**ANSWER TO THE QUESTIONNAIRE INPAG**

**Question 1: General comments References**

**a) Is the structure of INPAG helpful? If not, how could it be improved?**

Yes, I find the structure useful.

**b) Do you have any other comments (including regulatory, assurance or cost/benefit) relating to this INPAG Exposure Draft? If so, explain the rationale for any points you wish to make.**

I recommend that for the future technical accounting education material should be prepared to teach in universities, which should be similar to the training material on IFRS for SMEs, explaining each section of the INPAG Standards.

**Question 2: Description of NPOs and users of INPAG References**

**a) Do you agree with the description of the broad characteristics of NPOs? Does the term ‘providing a benefit to the public’ include all entities that might be NPOs? If not, what would you propose and why?**

I do not agree with the term “providing a benefit to the public”, since the term “public” denotes a very broad concept, it should be changed to “benefit the target audience” that adheres to those ideas. This is important because there may be situations where the public has opposing ideas, for example: a foundation that fights against abortion and another that raises funds to implement abortion in the country, the target audience of each of these foundations is different; It may also be the case that there is a foundation to defend the release of drug addicts in prisons and another foundation that promotes the penalization of drug addicts who commit crimes against property, and similarly both foundations have different target audiences.

**b) Does Section 1, together with the Preface, provide clear guidance on which NPOs are intended to benefit from the use of INPAG? If not, what would be more useful?**

Yes, I think the guide is clear.

**Question 3: Concepts and pervasive principles References**

**a) Do you agree with the range of primary users and the description of their needs? If not, what would you propose and why?**

Yes I agree.

**b) Do you agree with the qualitative characteristics of useful information? If not, what would you change and why?**

Yes, I agree.

**c) Do you agree with the components of net assets? If not, why not?**

Yes, I agree.

**d) Do you agree with the inclusion of equity as an element? If not, what would you propose and why? What type of equity might an NPO have?**

Yes, I agree, as some entities own shares.

**e) Do you agree with the categorisation of funds between those with restrictions and those without restrictions in presenting accumulated surpluses and deficits? If not, what would you propose and why?**

Yes, I agree.

**f) Do you agree that funds set aside from accumulated surpluses for the holders of equity claims can be part of funds with restrictions and funds without restrictions and that they should be transferred to equity prior to distribution? If not, what would you propose and why?**

Yes, I agree.

**g) Do you agree that ‘service potential’ should be introduced into Section 2? If not, why not?**

I do not agree because it could generate that its recognition and measurement requires many judgments and criteria, which makes it very subjective.

**h) Do you agree that the provisions for ‘undue cost and effort’ used in the IFRS for SMEs Accounting Standard should be retained? If not, why not?**

Yes, I agree.

**i) Is the NPO as a reporting entity clear? Does the process for identifying branches in the Application Guidance support the principles? If not, what would be more useful?**

Yes, I agree.

**Question 4: Principles to enable comparability of financial statements**

**a) Do you agree with the proposed changes to terminology from the IFRS for SMEs Accounting Standard? If not, what would you propose and why?**

Yes, I agree.

**b) Do you agree that comparatives should be shown on the face of the primary statements? In particular, do you agree with the proposed comparatives for the Statement of Income and Expenses? If not, what do you propose and why?**

Yes, I agree.

**c) Do the proposals for expressing compliance with INPAG create unintended consequences? If so, what are your key concerns?**

Yes, I agree.

**Question 5: Scope and presentation of the Statement of Financial Position**

**a) Do you agree that all asset and liability balances should be split between current and non-current amounts (except where a liquidity-based presentation has been adopted)? If not, why not?**

Yes, I agree.

**b) Do you agree with the proposal that not all categories of asset and liability balances should be split between those with and those without restrictions? If not, which categories of asset and/or liability should be split?**

Yes, I agree.

**Question 6: Scope and presentation of the Statement of Income and Expenses**

**a) Do you agree with the name of the primary statement being ‘Statement of Income and Expenses’? If not, why not?**

Yes, I agree.

**b) Do you agree that the terms surplus and deficit should be used instead of profit or loss? If not, why not?**

Yes, I agree.

**c) Do you agree that amounts on each line of revenue and expenses should be split between those with and those without restrictions on the face of the primary statement? If not, what alternative approach would you propose and why?**

Yes, I agree.

**d) Do you agree that NPOs should be able to choose whether to present either income items or expense items first to get to a surplus or deficit? If not, what alternative approach would you propose and why?**

Yes, I agree with presenting the income first and then the expenses, and that there should not be the option of presenting the expenses first and then the income.

**Question 7: Scope and presentation of the Statement of Changes in Net Assets**

**a) Do you agree with the proposal that there is no Other Comprehensive Income (OCI), and that an expanded Statement of Changes in Net Assets would allow an equivalent to the OCI being produced. If not, why not?**

Yes I agree. But, in the presentation of Other Comprehensive Income (OCI), there must be a column for each element of the OCI, such as OCI for revaluation of properties, OCI for defined benefit plans, among others, that are necessary for the entity to present in its report.

**b) Do you agree that funds are split between those with and those without restrictions on the face of the primary statement? If not, what alternative approach would you propose and why?**

Yes, I agree.

**Question 8: Scope and presentation of the Statement of Cash Flows**

**a) Do you agree with the separate presentation of cash donations and grants on the face of the statement? If not, what alternative approach would you propose and why?**

Yes, I agree.

**b) Do you agree that donations or grants received for the purchase or creation of property, plant and equipment should be treated as investing activities? If not, what alternative would you propose and why?**

Yes I agree. However, I believe that it should be specified on an economic basis because subsidies are considered an investment activity and not a financing activity, since in other standards it is considered a financing activity.

**c) Do you agree that both the direct method and indirect methods for the cash flow statement should be permitted? If not, why not?**

Yes, I agree.

**Question 9: Principles underpinning the notes to the financial statements**

**a) Do you agree that there are no NPO specific considerations for this Section? If**

**not, what changes would you propose and why?**

Yes, I agree.

**Question 10: Approach to consolidated and separate financial statements**

**a) Is the Application Guidance to apply the control principles sufficient? If not, what changes or additions would you propose and why?**

Yes, I agree.

**b) Do you agree that a rebuttable presumption relating to control should be retained? Is the current drafting sufficient? If not, what would you propose and why?**

Yes, I agree.

**c) Is the Application Guidance sufficient to apply the fundamental characteristics of faithful representation and relevance to consolidation? If not, what additions would you propose and why?**

Yes, I agree.

**d) Do you agree with the use of the terms ‘controlling NPO’, ‘controlled entity’ and ‘beneficial interest’ instead of ‘parent’, ‘subsidiary’ and ‘investment’? If not, what would you propose and why?**

Yes, I agree.

**Question 11: Approach to accounting policies, construction of estimates and accounting for errors**

**a) Do you agree with the updates to Section 10 and that there are no additional NPO specific considerations that need to be addressed in this Section? If not, what changes or additions would you propose and why?**

Yes, I agree.

**Question 12: Scope and content of narrative reporting References**

**a) Do you agree with the principles proposed to underpin narrative reporting? If not, what would you propose to change and why?**

Yes, I agree.

**b) Do you agree with the scope of the minimum mandatory requirement, with additional information, such as sustainability reporting to be optional? If not, what changes should be made and why?**

Yes, I agree.

**c) Do you agree with the proposals that sensitive information can be excluded from narrative reports? If not, what alternative would you propose and why?**

Yes, I agree.

**d) Should a two-year transition period for narrative reporting be permitted to assist in overcoming any implementation challenges? If not, what alternative would you propose and why?**

Yes, I agree.

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