INTERNATIONAL FINANCIAL REPORTING
FOR NON PROFIT ORGANISATIONS

Technical Advisory Group
Issue Paper

AGENDA ITEM: TAGED14-05
28-29 September 2023 – Hybrid

Exposure Draft 3 - Section 12 (Fair value measurement), Section 27 (Impairment of assets) and Section 33 (Related parties)

Summary	This paper provides TAG members with the draft authoritative guidance for Section 12 *Fair value measurement*, Section 27 *Impairment of assets* and Section 33 *Related parties.*
Purpose/Objective of the paper	To allow TAG members to consider the consequential impact of changes to these Sections, which have been updated to align with changes to other sections. The paper sets out the approach to alignment issues and draws out significant issues for consideration.
Other supporting items	None
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Actions for this meeting	**<u>Comment and advise</u>** on: (i) the approach to application guidance taken for these sections, and particularly for fair value measurement (ii) approach to the updates taken across all three sections (iii) the draft authoritative guidance

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Exposure Draft 3 - Section 12 (Fair value measurement), Section 27 (Impairment of assets) and Section 33 (Related parties)

1. Background

1.1 In line with responses to the Consultation Paper it was agreed to prioritise a limited number of topics for inclusion in the first edition of INPAG. Following discussions with the TAG it was agreed that other topics in the *IFRS for* SMEs Accounting Standard would be updated to align with the terminology being used in the remainder of INPAG.

1.2 As INPAG is being developed there are other consequential amendments that may need to be made that go beyond changes to terminology previously discussed. A limited number of changes are therefore proposed to ensure that INPAG is cohesive. These consequential amendments do not constitute a full review of the text in these topic areas.

2. Fair Value

2.1 Section 12 has been updated to reflect NPO related terminology and the scope of the financial statements. It has also been updated to align with other content.

2.2 Share-based payments have been removed as the proposal is that INPAG does not have a section on share-based payments.

2.3 The term economic benefit when assessing benefits generated by an asset has been widened to include service potential as this will be a factor in determining best use, particularly when there is a limitation on an asset.

2.4 In paragraph G12.29, disclosures have been updated to reference both the Statement of Income and Expenses and the Statement of Changes in Net Asset in relation to level 3 recurring fair value measurements.

2.5 The core guidance on fair value does not specifically consider when fair value is the deemed cost of a donated asset and the implications for subsequent measurement. The existing guidance can, however, be applied to such assets.

2.6 A small amount of application guidance is proposed that briefly considers how the fair value hierarchy is likely to apply to NPO assets and liabilities. It also specifically addresses donations in-kind, which Secretariat views as a consequential change arising from Section 23 Part I *Revenue from grants and donations*, a(s there is not an equivalent section in the *IFRS for SMEs* Accounting Standard). Application guidance was considered preferable to adding text to the core guidance

2.7 Specifically AG12.5 and AG12.6 take on the matter of level 3 fair value as applied to the 'deemed cost' of donated Inventory and other donations in-kind. These mirror the application guidance to *Section 13 Inventories*.

2.8 Secretariat considered whether further application guidance would be useful, particularly in applying the concept of highest and best use to NPO assets. Secretariat's view is providing such application guidance might infer a level of review of this section that has not been carried out. Therefore fuller application guidance is not proposed.

2.9 The implementation guidance included as part of the *IFRS for SMEs* Accounting Standard is proposed to be moved to the full INPAG Implementation Guidance. Amendments have been made to these examples to align terminology. All examples could be relevant to NPOs, except perhaps example 2 and additional examples have been added. The additional examples cover donated inventory and volunteer time.

Question 1: Do TAG members consider that the amendments made to the core text are sufficient and in particular that no additional material either as part of the core guidance or application guidance is needed for the subsequent measurement of donations in-kind?

Question 2: Do TAG members agree that application guidance should be limited as proposed?

Question 3: What are TAG members' views on whether the illustrative examples are sufficient for NPOs?

3. Impairment of assets

3.1 Section 27 *Impairment of assets* was also proposed to be updated for terminology, alignment and consequential changes.

3.2 Impairment was discussed at the first TAG meeting and a raised as a potentially significant issue as many assets held by NPOs are not cash generating and likewise the functions that it performs. Impairment was not subsequently prioritised for inclusion in the first stage of INPAG development.

3.3 Section 27 refers extensively to a cash-generating unit when considering assessments for impairment. While it is not possible to address the NPO-specific issues relating to impairment now, it is proposed to amend the term 'cash generating unit' to 'operational unit'. This is more likely to be appropriate for NPOs and broaden the NPO context from that of pure cash generation.

3.4 The Secretariat reviewed the indicators of impairment in paragraph G27.9 and formed the view that the existing indicators in the paragraph were potentially relevant to NPOs. The Secretariat further considered whether the non-cash indicators of impairment used in IPSAS 21*Impairment of non-cash generating assets* would be useful in providing indicators that are more NPO-specific. However, making such changes at this point in time may mislead users about the level of review that has taken place on this section. Also, the Secretariat is aware that IPSAS 21 is currently being updated for consequential amendments arising from ED47 *Measurement* and may soon be out of date.

3.5 Paragraphs G27.2-G27.4 contain consequential amendments arising from the proposals in Section 13 *Inventories* relating to donated inventory held for distribution at no or nominal consideration. Section 13 proposed a new measurement base that such inventory is measure at its cost adjusted for any loss of service potential, or its replacement cost. These consequential changes were previously shared with the TAG.

Question 4: Do TAG members agree with the change of cash-generating unit to operational unit?

Question 5: What are TAG members' views on non-cash criteria indicators in the core or application guidance?

Question 6: Do TAG members agree with the consequential amendments arising from Section 13 *Inventories* in relation to the fair value of donated inventory?

4. Related Parties

4.1 As with the other non-prioritised sections, Section 33 *Related parties* is proposed to be incorporated into INPAG with only updates to terminology, to align with other section and for consequential amendments.

4.2 This section is based on a typical private sector group structure and in particular where there are parent to entity type relationships. These kinds of structures may also be relevant to NPOs, particularly if separate legal entities have been created to carry out commercial activities. However, for many NPOs this will not be relevant as they will not have any kind of ownership relationship. Without a full review of this section it is proposed to leave the existing language largely unchanged in terms of group relationships.

4.3 In paragraph G33.4 two new relationships that are not necessarily related party relationships have been added for discussion. The first is in relation to donations from a governing body member where there are no special conditions and the second is services to a governing body member where they are received on the same terms as any other individual. These are potential consequential amendments arising from the nature of NPOs and the transactions they undertake but may nevertheless be important for transparency.

4.4 The first item is intended to cover situations where a governing body member is making a donation on a similar basis to other members of the public and similarly is a service recipient on a similar basis to other members of the public.

4.5 Paragraph G33.7 requires the disclosure of key management personnel compensation in total. It is possible that some NPOs believe this requirement to be excessive. However, its inclusion is consistent with the minimum information requirement set out in TAGED14-03 *Classification of expenses.* In addition, in line with the review of other non-priority topics, changes are not being made other than for terminology, alignment and consequential amendments.

4.6 Paragraph G33.9 proposes to include service potential within the definition of a related party transaction such that:

a related party transaction is a transfer of resources, services or obligations or service potential between a reporting NPO and a related party, regardless of whether a price is charged.

4.7 Use of service potential is consistent with alignment changes made to other sections of INPAG. However, this term is slightly more ambiguous and may introduce unanticipated complexity, that might be best addressed in the full review of this section at a later date.

4.8 Section 33 provides an exemption from disclosures where government or another entity under the same control, joint control or significant influence of government (G33.12) controls, jointly controls or has significant influence over an NPO. This exemption has been maintained, but raises questions in terms of how it aligns with new material relating to grants and donations.

4.9 Finally, G33.11 broadens one of the disclosure categories from entities with control, joint control or significant influence to entities and individuals, reflecting the broader nature of those who might hold equity claims as outlined in TAGED14-04.

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Question 7: Do TAG members have any comments on the use of the term parent throughout this section and the relationship with ownership rights?

Question 8: Do TAG members agree with the proposed additional relationships that are not related party relationships as set out in G33.4?

Question 9: Do TAG members have any views on disclosures relating to key management personnel compensation?

Question 10: What are TAG members' views on the inclusion of service potential as part of the definition of a related party transaction?

Question 11: What are TAG members' views on the exemption for government controlled entities?

Question 12: Are TAG members aware of any other consequential amendments that should be considered arising from the characterization of NPOs and the transactions they undertake?

5. Next steps

5.1 The authoritative guidance will be amended to reflect TAG member feedback. A Basis for Conclusions will only be developed that reflects the considerations of the TAG and other input.

September 2023

Annex A Fair value measurement

Section 12 – *Fair Value measurement*

Scope of this section

G12.1 This section applies when another section requires or permits **fair value** measurements or disclosures about fair value measurements, except leasing transactions within the scope of Section 20 Leases.

G12.2 The disclosures required by this section are not required for:

a) plan assets measured at fair value in accordance with Section 28 Employee Benefits; and
b) assets for which the recoverable amount is fair value less costs of disposal in accordance with Section 27 Impairment of Assets.

Measurement

G12.3 The objective of a fair value measurement is to estimate the price at which an orderly transaction (not a forced transaction) to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

G12.4 Fair value is a market-based measurement, not an entity-specific measurement. Therefore, it is measured using the assumptions that market participants would use when pricing the asset or liability. An NPO's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

G12.5 When measuring fair value an NPO shall take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Such characteristics include, for example, the following:

a) the condition and location of the asset; and
b) restrictions, if any, on the sale or use of the asset.

G12.6 A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

a) in the principal market for the asset or liability; or
b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The NPO must have access to the principal (or most advantageous) market at the measurement date.

G12.7 In the absence of evidence to the contrary, the market in which an NPO would normally enter into a transaction to sell the asset or to transfer the liability is presumed to be the principal market or, in the absence of a principal market, the most advantageous market.

G12.8 The price in the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. Transaction costs are not a characteristic of an asset or a liability; rather, they are specific to a transaction.

G12.9 If location is a characteristic of the asset, the price in the principal (or most advantageous) market shall be adjusted for transport costs.

Highest and best use of non-financial assets

G12.10 A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit or service potential by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

G12.11 The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

a) a use that is physically possible takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (for example, the location or size of a property).
b) a use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (for example, the zoning regulations applicable to a property).
c) a use that is financially feasible takes into account whether a use generates adequate income or cash flows that market participants would require from an investment in that asset put to that use.

G12.12 An NPO's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

G12.13 If the highest and best use of a non-financial asset provides maximum value to market participants through its use in combination with other assets (and liabilities) as a group, the fair value of the asset would assume that the asset would be used with those other assets (and liabilities) and that those complementary assets (and liabilities) would be available to market participants. Assumptions about the highest and best use of a non-financial asset shall be consistent for all the assets (for which highest and best use is relevant) of the group of assets and liabilities within which the asset would be used.

Valuation Techniques

G12.14 When a price for an identical asset or liability is not observable, an NPO measures fair value using another valuation technique. The entity shall use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

G12.15 Three widely used valuation techniques are the market approach, the cost approach and the income approach. An NPO shall use valuation techniques consistent with one or more of these approaches to measure fair value:

a) the market approach uses prices and other relevant information generated by market transactions involving identical or comparable (that is, similar) assets, liabilities or a group of assets and liabilities~~, such as a comparable NPO~~. For example, valuation techniques consistent with the market approach often use market multiples derived from a set of comparables.
b) the cost approach reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).
c) the income approach converts future amounts (for example, cash flows or income and expenses) to a single current (that is, discounted) amount. Those valuation techniques include, for example, the following:
    i. present value techniques;
    ii. option pricing models, such as the Black-Scholes-Merton formula or a binomial model (that is, a lattice model); and
    iii. the multi-period excess earnings method, which is used to measure the fair value of some intangible assets.

G12.16 Revisions resulting from a change in the valuation technique or its application shall be accounted for as a change in accounting estimate in accordance with Section 10. However, the disclosures in Section 10 for a change in accounting estimate are not required for revisions resulting from a change in a valuation technique or its application.

G12.17 If an asset or a liability measured at fair value has a bid price and an ask price (for example, an input from a dealer market), the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorised within the fair value hierarchy (that is Level 1, 2 or 3; see paragraphs G12.22–G12.27). The use of bid prices for asset positions and ask prices for liability positions is permitted but is not required.

Reliable Measure of Fair Value

G12.18 A valuation technique would be expected to arrive at a reliable measure of the fair value if:

a) it reasonably reflects how the market could be expected to price the asset; and
b) the inputs to the valuation technique reasonably represent market expectations and measures of the risk return factors inherent in the asset.

G12.19 The fair value of investments in assets that do not have a quoted market price in an active market is reliably measurable if:

a) the variability in the range of reasonable fair value measures is not significant for that asset; or
b) the probabilities of the various measures within the range can be reasonably assessed and used in estimating fair value.

G12.20 There are many situations in which the variability in the range of reasonable fair value measures of assets that do not have a quoted market price is likely not to be significant. Normally it is possible to estimate the fair value of an asset that an NPO has acquired from an outside party. However, if the range of reasonable fair value measures is significant and the probabilities of the various measures cannot be reasonably assessed, the NPO is precluded from measuring the asset at fair value.

G12.21 If a reliable measure of fair value is no longer available for an asset measured at fair value (or is not available without undue cost or effort when such an exemption is provided (see paragraphs G11.17(c) and G11.65(b)), its carrying amount at the last date the asset was reliably measurable becomes its new cost. An NPO shall measure the asset at this cost amount less impairment until a reliable measure of fair value becomes available (or becomes available without undue cost or effort when such an exemption is provided).

Fair Value Hierarchy

G12.22 This section establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). The fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Level 1 inputs

G12.23 Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value and shall normally be used without adjustment to measure fair value whenever available.

G12.24 If an NPO holds a position in a single asset or liability (including a position comprising a large number of identical assets or liabilities, such as a holding of financial instruments) and the asset or liability is traded in an active market, the fair value of the asset or liability shall be measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity.

Level 2 inputs

G12.25 Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following:

a) quoted prices for similar assets or liabilities in active markets.
b) quoted prices for identical or similar assets or liabilities in markets that are not active.
c) inputs other than quoted prices that are observable for the asset or liability, for example:
    i. interest rates and yield curves observable at commonly quoted intervals;
    ii. implied volatilities; and
    iii. credit spreads.
d) market-corroborated inputs.

G12.26 An adjustment to a Level 2 input that is significant to the entire measurement might result in a fair value measurement categorised within Level 3 of the fair value hierarchy if the adjustment uses significant unobservable inputs.

Level 3 inputs

G12.27 Level 3 inputs are unobservable inputs for the asset or liability. A NPO shall develop unobservable inputs using the best information available in the circumstances, which might include the NPO's own data. In developing unobservable inputs, a NPO may begin with its own data, but it shall adjust this data if reasonably available information indicates that other market participants would use different data or there is something particular to the entity that is not available to other market participants (for example, an entity-specific synergy). A NPO need not undertake exhaustive efforts to obtain information about market participant assumptions. However, a NPO shall take into account all information about market participant assumptions that is reasonably available.

Disclosures

G12.30 A NPO shall disclose for each class of assets and liabilities measured at fair value in the Statement of Financial Position after initial recognition:

a) the carrying amounts at the end of the reporting period;
b) the level of the fair value hierarchy within which the fair value measurements are categorised in their entirety (Level 1, 2 or 3); and
c) a description of the valuation technique(s) it used for recurring and non-recurring fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, and the inputs used in the fair value measurement.

G12.31 For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, an NPO shall disclose:

(a) total gains or losses for the period recognised in surplus or deficit, and the line items in surplus or deficit in which those gains or losses are recognised; and

(b) total gains or losses for the period recognised in Statement of Changes in Net Assets, and the line items in Statement of Changes in Net Assets in which those gains or losses are recognised.

G12.32 An NPO shall determine appropriate classes of assets and liabilities on the basis of:

(a) the nature, characteristics and risks of the asset or liability; and

(b) the level of the fair value hierarchy within which the fair value measurement is categorised.

G12.33 A class of assets and liabilities will often require greater disaggregation than the line items presented in the Statement of Financial Position. However, a NPO shall provide sufficient information to permit reconciliation to the line items presented in the statement of financial position.

G12.34 An NPO shall present the quantitative disclosures required by paragraphs G12.28–G12.31 in a table unless another format is more appropriate.

Application Guidance Section 12 – *Fair value measurement*

Applying fair value to NPOs

AG12.1 For NPOs:

- level 1 'open market values' are likely to be limited to specific assets.

- level 2 values that are derived from observable prices may be relevant to NPOs for some assets and liabilities - for example, investment properties. Where market values for an asset can be obtained, but the asset is not being used to maximise cash in-flows but for social purposes, a level 3 technique shall be used.
- Many assets and liabilities will be part of level 3 in the fair value hierarchy.

AG12.2 Social use assets may be more difficult to value as they may be unusual or heritage in nature, or simply because they do not generate cash flows. Social use assets held for their service potential may mean that fair value is tied to value to a community.

AG12.3 Heritage assets shall be valued using the principles in Section 17 *Property, plant and equipment.* All other social use assets shall be valued using the the cost approach. The cost approach reflects the amount that would be required currently to replace the service capacity of an asset.

Fair value of restricted use assets

AG12.4 Where a restriction is placed on the ongoing use of an asset, the fair value shall be based on its current (and legally restricted) use and not the highest and best use should the restriction be removed.

Fair value of donated assets

AG12.5 Many NPO assets and liabilities will require the use of a level 3 technique; that is either the market approach, cost approach or income approach. This will be particularly the case for donated assets arising from donations in-kind.

AG12.6 An NPO may use the cost to the donor deemed fair value where this is known and is relevant. Otherwise the fair value of donated items and donations in-kind, shall be determined as their 'replacement cost'. Replacement cost is the lowest economical cost that would be incurred in achieving the service potential created at the time and place where the asset is utilised. This provides the value of an equivalent item in local use, or 'value in use'.

Fair value as applicable in crisis situation

AG12.7 There may be situations where an NPO is operating in a crisis situation and is not able to determine a fair value for the assets that it is receiving (eg inventory) because to do so would be impracticable. In this situation it may not be possible to possible to reliably measure such assets and the NPO shall not recognise such donated items. A disclosure is required to describe the affected assets. AG13.8-AG13.9 set out these requirements and disclosures for donated inventory. These principles apply to similarly impacted assets.

Implementation Guidance

Implementation examples

~~**Guidance on fair value measurements**~~
~~*This appendix accompanies, but is not part of, Section 12.*~~

These examples portray hypothetical situations illustrating the judgements that might apply when an NPO measures assets and liabilities at fair value in different valuation situations. Although some aspects of the examples may be present in actual fact patterns, all the relevant facts and circumstances of a particular fact pattern would need to be evaluated when applying Section 12.

Example 1—Highest and best use (land)
An NPO ~~acquires~~ receives land from a donor~~in a business combination~~. The land is currently developed for industrial use as a site for a factory. The current use of the land is presumed to be its highest and best use unless market or other factors suggest a different use. Nearby sites have recently been developed for residential use as sites for high-rise apartment buildings. On the basis of that development and recent zoning and other changes to facilitate that development, the NPO determines that the land currently used as a site for a factory could be developed as a site for residential use (that is, for high-rise apartment buildings) because market participants would take into account the potential to develop the site for residential use when pricing the land.
The highest and best use of the land would be determined by comparing both of the following:

(a) the value of the land as currently developed for industrial use (that is, the land would be used in combination with other assets, such as the factory, or with other assets and liabilities).

(b) the value of the land as a vacant site for residential use, taking into account the costs of demolishing the factory and other costs (including the uncertainty about whether the NPO would be able to convert the asset to the alternative use) necessary to convert the land to a vacant site (that is, the land is to be used by market participants on a stand-alone basis).

The highest and best use of the land would be determined on the basis of the higher of those values. In situations involving real estate appraisal, the determination of highest and best use might take into account factors relating to the factory's operations, including its assets and liabilities.

Example 2—Level 1 principal (or most advantageous) market
An asset is sold in two different active markets at different prices. An NPO enters into transactions in both markets and can access the price in those markets for the asset at the measurement date. In Market A, the price that would be received is CU26, transaction costs in that market are CU3 and the costs to transport the asset to that market are CU2 (that is, the net amount that would be received is CU21). In Market B, the price that would be received is CU25, transaction costs in that

market are CU1 and the costs to transport the asset to that market are CU2 (that is, the net amount that would be received in Market B is CU22).

If Market A is the principal market for the asset (that is, the market with the greatest volume and level of activity for the asset), the fair value of the asset would be measured using the price that would be received in that market, after taking into account transport costs (CU24).

If neither market is the principal market for the asset, the fair value of the asset would be measured using the price in the most advantageous market. The most advantageous market is the market that maximises the amount that would be received to sell the asset, after taking into account transaction costs and transport costs (that is, the net amount that would be received in the respective markets).

Because the NPO would maximise the net amount that would be received for the asset in Market B (CU22), the fair value of the asset would be measured using the price in that market (CU25), less transport costs (CU2), resulting in a fair value measurement of CU23. Although transaction costs are taken into account when determining which market is the most advantageous market, the price used to measure the fair value of the asset is not adjusted for those costs (although it is adjusted for transport costs).

Example 3—Restriction on the sale of an equity instrument

An NPO holds an equity instrument (a financial asset) for which sale is legally or contractually restricted for a specified period. (For example, such a restriction could limit sale to qualifying investors.) The restriction is a characteristic of the instrument and, therefore, would be transferred to market participants. In that case the fair value of the instrument would be measured on the basis of the quoted price for an otherwise identical unrestricted equity instrument of the same issuer that trades in a public market, adjusted to reflect the effect of the restriction. The adjustment would reflect the amount market participants would demand because of the risk relating to the inability to access a public market for the instrument for the specified period. The adjustment will vary depending on all the following:

(a) the nature and duration of the restriction;

(b) the extent to which buyers are limited by the restriction (for example, there might be a large number of qualifying investors); and

(c) qualitative and quantitative factors specific to both the instrument and the issuer.

Example 4—Restrictions on the use of an asset

A donor contributes land in an otherwise developed residential area to an NPO (neighbourhood association). The land is currently used as a playground. The donor specifies that the land must continue to be used by the association as a playground in perpetuity. Upon review of relevant documentation (for example, legal and other), the NPO determines that the fiduciary responsibility to meet the donor's restriction would not be transferred to market participants if the NPO sold the asset, that is, the donor restriction on the use of the land is specific to the NPO. Furthermore, the NPO is not restricted from selling the land. Without the restriction on the use of the land ~~by the association~~, the land could be used as a site for residential development. In addition, the land is subject to an easement (that is, a legal right that enables a utility to run power lines across the land). Following is an analysis of the effect on the fair value measurement of the land arising from the restriction and the easement:

(a) donor restriction on use of land. Because in this situation the donor restriction on the use of the land is specific to the NPO, the restriction would not be transferred to market participants. Therefore, the fair value of the land would be the higher of its fair value used as a playground (that is, the fair value of the asset would be maximised through its use by market participants in combination with other assets or with other assets and liabilities) and its fair value as a site for residential development (that is, the fair value of the asset would be maximised through its use by market participants on a stand-alone basis), regardless of the restriction on the use of the land ~~by the association~~.

(b) easement for utility lines. Because the easement for utility lines is specific to (that is, a characteristic of) the land, it would be transferred to market participants with the land. Therefore, the fair value measurement of the land would take into account the effect of the easement, regardless of whether the highest and best use is as a playground or as a site for residential development.

Example 5 – Donation of an asset that has a specification greater than required for operations

A donor provides a luxury off-road vehicle to an NPO for use in transporting staff that deliver front line services. A standard all terrain vehicle would be sufficient to meet operational needs. The cost of this vehicle to the donor could be readily obtained as there are standard price lists for second hand vehicles in the local market. However, it is the service capacity that is relevant and needs to be measured, not the value of the actual vehicle provided.

The fair value of the vehicle will therefore be determined with reference to a stand all terrain vehicle as this would be sufficient to meet operational needs in the particular location concerned.

Example 6 – Donation of services

A US based Doctor uses some of their annual vacation to train a Mali based NPO on surgery techniques. The US based doctor donates this time and does not receive any remuneration from the NPO for this service.

The NPO determines the fair value of the service provided by the doctor with reference to the type of service provided (surgical training), location of the delivery (Mali) and the timing (ie the year when it happened). The fair value should therefore reflect the salary/cost of a doctor with equivalent experience in Mali. The actual salary of the US surgeon is not a factor in determining the fair value.

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Annex B – Impairment of assets

Section 27 – *Impairment of assets*

Scope and objective of this section

G27.1 An **impairment loss** occurs when the **carrying amount** of an **asset** exceeds its **recoverable amount**. This section shall be applied in accounting for the impairment of all assets other than the following, for which other sections of this Guidance establish impairment requirements:

(a) **deferred tax assets** (see Section 29 *Income tax*);

(b) assets arising from **employee benefits** (see Section 28 *Employee benefits*);

(c) **financial assets** within the scope of Section 11 *Financial instruments*

(d) **investment property** measured at **fair value** (see Section 16 *Investment property*);

(e) **biological assets** related to **agricultural activity** measured at fair value less estimated costs to sell (see Section 34 *Specialised activities*); and

(f) contract assets and assets arising from costs to obtain or fulfil a contract(see Section 23 *Revenue*).

Impairment of Inventories

Selling price less costs to complete and sell

G27.2 An NPO shall assess at each **reporting date** whether any **inventories** are impaired. The NPO shall make the assessment by comparing the carrying amount of each item of inventory (or group of similar items—see paragraph G27.3) with its selling price less costs to complete and sell or, for inventories held for distribution at no or nominal consideration, its cost adjusted for any loss of service potential, or its replacement cost. If an item of inventory (or group of similar items) is impaired, the NPO shall reduce the carrying amount of the inventory (or the group) to its selling price less costs to complete and sell or its cost adjusted, when applicable, for any loss of service potential, or its replacement cost. That reduction is an impairment loss and it is recognised immediately in **surplus or deficit**.

G27.3 If it is **impracticable** to determine the selling price less costs to complete and sell for inventories or, for inventories held for distribution at no or nominal consideration, the cost adjusted, when applicable, for any loss of service potential, or the replacement cost item by item, the NPO may group items of inventory relating to the same product line that have similar purposes or end uses and are produced and, where relevant, marketed in the same geographical area for the purpose of assessing impairment.

Reversal of impairment

G27.4 An NPO shall make a new assessment of selling price less costs to complete and sell or, for inventories held for distribution at no or nominal consideration, cost adjusted for any loss of service potential, or replacement cost at each subsequent reporting date. When the circumstances that previously caused inventories to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell or cost adjusted for any loss of service potential, or replacement cost because of changed economic circumstances, the NPO shall reverse the amount of the impairment (ie the reversal is limited to the amount of the original impairment loss) so that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell or cost adjusted for any loss of service potential, or replacement cost.

Impairment of assets other than inventories

General Principles

G27.5 If, and only if, the recoverable amount of an asset is less than its carrying amount, the NPO shall reduce the carrying amount of the asset to its recoverable amount. That reduction is an impairment loss. Paragraphs G27.11–G27.20 provide guidance on measuring recoverable amount.

G27.6 An NPO shall recognise an impairment loss immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with the revaluation model in Section 17 *Property, plant and equipment*. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with paragraph G17.20.

G27.7 An NPO shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the NPO shall estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.

G27.8 If it is not possible to estimate the recoverable amount of the individual asset, an NPO shall estimate the recoverable amount of the **operating unit** to which the asset belongs. This may be the case because measuring recoverable amount requires forecasting cash flows and sometimes individual assets do not generate cash flows by themselves. An asset's operating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

G27.9 In assessing whether there is any indication that an asset may be impaired, an NPO shall consider, as a minimum, the following indications:

External sources of information

(a) during the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.

(b) significant changes with an adverse effect on the NPO have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the NPO operates or in the market to which an asset is dedicated.

(c) market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect materially the discount rate used in calculating an asset's value in use and decrease the asset's fair value less costs to sell.

(d) the carrying amount of the net assets of the NPO is more than the estimated fair value of the NPO as a whole (such an estimate may have been made, for example, in relation to the potential sale of part or all of the NPO).

Internal sources of information

(e) evidence is available of obsolescence or physical damage of an asset.

(f) significant changes with an adverse effect on the NPO have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs and plans to dispose of an asset before the previously expected date.

(g) evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected. In this context economic performance includes operating results and cash flows.

G27.10 If there is an indication that an asset may be impaired, this may indicate that the NPO should review the remaining **useful life**, the **depreciation** (**amortisation**) method or the **residual value** for the asset and adjust it in accordance with the section of this Guidance applicable to the asset (for example, Section 17 and Section 18 Intangible Assets other than Goodwill), even if no impairment loss is recognised for the asset.

G27.11 The recoverable amount of an asset or an operating unit is the higher of its fair value less costs to sell and its value in use. If it is not possible to estimate the recoverable amount of an individual asset, references in paragraphs G27.12–G27.20 to an asset should be read as references also to an asset's operating unit.

G27.12 It is not always necessary to determine both an asset's fair value less costs to sell and its value in use. If either of these amounts exceeds the asset's carrying amount, the asset is not impaired and it is not necessary to estimate the other amount.

G27.13 If there is no reason to believe that an asset's value in use materially exceeds its fair value less costs to sell, the asset's fair value less costs to sell may be used as its recoverable amount. This will often be the case for an asset that is held for disposal.

Fair value less costs to sell

G27.14 Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal (Section 12 *Fair value measurement* provides guidance on fair value measurement)..

Value in use

G27.15 Value in use is the **present value** of the future cash flows expected to be derived from an asset. This present value calculation involves the following steps:

a) estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal; and
b) applying the appropriate discount rate to those future cash flows.

G27.16 The following elements shall be reflected in the calculation of an asset's value in use:

a) an estimate of the future cash flows the NPO expects to derive from the asset;
b) expectations about possible variations in the amount or timing of those future cash flows;
c) the time value of money, represented by the current market risk-free rate of interest;
d) the price for bearing the uncertainty inherent in the asset; and
e) other factors, such as illiquidity, that market participants would reflect in pricing the future cash flows the NPO expects to derive from the asset.

G27.17 In measuring value in use, estimates of future cash flows shall include:

a) projections of cash inflows from the continuing use of the asset;
b) projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
c) net cash flows, if any, expected to be received (or paid) for the disposal of the asset at the end of its useful life in an arm's length transaction between knowledgeable, willing parties.

The NPO may wish to use any recent financial budgets or forecasts to estimate the cash flows, if available. To estimate cash flow projections beyond the period covered by the most recent budgets or forecasts a NPO may wish to extrapolate the projections based on the budgets or forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

G27.18 Estimates of future cash flows shall not include:

a) cash inflows or outflows from financing activities; or

b) **income tax** receipts or payments.

G27.19 Future cash flows shall be estimated for the asset in its current condition. Estimates of future cash flows shall not include estimated future cash inflows or outflows that are expected to arise from:

a) a future restructuring to which a NPO is not yet committed; or

b) improving or enhancing the asset's performance.

G27.20 The discount rate (rates) used in the present value calculation shall be a pre-tax rate (rates) that reflect(s) current market assessments of:

a) the time value of money; and

b) the risks specific to the asset for which the future cash flow estimates have not been adjusted.

The discount rate (rates) used to measure an asset's value in use shall not reflect risks for which the future cash flow estimates have been adjusted, to avoid double-counting.

Recognising and measuring an impairment loss for an operating unit

G27.21 An impairment loss shall be recognised for an operating unit if, and only if, the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss shall be allocated to reduce the carrying amount of the assets of the unit in the following order:

a) first, to reduce the carrying amount of any **goodwill** allocated to the operating unit; and

b) then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the operating unit.

G27.22 However, a NPO shall not reduce the carrying amount of any asset in the operating unit below the highest of:

a) its fair value less costs to sell (if determinable);

b) its value in use (if determinable); and

c) zero.

G27.23 Any excess amount of the impairment loss that cannot be allocated to an asset because of the restriction in paragraph G27.22 shall be allocated to the other assets of the unit pro rata on the basis of the carrying amount of those other assets.

Additional requirements for impairment of goodwill

G27.24 Goodwill, by itself, cannot be sold. Nor does it generate cash flows to an entity that are independent of the cash flows of other assets. As a consequence, the fair value of goodwill cannot be measured directly. Consequently, the fair value of goodwill must be derived from measurement of the fair value of the operating unit(s) of which the goodwill is a part.

G27.25 For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's operating units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

G27.26 Part of the recoverable amount of an operating unit is attributable to the **non-controlling interest** in goodwill. For the purpose of impairment testing a non-wholly-owned operating unit with goodwill, the carrying amount of that unit is notionally adjusted, before being compared with its recoverable amount, by grossing up the carrying amount of goodwill allocated to the unit to include the goodwill attributable to the non-controlling interest. This notionally adjusted carrying amount is then compared with the recoverable amount of the unit to determine whether the operating unit is impaired.

G27.27 If goodwill cannot be allocated to individual operating units (or groups of operating units) on a non-arbitrary basis, then for the purposes of testing goodwill the NPO shall test the impairment of goodwill by determining the recoverable amount of either:

a) the acquired entity in its entirety, if the goodwill relates to an acquired entity that has not been integrated (integrated means the acquired operation has been restructured or dissolved into the reporting NPO or other **controlled entities**); or

b) the entire group of entities, excluding any entities that have not been integrated, if the goodwill relates to an entity that has been integrated.

In applying this paragraph, an NPO will need to separate goodwill into goodwill relating to entities that have been integrated and goodwill relating to entities that have not been integrated. Also the NPO shall follow the requirements for operating units in this section when calculating the recoverable amount of, and allocating impairment losses and reversals to assets belonging to, the acquired entity or group of entities.

Reversal of an impairment loss

G27.28 An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

G27.29 For all assets other than goodwill, an NPO shall assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Indications that an impairment loss may have decreased or may no longer exist are generally the opposite of those set out in paragraph G27.9. If any such indication exists, the NPO shall determine whether all or part of the prior impairment loss should be reversed. The procedure for making that determination will depend on whether the prior impairment loss on the asset was based on:

(a) the recoverable amount of that individual asset (see paragraph G27.30); or

(b) the recoverable amount of the operating unit to which the asset belongs (see paragraph G27.31).

Reversal where recoverable amount was estimated for an individual impaired asset

G27.30 When the prior impairment loss was based on the recoverable amount of the individual impaired asset, the following requirements apply:

a) the NPO shall estimate the recoverable amount of the asset at the current reporting date.

b) if the estimated recoverable amount of the asset exceeds its carrying amount, the NPO shall increase the carrying amount to recoverable amount, subject to the limitation described in (c). That increase is a reversal of an impairment loss. The NPO shall recognise the reversal immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with the revaluation model in paragraph G17.18. Any reversal of an impairment loss of a revalued asset shall be treated as a revaluation increase in accordance with paragraph G17.19.

c) the reversal of an impairment loss shall not increase the carrying amount of the asset above the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

d) after a reversal of an impairment loss is recognised, the NPO shall adjust the depreciation (amortisation) charge for the asset in future periods to allocate the asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal when recoverable amount was estimated for an operating unit

G27.31 When the original impairment loss was based on the recoverable amount of the operating unit to which the asset belongs, the following requirements apply:

a) the NPO shall estimate the recoverable amount of that operating unit at the current reporting date.

b) if the estimated recoverable amount of the operating unit exceeds its carrying amount, that excess is a reversal of an impairment loss. The NPO shall allocate the amount of that reversal to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets, subject to the limitation described in (c). Those increases in carrying amounts shall be treated as reversals of impairment losses for individual assets and be recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with the revaluation model in paragraph G17.18. Any reversal of an impairment loss of a revalued asset shall be treated as a revaluation increase in accordance with paragraph G17.19.

c) in allocating a reversal of an impairment loss for an operating unit, the reversal shall not increase the carrying amount of any asset above the lower of:

   i. its recoverable amount; and

   ii. the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

d) any excess amount of the reversal of the impairment loss that cannot be allocated to an asset because of the restriction in (c) shall be allocated pro rata to the other assets of the operating unit, except for goodwill.

e) after a reversal of an impairment loss is recognised, if applicable, the NPO shall adjust the depreciation (amortisation) charge for each asset in the operating unit in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Disclosures

G27.32 An NPO shall disclose the following for each **class of assets** indicated in paragraph G27.33:

a) the amount of impairment losses recognised in surplus or deficit during the period and the line item(s) in the **Statement of Income and Expenses**, ~~**statement of comprehensive income** (and in the **income statement**~~ ,~~if presented~~) in which those impairment losses are included; and

b) the amount of reversals of impairment losses recognised in surplus or deficit during the period and the line item(s) in the Statement of Income and Expenses, ~~statement of comprehensive income (and in the income statement, if presented)~~ in which those impairment losses are reversed.

G27.33 An NPO shall disclose the information required by paragraph G27.32 for each of the following classes of asset:

a) **property, plant and equipment** (including investment property accounted for by the cost method);

b) goodwill;

c) **intangible assets** other than goodwill;

d) investments in **associates**; and

e) investments in **jointly controlled entities**

Annex C – Related parties

Notice

Section 33 – *Related Parties*

Scope of this section

G33.1 This section requires an NPO to include in its financial statements the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Related Party Defined

G33.2 A **related party** is a person or entity that is related to the NPO that is preparing its financial statements (the reporting NPO):

a) a person or a close member of that person's family is related to a reporting NPO if that person:

   i. is a member of the key management personnel of the reporting NPO or of an entity that controls the reporting NPO;

   ii. has **control** or **joint control** over the reporting NPO;

   iii. has significant influence over the reporting NPO; or

   iv. any members of the reporting NPO's governing body (paid or not) who provide oversight of the NPO's activities.

b) an entity is related to a reporting NPO if any of the following conditions applies:

   i. the entity and the reporting NPO are members of the same **group** (which means that each parent, **subsidiary** and fellow subsidiary is related to the others).

   ii. an entity is an **associate** or **jointly controlled** by the reporting NPO (or an associate or jointly controlled entity of a member of a group of which the reporting NPO is a member).

   iii. both entities are jointly controlled entities of the same third entity.

   iv. one entity is a jointly controlled entity of a third entity and the other entity is an associate of the third entity.

   v. the NPO is a **post-employment benefit plan** for the benefit of employees of either the reporting NPO or an entity related to the reporting NPO. If the reporting NPO is itself such a plan, the sponsoring employers are also related to the reporting NPO.

   vi. the NPO is controlled or jointly controlled by a person identified in (a).

vii. the NPO, or any member of a group of which it is a part, provides key management personnel services to the reporting NPO or to the parent of the reporting NPO.

viii. a person identified in (a)(ii) has significant influence over the NPO or is a member of the key management personnel of the NPO (or of a parent of the NPO). This will include any members of governing body (paid or not) who provide oversight of NPO's activities.

G33.3 In considering each possible related party relationship, an NPO shall assess the substance of the relationship and not merely the legal form, including governance characteristics.

G33.4 In the context of this Guidance, the following are not necessarily related parties:

a) two NPOs simply because they have a director or other member of key management personnel in common;
b) two parties venturers simply because they share joint control over a jointly controlled NPO;
c) any of the following simply by virtue of their normal dealings with an NPO (even though they may affect the freedom of action of an NPO or participate in its decision-making process):
    i. providers of finance;
    ii. trade unions;
    iii. public utilities; or
    iv. government departments and agencies.
d) a customer, supplier, franchisor, distributor or general agent with whom an NPO transacts a significant volume of business, merely by virtue of the resulting economic dependence;
e) donations from a governing body member or a related party are NOT related party transactions, provided the donor has not attached special obligations on the NPO to amend its usual activities, e.g. use certain suppliers or sources of inputs;
f) provision of services to a governing body member (or other related party) where the services are received on the same terms as they are received by other NPO service recipients.

Disclosures

G33.5 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been **related party transactions**. An NPO shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the NPO's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so (if any) shall also be disclosed.

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G33.6 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the NPO, directly or indirectly, including any director (whether executive or otherwise) of that NPO.

This will include any members of the NPO's governing body (paid or not) who provide oversight of NPO's activities.

Compensation includes all employee benefits (as defined in Section 28 *Employee Benefits*) ~~including those in the form of share-based payment (see Section 26 *Share-based Payment*).~~ Employee benefits include all forms of consideration paid, payable or provided by the NPO, or on behalf of the NPO (for example, by its parent ~~or by a shareholder~~), in exchange for services rendered to the NPO. It also includes such consideration paid on behalf of a parent of the NPO in respect of goods or services provided to the NPO.

G33.7 An NPO shall disclose key management personnel compensation in total.

For members of governing body (paid or not) who provide oversight of NPO's activities, an NPO shall disclose the personnel compensation (where allowed by law) and any out of pocket expenses reimbursed.

G33.8 An NPO that obtains key management personnel services from another entity (management entity) is not required to make any disclosure that might otherwise be required by paragraph G33.7 in relation to the compensation paid or payable by the management entity to the management entity's employees or directors. However, the amounts incurred by an NPO for the provision by a separate management entity of such services shall be disclosed.

G33.9 A related party transaction is a transfer of resources, services or obligations or service potential between a reporting NPO and a related party, regardless of whether a price is charged. Examples of related party transactions that are common to NPOs include, but are not limited to:

a) transactions between an NPO and those that have ownership rights(s);

b) transactions between an NPO and another entity when both entities are under the common control of a single entity or person; and

c) transactions in which an entity or person that controls the reporting NPO incurs expenses directly that otherwise would have been borne by the reporting NPO

G33.10 If an NPO has related party transactions, it shall disclose the nature of the related party relationship as well as information about the transactions, outstanding balances and commitments necessary for an understanding of the potential effect of the relationship on the financial statements. Those disclosure requirements are in addition to the requirements in paragraph G33.7 to disclose key management personnel compensation. At a minimum, disclosures shall include:

a) the amount of the transactions;

b) the amount of outstanding balances and commitments and:

   i. their terms and conditions, including whether they are secured and the nature of the consideration to be provided in settlement; and

   ii. details of any guarantees given or received.

c) provisions for uncollectable receivables related to the amount of outstanding balances; and

d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.

Such transactions could include income or expense items, transfers (or donations) of goods, services or service potential; **leases**; guarantees; and settlements by the NPO on behalf of the related party or vice versa.

G33.11 An NPO shall make the disclosures required by paragraph G33.10 separately for each of the following categories:

a) entities or individuals with control, joint control or significant influence over the NPO;

b) entities over which the NPO has control, joint control or significant influence;

c) key management personnel of the NPO or its parent (in the aggregate); and

d) other related parties.

G33.12 An NPO is exempt from the disclosure requirements of paragraph G33.10 in relation to related party transactions and outstanding balances, including commitments, with:

a) a **government** that has control, joint control or significant influence over the reporting NPO; and

b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting NPO and the other entity.

G33.13 The following are examples of transactions that shall be disclosed if they are with a related party:

a) purchases or sales of goods (finished or unfinished);

b) purchases or sales of property and other **assets**;

c) rendering or receiving of services;

d) leases;

e) transfers of **research** and **development**;

f) transfers under license agreements;

g) transfers under finance arrangements (including loans and equity contributions in cash or in kind);

h) provision of guarantees or collateral;

i) commitments to do something if a particular event occurs or does not occur in the future;

j) settlement of **liabilities** on behalf of the NPO or by the NPO on behalf of another party; and

k) participation by a parent or subsidiary in a **defined benefit plan** that shares risks between the reporting NPO and other entities in the group.

G33.14 An NPO shall not state that related party transactions were made on terms equivalent to those that prevail in arm's length transactions unless such terms can be substantiated.

G33.15 An NPO may disclose items of a similar nature in the aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the NPO.

G33.16 If a reporting NPO applies the exemption in paragraph G33.12, it shall disclose the following about the transactions and related outstanding balances referred to in paragraph G33.12:

a) the name of the government and the nature of its relationship with the reporting NPO (that is, control, joint control or significant influence);

b) the following information:

i. the nature and amount of each individually significant transaction.

ii. for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent. Types of transactions include those listed in paragraph G33.13.