



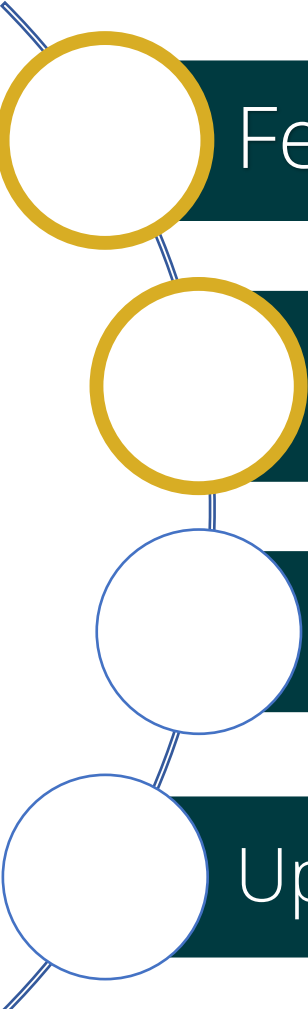
# IFR4NPO Project

## Advice and Requests Technical Advisory Group meeting

20 October 2020  
TAGCP11 Part 2



# Session outline

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- Feedback on Part 2 (Agenda item 4)
  - Feedback on Supplementary Information (Agenda item 5)
  - Executive Summary (Agenda item 6)
  - Updates from Meeting 11 Part 1 (Agenda item 7)

# Agenda item 4 - Feedback on Part 2

## 1.1 Advice

- a) SMC ii and iii in the overview should be combined as they both relate to the completeness of the list of issues
- b) On balance advise not to repeat common advantages and disadvantages in the alternatives tables for an individual topic
- c) The exchange rate issue is generally presentational, with the challenge to achieve consistency for general purpose financial reporting. This issue should also be considered as part of fund accounting if it is progressed as part of the project and should reflect cost benefit considerations.

# Agenda item 4 - Feedback on Part 2

## 1.1 Advice

- d) Issue paper 3 – With the removal of exchange revenue, make clearer the boundary between exchange and non-exchange revenue, particularly in relation to grant revenue, defining grant revenues as non-exchange for the purposes of the Consultation Paper
- e) Issue paper 3 – Review the wording in paragraphs 2.10 2.15, 3.6 and 3.8 including to make clear the meaning of substantive performance, and references to the conceptual frameworks. In addition review the language around control for services in-kind
- e) Issue paper 5 – advise to keep close to the current discussion on measurement taking place at IPSASB, particularly in relation to value in use and service potential
- e) Issue paper 8 – use more neutral languages in paragraph 2.4 (arbitrary allocation)

# Agenda item 4 - Feedback on Part 2

## 1.2 Requests

- a) Review the definition of grant revenue in the glossary to better support issue paper 3.
- b) Issue paper 8 – update paragraph 3.6 to ensure consistency with the language used in the IASB ED

# Agenda item 5 - Feedback on Supplementary Statements

## 2.1 Advice

- a) Additional project information - Consider the inclusion of additional text that provides an indication of the potential frequency of update to the Guidance in order to give a sense of the overall approach to updating the guidance.
- b) Review the wording on the RAG ratings to be ensure that the use of these are consistent across all of the issues
- c) Review the use of the public accountability through the document and the glossary so that the same term is not used to mean different things
- d) Review the definition of IFRS for SMEs to move away from describing them in terms of size alone.
- e) Uses expense rather than expenditure when the intent is not to include capital spend.

# Agenda item 5 - Feedback on Supplementary statements

## 2.2 Requests

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|--|
| a) International and national guidance – amend references from Education SORP to Higher and Further Education SORP |
| b) Make reference in the definition of heritage assets to 'collections'  |
| c) Add 'net basis' to the glossary   |

# Agenda item 6 – Executive Summary

## 3.1 Advice

- a) Include messaging about why feedback is really important. This call to action should be at the top of the Executive Summary
- b) Review the paragraph that explains who is likely to use the Guidance to ensure that the language is inclusive given the intent that the Guidance can be used by all NPOs
- c) Consider how to maximise the likelihood that main target groups will respond to the Consultation Paper



# Agenda item 7 – Updates from Meeting 11

## Part 1

### 4.1 Advice

- a) Consideration should be given to the name that will be used for non-financial reporting to stand alongside the Statement of Financial Performance to help users navigate financial reports
- b) Review the text in the sidebars of the diagram (Part 1: fig 5.3) to make clear that these are driven by complexity not geography. Review the language around cash accounting to capture the essence that the guidance might not be relevant where reporting on a full cash basis is likely to be adequate. Include in the lead-in language to the table if deemed helpful.

# Agenda item 7 - Updates from Meeting 11

## Part 1

### 4.2 Requests

- a) It was agreed that the request made at the meeting on 13 October be withdrawn and that the term Statement of Financial Performance be used instead of the Statement of Income and Expenses
- b) Include a new question for response about the terminology for the operating statement making clear there are a range of terms and inviting views