:

Adjustment - 1 January 2021		$'000
(a)	Fair value deemed cost – property, plant and equipment	(xxx)
(b)	Fair value deemed cost – intangible assets	(xxx)
(c)	Fair value deemed cost – investment property	(xxx)
(d)	Fair value – FVOCRE	(xxx)
(e)	Fair value – derivative assets	(xxx)
(e)	Fair value – derivative liabilities	xxx
		(xxx)

Adjustment - 31 December 2021		$'000
(a)	Increase in depreciation expense – property, plant and equipment	xxx
(b)	Increase in amortisation – intangible assets	xxx
(c)	Fair value gain – investment property	(xxx)
(d)	N/A	-
(e)	Fair value gain – derivative assets	(xxx)
(e)	Fair value loss – derivative liabilities	xxx
		(xxx)

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

PBE Standard

Note X1 - Effect of PBE Standards adoption (continued)

FRS 47.31 *(iv) Statement cash flows* ***[EXTRACT]***

[IF AN ENTITY PRESENTED A SATEMENT OF CASH FLOWS UNDER ITS PREVIOUS GAAP, IT MUST ALSO EXPLAIN MATERIAL ADJUSTMENTS TO THE STATEMENT OF CASH FLOWS]

	Ref	Operating activities $'000	Investing activities $'000	Financing Activities $'000	Total $'000	Opening C&CE $'000	Closing C&CE $'000
Previous GAAP		xxx	xxx	xxx	xxx	xxx	xxx
[TRANSITION ADJUSTMENT #1]	*(a)*	xxx	-	-	xxx	-	-
[TRANSITION ADJUSTMENT #2]	*(b)*	-	xxx	-	xxx	-	-
[TRANSITION ADJUSTMENT #3]	*(c)*	-	-	xxx	xxx	-	-
[TRANSITION ADJUSTMENT #4]	*(d)*	-	-	-	-	xxx	-
[TRANSITION ADJUSTMENT #5]	*(e)*	-	-	-	-	-	xxx
PBE Standards		xxx	xxx	xxx	xxx	xxx	xxx

Note (a)
- [EXPLANATION OF TRANSITION ADJUSTMENT]

Note (b)
- [EXPLANATION OF TRANSITION ADJUSTMENT]

Note (c)
- [EXPLANATION OF TRANSITION ADJUSTMENT]

Note (d)
- [EXPLANATION OF TRANSITION ADJUSTMENT]

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