



CFRS for NFPEs (Tier 2)



Contents

I. Standard

II. Appendix A (Section 1-9)

III. Specific Requirement between CFRS for NFPEs Tier 1 & Tier 2

I. Standard

- Entities use appendix A to prepare financial report
- The standard uses Accrual accounting
- The standard contains framework, template, and guidance notes

II. Appendix A (Section 1 Introduction)

- Set out requirements for preparation of financial report
- Number of sections (table of contents)
- Terms in Glossary

II. Appendix A (Section 2 Objective of reporting and overview of reporting requirement)

- Users and their needs
- Objective of reporting –WH & How Questions
- Financial report is prepared for a financial year.
- Required components of the financial report
 - Entity information
 - statement of service performance
 - statement of financial performance
 - statement of financial position
 - statement of cash flows
 - statement of accounting policies
 - Note to financial report

II. Appendix A (Section 3 Entity Information)

➤ Purpose and value to Users

➤ Required information:

- The main sources of the entity's cash and resources;
- The main methods used by the entity to raise funds;
- The entity's reliance on volunteers and donated goods or services; and
- Any additional information that is considered essential to users' overall understanding of the entity.

II. Appendix A (Section 4 Statement of Service Performance)

➤ Purpose and value to Users

The purpose of the statement of service performance is to provide mainly non-financial information to help users understand what the entity did during the financial year.

➤ Required information from A40 to A42

Statement of Service Performance is based around two elements:

- (a) Outcomes: what the entity is seeking to achieve in terms of its impact on society; and
- (b) Outputs: the goods or services that the entity delivered during the year.

➤ Optional information from A43 to A44

II. Appendix A (Section 5 Statement of Financial Performance)

➤ Purpose and value to Users

The purpose of the statement of financial performance is to report all revenue and expenses of the entity for the financial year. The statement provides users with information about the entity's financial performance, including its revenue, expenses and the resulting surplus or deficit generated during the financial year.

II. Appendix A (Section 5 Statement of Financial Performance)

➤ Format of Statement of Financial Performance

- Required Information(A46-A47)

Revenue (by category)	xx
Less expenses (by category)	xx
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Surplus/(Deficit)	xx
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- *Optional Information* (A48-49)

Revenue (by category)	xx
Less expenses (by category)	xx
	<hr/>
Surplus/(Deficit) before grants and donations made	xx
Less grants and donations made	xx
	<hr/>
Surplus/(Deficit)	xx
	<hr/>

Appendix A (Section 5 Statement of Financial Performance)

➤ Revenue

- Required Information (A54-A58)
 - (a) Donations, fundraising and other similar revenue;
 - (b) Fees, subscriptions and other revenue from members;
 - (c) Revenue from providing goods or services; and
 - (d) Interest, dividends and other investment revenue.
- Optional Information (A59-A61)
- Accounting for Revenue (A62 with the table)

II. Appendix A (Section 5 Statement of Financial Performance)

➤ Expenses

- Required Information (A72)
 - (a) Expenses related to public fundraising;
 - (b) Volunteer and employee related costs;
 - (c) Costs related to providing goods or services; and
 - (d) Grants and donations made.
- *Optional Information* (A77)
- *Accounting for Expense* (A80)

➤ Other information (A81-A82)

➤ Amounts Payable or Receivable on Behalf of Others (A83-A86)

II. Appendix A (Section 6 Statement of Financial Position)

➤ Purpose and value to Users

The purpose of the statement of financial position is to provide a snapshot of the entity's assets, liabilities and accumulated funds (the difference between assets and liabilities) at a certain point in time (being the reporting date). This is what the entity owns, what the entity owes, and the value of the members' financial interests in the entity.

II. Appendix A (Section 6 Statement of Financial Position)

➤ Format of Statement of Financial Position

Assets (by category)	XX
Less Liabilities (by category)	XX
	<hr/>
Assets less Liabilities	XX
	<hr/>
Accumulated Funds (by category)	XX
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II. Appendix A (Section 6 Statement of Financial Position)

➤ Asset (A91)

- Required Information (A92-A102)

- (a) Bank accounts and cash;

- (b) Debtors and prepayments;

- (c) Inventory;

- (d) Property, plant and equipment; and

- (e) Investments.

- Optional Information (A103-A106)

- Accounting for Asset (A107-A117)

II. Appendix A (Section 6 Statement of Financial Position)

➤ Liabilities (A118)

- Required Information (A119-A128)

(a) Bank overdraft;

(b) Creditors and accrued expenses;

(c) Employee costs payable;

(d) Unused donations and grants with conditions; and

(e) Loans.

- Optional Information (A129-A131)

- Accounting for Liabilities (A132-A137)

II. Appendix A (Section 6 Statement of Financial Position)

➤ Accumulated Funds (A138)

- Require information (A139-A145)
 - (a) Capital contributed by owners or members (if any);
 - (b) Accumulated surpluses or deficits; and
 - (c) Reserves.
- Accounting for Accumulated Funds (A146-A148)

➤ Other Information (A149-A150)

- Require information (A149)
- Optional information (A150)

II. Appendix A (Section 7 Statement of Cash Flows)

➤ Purpose and value to Users

The purpose of the statement of cash flows is to provide information about the cash flows of the entity, which can have a different timing to the accruals that are reported in the statement of financial performance. Cash flow information allows users to determine how the entity has received cash, and how the cash was used during the year.

II. Appendix A (Section 7 Statement of Cash Flows)

➤ Format of Statement of Cash Flows

- Required Information (A153-A157)

Cash Flows from Operating Activities (by category)	XX
Cash Flows from Investing and Financing Activities (by category)	XX
	<hr/>
Net Increase/(Decrease) in Cash	XX
Add Opening Cash Balance	XX
	<hr/>
Closing Cash Balance	XX
	<hr/>

II. Appendix A (Section 7 Statement of Cash Flows)

➤ Cash flow from Operation Activities

- Required Information (A158-A161)

Cash Receipts:

- (a) Donations, fundraising and other similar receipts;
- (b) Fees, subscriptions and other receipts from members;
- (c) Receipts from providing goods or services; and
- (d) Interest, dividends and other investment receipts.

Cash Payments:

- (e) Payments to suppliers and employees; and
 - (f) Donations or grants paid.
- Optional Information (A162-A164)

II. Appendix A (Section 7 Statement of Cash Flows)

➤ Cash flow from Investing and Financing Activities

- Required Information (A165-A169)

Cash Receipts:

- (a) Receipts from the sale of property, plant and equipment;
- (b) Receipts from the sale of investments;
- (c) Proceeds from loans borrowed from other parties; and
- (d) Capital contributed from owners or members.

II. Appendix A (Section 7 Statement of Cash Flows)

➤ Cash flow from Investing and Financing Activities

- Required Information(A165-A169)

Cash Payments:

(e) Payments to acquire property, plant and equipment;

(f) Payments to purchase investments;

(g) Repayments of loans borrowed from other parties; and

(h) Capital repaid to owners or members.

➤ Cash Balance

- Required Information (A170).

II. Appendix A (Section 8 Statement of Accounting Policies)

➤ Purpose and value to Users

The purpose of the statement of accounting policies is to disclose the specific policies and practices applied by the entity in preparing its performance report. This provides users with an understanding of the basis on which the performance report has been prepared.

II. Appendix A (Section 8 Statement of Accounting Policies)

➤ Format of Statement of Accounting Policies

- Required Information (A172)
 - (a) Accounting policies applied; and
 - (b) Changes in accounting policies.

➤ Accounting Policies Applied (A173)

- Required Information (A174-A180)

Basis of Preparation (A175-A176)

Goods and Services Tax (VAT) (A177)

Specific Accounting Policies (A178-A180)

➤ Change in Accounting Policies (A181-A182)

- Required Information (A183-A184)
- Accounting for Change in Accounting Policies (A185)

II. Appendix A (Section 9 Notes to the Financial Report)

➤ Purpose and value to Users

The notes to the financial report contain information that expands on the information included in other parts of the financial report as well as providing any additional relevant information. This is designed to provide users with a greater understanding of the information reported in the statements of service performance, financial performance, financial position and cash flows.

II. Appendix A (Section 9 Notes to the Financial Report)

➤ Required Information (A187-A213)

- Significant Grants and Donations with Conditions which have not been Recorded as a Liability (A188)
- Goods or Services in Kind Provided to the Entity (A189)
- Property, Plant and Equipment (A190-A191)
- Significant Donated Assets not Recorded (A192)
- Significant Heritage Assets not Recorded (A193)
- Assets Used as Security for Liabilities (A194)
- Assets Held on Behalf of Others (A195)
- Change in Accumulated Funds (A196)

II. Appendix A (Section 9 Notes to the Financial Report)

➤ Required Information

- Commitments (A197-A198)
- Contingent Liabilities (A199-A201)
- Related Party Transactions (A202-A207)
- Event After the Reporting Date (A208-A209)
- Ability to Continue Operation (A210-A211)
- Correction of Errors (A212)
- Additional Information (A213)

➤ Optional Information (A214)

III. Specific Requirement between CFRS for NFPEs Tier 1 & Tier 2

<i>TEMPLATE</i>	
Tier 1	Tier 2
Contents	Contents
Entity info (explains what the entity is and why it exists (section 3))	Entity info (explains what the entity is and why it exists (section 3))
Statement of Receipts and Payments (cash received and paid, cash surplus or deficit by the entity)	Statement of Service Performance [explains what the entity was seeking to achieve (outcomes) and what it did (outputs) (section 4)]
Note 1 to Policies [explaining some of the amounts shown in the statement of receipts and payment, relevant events affecting the financial year (section 5)]	Statement of Financial Performance (cash received and paid, cash surplus or deficit by the entity)
Note 2 to Receipts [explaining some of the amounts shown in the statement of receipts and payment, events affecting the financial year (section 5)]	Statement of Financial Position [showing what the entity owns (assets), what the entity owes (liabilities) and the difference (accumulated funds) at the reporting date]

III. Specific Requirement between CFRS for NFPEs Tier 1 & Tier 2

TEMPLATE

Tier 1

Tier 2

Note 3 to Payments [explaining some of the amounts shown in the statement of receipts and payment, relevant events affecting the financial year (section 5)]

Statement of Cash Flows [showing the cash the entity received, and the cash the entity paid out during the year (section 7)]

Note 4- 10 [explaining some of the amounts shown in the statement of receipts and payment, relevant events affecting the financial year (section 5)]

Statement of Accounting Policies [explains the accounting rules used to prepare the performance report (section 8)]

Note 1- 12 [explaining some of the amounts shown in the 4 statements above, explaining relevant events affecting the financial year including commitments and contingencies (section 9)]

Thank You