‘EXAMPLE AUthoriTY’

TERRITORY AUTHORITY SECTION

FOR THE YEAR ENDED 30 JUNE 2019

# Background

The 2018-19 Model contains disclosures, which are mostly appropriate for both directorates and territory authorities. However, there are instances where disclosures are only applicable to either a directorate or a territory authority.

The purpose of the Territory Authority Section (TAS) is to assist territory authorities in preparing their financial statements in those instances where disclosures are applicable to only territory authorities.

The Model highlights the items that affect only directorates. These items are mentioned/disclosed within the Model accompanied with an indication that such items relate only to a directorate. Whereas, those items, which relate solely to territory authorities are cross referenced from the Model to the TAS and provided below.

Therefore, territory authorities will need to use both the Model and the TAS (where applicable) when preparing their financial statements.

**Colours**

Background colour:

* White background – shows territory authority specific changes that show the disclosures required in the actual note.
* Grey background – is used to highlight territory authority specific changes in the commentary as provided in the combined model, the ‘Reasons for inclusion in the TAS’ and directs a territory authority to the changes which may appear in the note or commentary.

Text colour:

* Red coloured text – shows items that are specific to a territory authority and as such do not appear in the Model.
* ~~Red strikethrough~~ text – are items in the Model that only apply to directorates, and/or apply differently to territory authorities.
* **Blue coloured text –** is used where text is new from the previous year.
* ~~Black strikethrough~~ text - is text deleted from the previous year.

## Reference Table

The table below shows which statements and notes are applicable to directorates and territory authorities. It also shows which statements and notes contain additional territory authority specific material, and which appears in the TAS.

| **Statement or Note** | **Applicable to:** | | **Appears in TAS Section** | | |
| --- | --- | --- | --- | --- | --- |
| **Directorates** | **Territory Authorities** | **TAS Reference** | **Changes to Statement or Note** | **Changes to Commentary** |
| Statement of Responsibility | √ | √ | **TAS 1** | √ | √ |
| Statement by the Chief Finance Officer | √ | √ | None |  |  |
| Operating Statement | √ | √ | **TAS 2** | √ | √ |
| Balance Sheet | √ | √ | **TAS 3** | √ | √ |
| Statement of Changes in Equity | √ | √ | **TAS 4** | √ |  |
| Cash Flow Statement | √ | √ | **TAS 5** | √ | √ |
| Summary of Agency Output Classes and Operating Statement for each Output Class | √ | √ | **TAS 6** |  | √ |
| Disaggregated Disclosure of Assets and Liabilities | √ |  | None |  |  |
| Statement of Appropriation | √ | √ | **TAS 7** |  | √ |
| Note 1 Objectives of ‘Example Agency’ | √ | √ | None |  |  |
| Note 2 Significant Accounting Policies | √ | √ | **TAS 8** | √ | √ |
| Note 3 Change in Accounting Policy and Accounting Estimates, and Correction of a Prior Period Error | √ | √ | None |  |  |
| Note 4 Controlled Recurrent Payments | √ | √ | **TAS 9** |  | √ |
| Note 5 User Charges for Goods and Services | √ | √ | None |  |  |
| Note 6 Interest | √ | √ | None |  |  |
| Note 7 Distribution from Investments with the Territory Banking Account | √ | √ | None |  |  |
| Note 8 Resources Received Free of Charge | √ | √ | None |  |  |
| Note 9 Other Revenue | √ | √ | None |  |  |
| Note 10 Gains on Investments | √ | √ | None |  |  |
| Note 11 Other Gains | √ | √ | **TAS 10** | √ | √ |
| Note 12 Employee Expenses | √ | √ | None |  |  |
| Note 13 Superannuation Expenses | √ | √ | None |  |  |
| Note 14 Supplies and Services | √ | √ | None |  |  |
| Note 15 Depreciation and Amortisation | √ | √ | None |  |  |
| Note 16 Grants and Purchased Services | √ |  | None |  |  |
| Note 16 Cost of Goods Sold |  | √ | **TAS 11** | √ | √ |
| Note 17 Borrowing Costs | √ | √ | None |  |  |
| Note 18 Other Expenses | √ | √ | **TAS 12** |  | √ |
| Note 19 Waivers, Impairment losses and Write-Offs | √ | √ | **TAS 13** | √ | √ |
| Note 20 Act of Grace Payments | √ | √ | ~~None~~ |  |  |
| Note 21 Auditor’s Remuneration | √ | √ | None |  |  |
| Note 22 Cash and Cash Equivalents | √ | √ | **TAS 14** | √ | √ |
| Note 23 Receivables | √ | √ | None |  |  |
| Note 24 Investments | √ | √ | None |  |  |
| Note 25 Inventories | √ | √ | **TAS 15** |  | √ |
| Note 26 Assets Held for Sale | √ | √ | None |  |  |
| Note 27 Property, Plant and Equipment | √ | √ | **TAS 16** | √ | √ |
| Note 28 Investment Properties | √ | √ | **TAS 17** |  |  |
| Note 29 Intangible Assets | √ | √ | None |  |  |
| Note 30 Capital Works in Progress | √ | √ | None |  |  |
| **Statement or Note** | **Applicable to:** | | **Appears in TAS Section** | | |
| **Directorates** | **Territory Authorities** | **TAS Reference** | **Changes to Statement or Note** | **Changes to Commentary** |
| Note 31 Other Assets | √ | √ | None |  |  |
| Note 32 Payables | √ | √ | None |  |  |
| Note 33 Interest-bearing Liabilities and Finance Leases | √ | √ | **TAS ~~17~~ 18** | √ | √ |
| Note 34 Employee Benefits | √ | √ | None |  |  |
| Note 35 Other Provisions | √ | √ | **TAS ~~18~~ 19** | √ |  |
| Note 36 Other Liabilities | √ | √ | None |  |  |
| Note 37 Equity | √ | √ | None |  |  |
| Note 38 Restructure of Administrative Arrangements | √ |  | None |  |  |
| Note 39 Financial Instruments | √ | √ | None |  |  |
| Note 40 Commitments | √ | √ | None |  |  |
| Note 41 Contingent Liabilities and Contingent Assets | √ | √ | None |  |  |
| Note 42 Interest in a Joint Venture | √ | √ | **TAS ~~19~~ 20** | √ | √ |
| Note 43 Interest in a Joint Operation | √ | √ | None |  |  |
| Note 44 Cash Flow Reconciliation | √ | √ | None |  |  |
| Note 45 Events Occurring after Balance Date | √ | √ | None |  |  |
| Note 46 Third Party Monies | √ | √ | None |  |  |
| Note 47 Related Party Disclosures | √ | √ |  |  |  |
| Note 48 Budgetary Reporting | √ | √ | None |  |  |
| Commentary - DiscontinuingOperations | √ | √ | None |  |  |
| Notes 49-69 *Territorial Notes* | √ |  | None |  |  |
| Appendix A – Basis of Preparation of the Financial Statements | √ | √ | TAS 8 | √ | √ |
| Appendix B - Significant Accounting Policies | √ | √ | TAS 8 | √ | √ |
| Appendix C – Impact of Accounting Standards Issued But Yet to Be Applied | √ | √ | None |  |  |
| Appendix D – Change Accounting Policy, Accounting Estimates, Correction Prior Period Error | √ | √ | None |  |  |

# TAS 1. Statement of Responsibility

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Agency’s accounts and records and fairly reflect the financial operations of the Agency for the year ended 30 June 2019 and the financial position of the Agency on that date.

Bob Jones

Chief Executive Officer *[or Chair person]*

‘Example Agency’

July 2019

|  |  |
| --- | --- |
| Reference | **Reasons and Commentary on Statement of Responsibility** |
|  | **Reasons for inclusion in TAS** |
|  | Guidance provided in the Model indicates that the Statement of Responsibility is needed to be signed by the Director-General. As territory authorities don’t have Directors- General an amended statement of responsibility (above) and additional guidance is provided (below). |
|  | **Commentary Statement of Responsibility** |
| FMA Section 64 | The *Financial Management Act 1996* (FMA) requires the Chief Executive Officer to attach a ‘Statement of Responsibility’ to the financial statements. The statement is to be signed by the Chief Executive Officer where the Authority does not have a governing board. However, where the Authority has a governing board the Chair of that board must sign the statement.  The ‘Statement of Responsibility’ must include a statement of the Chief Executive Officer or Chair person’s responsibility for the preparation of the annual financial statements and the judgements exercised in preparing it. The statement must also state whether in the opinion of the responsible Chief Executive Officer or Chair person, the financial statements fairly reflect the financial operations of the Authority during the reporting period and the financial position of the Authority at the end of the reporting period. The name of the Chief Executive Officer (or Chair person) of the Authority must be clearly printed on the statement. |

# TAS 2. Operating Statement

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **‘Example Authority’**  **Operating Statement**  **For the Year Ended 30 June 2019** | | | | | |
| Reference |  | Note No. | Actual  2019  $’000 | Original Budget  2019  $’000 | Actual  2018  $’000 |
| AASB 101.85 | **Income** |  |  |  |  |
| AASB 101.82(a) | *Revenue* |  |  |  |  |
| AASB 101.85 and  AASB 1004.63(a) | Controlled Recurrent Payments | 4 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 | User Charges | 5 | X,xxx | X,xxx | X,xxx |
|  |  |  |  |  |  |
| AASB 101.85  AASB 118.35 (b) (iii) | Interest | 6 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 | Distribution from Investments Territory Banking Account | 7 | X,xxx | X,xxx | X,xxx |
| AASB 1004.62 | Resources Received Free of Charge | 8 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 | Other Revenue | 9 | X,xxx | X,xxx | X,xxx |
| AASB 101.82 (a) | *Total Revenue* |  | X,xxx | X,xxx | X,xxx |
| AASB 101.85  AASB 101.34 (a) | *Gains* |  |  |  |  |
| AASB 101.85 | Gains on Investments | 10 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 | Other Gains | 11 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 | *Total Gains* |  | X,xxx | X,xxx | X,xxx |
| AASB 101.85 | **Total Income** |  | **X,xxx** | X,xxx | X,xxx |
|  |  |  |  |  |  |
| AASB 101.85 | **Expenses** |  |  |  |  |
| AASB 101.85 & 102 | Employee Expenses | 12 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 & 102 | Superannuation Expenses | 13 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 & 102 | Supplies and Services | 14 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 & 102 | Depreciation and Amortisation | 15 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 & 102 | Cost of Goods Sold | 16 | X,xxx | X,xxx | X,xxx |
| AASB 101.82 (b) | Borrowing Costs | 17 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 & 102 | Other Expenses | 18 | X,xxx | X,xxx | X,xxx |
| AASB 101.85 | **Total Expenses** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |
| AASB 101.82 (c) | Share of Operating Profit from Joint Venture accounted for using the Equity Method | 43 | X,xxx | X,xxx | X,xxx |
| AASB 101. 81(A)(a) | **Operating Surplus/(Deficit)** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |
| AASB 101.85 | **Other Comprehensive Income**  *Items not reclassified subsequently to profit or loss* |  |  |  |  |
| AASB 101.82A (a)(i) | Increase/(decrease) in Asset Revaluation Surplus~~es~~ |  | X,xxx | X,xxx | X,xxx |
| AASB 101.82A (b) (i) | Increase/(decrease) in Asset Revaluation Surplus~~es~~ Attributable to Joint Ventures |  | X,xxx | X,xxx | X,xxx |
| AASB 101.81A(b) | **Total Other Comprehensive Income/(Deficit)** |  | **X,xxx** | **X,xxx** | **X,xxx** |
| AASB 101. 81A(c) | **Total Comprehensive Income/(Deficit)** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  | The above Operating Statement should be read in conjunction with the accompanying notes. | | | | |

**TAS 2. Operating Statement - continued**

|  |  |
| --- | --- |
| Reference | **Reasons and Commentary on Operating Statement** |
|  | **Reasons for the inclusion in TAS** |
| FMA s12AA | * The Operating Statement for territory authorities may differ slightly from that of directorates due to the fact that most territory authorities will require a line item for their *Cost of Goods Sold* (and any other) expense(s). * An authority’s budget numbers are based on the numbers presented in the authority’s Statement of Intent for this financial year and the relevant Budget Papers.   As a result, an amended Operating Statement (above) and additional guidance is provided (below). |
|  | Commentary − Operating Statement |
|  | **Title of the Operating Statement** |
| AASB 101.81 A AASB 101.5 & 10 | Where a territory authority is for-profit it will have to call the ‘Operating Statement’ a ‘Statement of Comprehensive Income’. |
|  | **Appropriate Notes** |
| AASB 101.85 | In some cases it may be more appropriate to disclose different expense and revenue classes as needed on the operating statement. For example, *Cost of Goods Sold* may be more appropriate to territory authorities whereas *Grants and Purchased Services,* may not apply*.* Where this is the case an appropriate note should also accompany the line item presented. |
| AASB 15 | **New Revenue Standard AASB 15 *Revenue from Contracts with Customers (For Profit Agencies only)*** |
| ACT Disclosure Policy (still in the process of being finalised)  AASB15.C8 | AASB 15 applies to for-profit agencies from reporting periods beginning on or after 1 January 2018 (not-for-profit agencies from reporting periods beginning on or after 1 January 2019).  AASB 15 establishes a 5 step revenue recognition model:   * Identify the contract with the customer; * Identify the performance obligations in the contract; * Determine the transaction price; * Allocate the transaction price to the performance obligations; and * Recognise revenue progressively as individual performance obligations are satisfied.   To apply the five step model for-profit territory authorities may need to exercise significant judgement when considering all the facts and circumstances in relation to their contracts. Depending upon the specific terms of a contract, the model may result in a change in the timing and/or amount of revenue to be recognised.  For-profit territory authorities need to make changes to their disclosures to reflect the changes in accounting policies resulting from the adoption of AASB 15.  Agencies shall disclose the amount by which each financial statement line item is affected by the adoption of AASB 15 in the current period and explain the reasons for any significant changes. |
|  | **Budget** |
| FMA Section 63(2) | Budget numbers appearing in the Operating Statement are based on the authority’s Statement of Intent included in the Budget Papers. |

# TAS 3. Balance Sheet

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **‘Example Authority’**  **Balance Sheet**  **As at 30 June 2019** | | | | | |
| Reference |  | Note No. | Actual  2019  $’000 | Original  Budget  2019  $’000 | Actual  2018  $’000 |
| AASB 101.60 | **Current Assets** |  |  |  |  |
| AASB 101.54 (i) | Cash and Cash Equivalents | 22 | X,xxx | X,xxx | X,xxx |
| AASB 101.54(d) | Investments | 24 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (h) | Receivables | 23 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (g) | Inventories | 25 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (j) | Assets Held for Sale | 26 | X,xxx | X,xxx | X,xxx |
| AASB 101.55 | Other Assets | 31 | X,xxx | X,xxx | X,xxx |
| AASB 101.55 | **Total Current Assets** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |
| AASB 101.60 | **Non-Current Assets** |  |  |  |  |
| AASB 101.54 (h) | Receivables | 23 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (d) | Investments | 24 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (e) | Investment – Joint Venture | 43 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (a) | Property, Plant and Equipment | 27 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (b) | Investment Properties | 28 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (c) | Intangible Assets | 29 | X,xxx | X,xxx | X,xxx |
| AASB 101.55 | Capital Works in Progress | 30 | X,xxx | X,xxx | X,xxx |
| AASB 101.55 | Other Assets | 31 | X,xxx | X,xxx | X,xxx |
| AASB 101.55 | **Total Non-Current Assets** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |
| AASB 101.55 | **Total Assets** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |
| AASB 101.60 | **Current Liabilities** |  |  |  |  |
| AASB 101.54 (k) | Payables | 32 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (m) | Interest-Bearing Liabilities | 33 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (m) | Finance Leases | 33 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (l) | Employee Benefits | 34 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (l) | Other Provisions | 35 | X,xxx | X,xxx | X,xxx |
| AASB 101.55 | Other Liabilities | 36 | X,xxx | X,xxx | X,xxx |
| AASB 101.55 | **Total Current Liabilities** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |
| AASB 101.60 | **Non-Current Liabilities** |  |  |  |  |
| AASB 101.54 (k) | Payables | 32 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (m) | Interest-Bearing Liabilities | 33 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (m) | Finance Leases | 33 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (l) | Employee Benefits | 34 | X,xxx | X,xxx | X,xxx |
| AASB 101.54 (l) | Other Provisions | 35 | X,xxx | X,xxx | X,xxx |
| AASB 101.55 | Other Liabilities | 36 | X,xxx | X,xxx | X,xxx |
| AASB 101.55 | **Total Non-Current Liabilities** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |
| AASB 101.55 | **Total Liabilities** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  | **Net Assets** |  | **X,xxx** | **X,xxx** | **X,xxx** |

**TAS 3. Balance Sheet - Continued**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **‘Example Authority’**  **Balance Sheet - Continued**  **As at 30 June 2019** | | | | | |
| Reference |  | Note No. | Actual  2019  $’000 | Original  Budget  2019  $’000 | Actual  2018  $’000 |
| AASB 101.55 | **Equity** |  |  |  |  |
|  | Contributed Equity |  | X,xxx | X,xxx | X,xxx |
|  | Accumulated Funds | 37 | X,xxx | X,xxx | X,xxx |
|  | Asset Revaluation Surplus |  | X,xxx | X,xxx | X,xxx |
|  | Other Reserves |  | X,xxx | X,xxx | X,xxx |
|  | **Total Equity** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |
|  | The above Balance Sheet should be read in conjunction with the accompanying notes. | | | | |

|  |  |
| --- | --- |
| Reference | **Reasons and Commentary on Balance Sheet** |
|  | **Reasons for the inclusion in TAS** |
| FMA s12AA | * The Balance Sheet for territory authorities may differ slightly from that of a directorate’s due to the fact that some territory authorities will require an additional equity line item for *Contributed Equity.* * An authority may have declared dividends. * An authority’s budget numbers are based on the numbers presented in the authority’s Statement of Intent for this financial year and the relevant Budget Papers. * As a result, an amended balance sheet (above) and additional guidance (below) is provided. |
|  | Commentary − Balance Sheet |
|  | Some territory authorities will need to include a *Contributed Equity* line in the Equity section of the Balance Sheet. Where this is the case, the Statement of Changes in Equity will also require an additional column to correspond with this component of Equity. |
|  | **Dividends Declared** |
| AASB 110.12 & 13 & AASB 101.137(a) | Dividends declared after the reporting date should not be recognised as a liability in the Balance Sheet. However, dividends declared after the reporting date but before the financial statements are authorised for issue should be disclosed in the notes. |
|  |  |
|  | **Budget** |
| FMA s63(2) | Budget numbers appearing in the Balance Sheet are based on the authority’s Statement of Intent included in the Budget Papers. |

# TAS 4. Statement of Changes in Equity

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **‘Example Authority’**  **Statement of Changes in Equity**  **For the Year Ended 30 June 2019** | | | | | | | | |
| Reference |  |  | Contributed Equity | Accumulated Funds | Asset Revaluation Surplus | Other Reserves | Total Equity | Original |
|  |  | Note No. | Actual  2019  $’000 | Actual  2019  $’000 | Actual  2019  $’000 | Actual  2019  $’000 | Actual  2019  $’000 | Budget  2019  $’000 |
|  | **Balance at the Beginning of the Reporting Period** |  | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |  |  |  |
|  | **Comprehensive Income** |  |  |  |  |  |  |  |
| AASB 101.106 (d)(i) | Operating Surplus/(Deficit) |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
| AASB 101.106 (d)(ii) | Increase / (Decrease) in Asset Revaluation Surplus | 37 | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
|  | Other Comprehensive Income |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
| AASB 101.106 (a) | **Total Comprehensive Income** |  | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** |
| AASB 101.106 (a) | Transfers to/(from) reserves |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
|  |  |  |  |  |  |  |  |  |
|  | **Transactions Involving Owners Affecting Accumulated Funds** |  |  |  |  |  |  |  |
| AASB 101.106 (d)(iii) | Capital Injections |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
| AASB 101.106 (d)(iii) | Capital (Distributions) |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
| ~~AASB 101.106 (c)~~ | ~~Net Assets transferred in as part of an Administrative Restructure~~ | ~~38~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ |
| ~~AASB 101.106 (c)~~ | ~~Net Assets transferred out as part of an Administrative Restructure~~ | ~~38~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ |
| AASB 101.107  AASB 101.106 (d)(iii) | Dividend Approved |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
|  |  |  |  |  |  |  |  |  |
|  | **Total Transactions Involving Owners Affecting Accumulated Funds** |  | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |  |  |  |
|  | **Balance at the End of the Reporting Period** |  | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** |

**TAS 4. Statement of Changes in Equity - Continued**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **‘Example Authority’**  **Statement of Changes in Equity - Continued**  **For the Year Ended 30 June 2018** | | | | | | | |
| Reference |  |  | Contributed Equity | Accumulated Funds | Asset Revaluation Surplus | Other Reserves | Total Equity |
|  |  | Note No. | Actual  2018  $’000 | Actual  2018  $’000 | Actual  2018  $’000 | Actual  2018  $’000 | Actual  2018  $’000 |
|  |  |  |  |  |  |  |  |
|  | **Balance at the Beginning of the Reporting Period** |  | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** |
|  |  |  |  |  |  |  |  |
|  | **Comprehensive Income** |  |  |  |  |  |  |
| AASB 101.106(d)(i) | Operating Surplus/(Deficit) |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
| AASB 101.106 (d)(ii) | Increase/(Decrease) in Asset Revaluation Surplus | 37 | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
|  | Other Comprehensive Income |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
| AASB 101.106 (a) | **Total Comprehensive Income** |  | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** |
| AASB 101.106 (a) | Transfers to/(from) reserves |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
|  | **Transactions Involving Owners Affecting Accumulated Funds** |  |  |  |  |  |  |
| AASB 101.106 (d)(iii)) | Capital Injections |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
| AASB 101.106 d (iii) | Capital (Distributions) |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
| ~~AASB 101.106 (c)~~ | ~~Net Assets transferred in as part of an Administrative Restructure~~ | 38 | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ |
| ~~AASB 101.106 (c)~~ | ~~Net Assets transferred out as part of an Administrative Restructure~~ | 38 | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ | ~~X,xxx~~ |
| AASB 101.107  AASB 101.106 (c) | Dividend Approved |  | X,xxx | X,xxx | X,xxx | X,xxx | X,xxx |
|  | **Total Transactions Involving Owners Affecting Accumulated Funds** |  | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** |
|  | **Balance at the End of the Reporting Period** |  | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** | **X,xxx** |
|  | The above Statement of Changes in Equity should be read in conjunction with the accompanying notes. | | | | | | |
|  | **Reasons for the inclusion in TAS - Changes in Equity** | | | | | | |
|  | * The Statement of Changes in Equity for territory authorities will differ slightly from that of a directorate’s due to the fact that a territory authority will need to include a column relating to the equity component: *Contributed Equity.* * Generally only directorates are involved with Restructures of Administrative Arrangements.   An amended Statement of Changes in Equity is provided above. | | | | | | |

# TAS 5. Cash Flow Statement

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **‘Example Authority’**  **Cash Flow Statement**  **For the Year Ended 30 June 2019** | | | | | |
| Reference |  | Note No. | Actual  2019  $’000 | Original  Budget  2019  $’000 | Actual  2018  $’000 |
| AASB 107.10 | **Cash Flows from Operating Activities** |  |  |  |  |
|  | **Receipts** |  |  |  |  |
| AASB 107.14 (a) | Controlled Recurrent Payments |  | X,xxx | X,xxx | X,xxx |
| AASB 107.14 (a) | User Charges |  | X,xxx | X,xxx | X,xxx |
|  |  |  |  |  |  |
| AASB 107.31 | Interest Received |  | X,xxx | X,xxx | X,xxx |
|  | Distribution from Investments with the Territory Banking Account |  | X,xxx | X,xxx | X,xxx |
| AASB 107.31 | Dividends Received |  | X,xxx | X,xxx | X,xxx |
| AASB 107.38 | Distribution from Joint Ventures |  | X,xxx | X,xxx | X,xxx |
|  | Goods and Services Tax Input Tax Credits from the Australian Taxation Office |  | X,xxx | X,xxx | X,xxx |
|  | Goods and Services Tax Collected from Customers |  | X,xxx | X,xxx | X,xxx |
| AASB 107.14 (b) | Other |  | X,xxx | X,xxx | X,xxx |
|  | **Total Receipts from Operating Activities** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  | **Payments** |  |  |  |  |
| AASB 107.14 (d) | Employee |  | X,xxx | X,xxx | X,xxx |
| AASB 107.14 (d) | Superannuation |  | X,xxx | X,xxx | X,xxx |
| AASB 107.14 (c) | Supplies and Services |  | X,xxx | X,xxx | X,xxx |
|  | Related to Cost of Goods Sold |  | X,xxx | X,xxx | X,xxx |
| AASB 107.31 | Borrowing Costs |  | X,xxx | X,xxx | X,xxx |
|  | Goods and Services Tax Remitted to the Australian Taxation Office |  | X,xxx | X,xxx | X,xxx |
|  | Goods and Services Tax Paid to Suppliers |  | X,xxx | X,xxx | X,xxx |
| AASB 107.35 | National Tax Equivalent payments |  | X,xxx | X,xxx | X,xxx |
|  | Other |  | X,xxx | X,xxx | X,xxx |
|  | **Total Payments from Operating Activities** |  | **X,xxx** | **X,xxx** | **X,xxx** |
|  | **Net Cash Inflows/(Outflows) from Operating Activities** | ~~45~~ 44 | **X,xxx** | **X,xxx** | **X,xxx** |
| AASB 107.10 | **Cash Flows from Investing Activities** |  |  |  |  |
|  | **Receipts** |  |  |  |  |
| AASB 107.16 (b) | Proceeds from Sale of Property, Plant and Equipment |  | X,xxx | X,xxx | X,xxx |
|  | Proceeds from Sale of Investment Property |  | X,xxx | X,xxx | X,xxx |
| AASB 107.16 (b) | Proceeds from Sale/Maturity of Investments |  | X,xxx | X,xxx | X,xxx |
| AASB 107.16 (d) | Proceeds from Sale of Investment in Joint Venture |  | X,xxx | X,xxx | X,xxx |
|  | Loan Receivable Repayment Received |  | X,xxx | X,xxx | X,xxx |
|  | **Total Receipts from Investing Activities** |  | **X,xxx** | **X,xxx** | **X,xxx** |

**TAS 5. Cash Flow – Continued**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **‘Example Authority’**  **Cash Flow Statement - Continued**  **For the Year Ended 30 June 2018** | | | | | | | |
| Reference |  | Note No. | Actual  2019  $’000 | | Original  Budget  2019  $’000 | | Actual  2018  $’000 |
|  | **Payments** |  |  |  | | |  |
| AASB 107.16 (a) | Purchase of Property, Plant and Equipment |  | X,xxx | X,xxx | | | X,xxx |
|  | Purchase of Investment Property |  | X,xxx | X,xxx | | | X,xxx |
| AASB 107.16 (a) | Purchase of Investments |  | X,xxx | X,xxx | | | X,xxx |
| AASB 107.16 (c) | Purchase of Investment in Joint Venture |  | X,xxx | X,xxx | | | X,xxx |
|  | Loans Provided (Loans Receivable) |  | X,xxx | X,xxx | | | X,xxx |
|  | **Total Payments from Investing Activities** |  | **X,xxx** | **X,xxx** | | | **X,xxx** |
|  | **Net Cash Inflows/(Outflows) from Investing Activities** |  | **X,xxx** | **X,xxx** | | | **X,xxx** |
| AASB 107.10 | **Cash Flows from Financing Activities** |  |  |  | |  | |
|  | **Receipts** |  |  |  | |  | |
|  | Capital Injections |  | X,xxx | X,xxx | | X,xxx | |
| AASB 107.17 (c) | Proceeds from Borrowings |  | X,xxx | X,xxx | | X,xxx | |
|  | Receipts of Transferred Cash Balances |  | X,xxx | X,xxx | | X,xxx | |
|  | **Total Receipts from Financing Activities** |  | **X,xxx** | **X,xxx** | | **X,xxx** | |
|  |  |  |  |  | |  | |
|  | **Payments** |  |  |  | |  | |
|  | Distributions to Government |  | X,xxx | X,xxx | | X,xxx | |
| AASB 107.17 (d) | Repayment of Borrowings |  | X,xxx | X,xxx | | X,xxx | |
|  | Repayment of Finance Lease Liabilities |  | X,xxx | X,xxx | | X,xxx | |
| AASB 107.31 | Payment of Dividend |  | X,xxx | X,xxx | | X,xxx | |
|  | **Total Payments from Financing Activities** |  | **X,xxx** | **X,xxx** | | **X,xxx** | |
|  |  |  |  |  | |  | |
|  | **Net Cash Inflows/(Outflows) from Financing Activities** |  | **X,xxx** | **X,xxx** | | **X,xxx** | |
|  |  |  |  |  | |  | |
|  | **Net Increase/(Decrease) in Cash and Cash Equivalents Held** |  | X,xxx | X,xxx | | X,xxx | |
|  | Cash and Cash Equivalents at the Beginning of the Reporting Period |  | X,xxx | X,xxx | | X,xxx | |
|  |  |  |  |  | |  | |
|  | **Cash and Cash Equivalents at the End of the Reporting Period** | ~~45~~ 44 | **X,xxx** | **X,xxx** | | **X,xxx** | |
|  | The above Cash Flow Statement should be read in conjunction with the accompanying notes. | | | | | | |

|  |  |
| --- | --- |
| **Reference** | **Reasons and Commentary on Cash Flow Statement** |
|  | **Reasons for the inclusion in TAS** |
|  | * Due to the fact that an authority generally operates for-profit and/or has different activities than a directorate, the Cash Flow Statement for territory authorities will differ slightly from that of a directorate’s by including different lines items (e.g. territory authorities may require *Cost of Goods Sold* and *Goods and Services Tax remitted to the ATO,* whereas directorates generally do not). * Due to the fact that some territory authorities, may have more income which includes GST, it is more likely that authorities will be required to make payments to the ATO, and therefore may require an alternative line *Goods and Services Tax remitted to the ATO*. * A territory authority, of which some are part of the National Tax Equivalents Regime, has additional requirements on such payments, whereas directorates are not part of that regime.   As a result, an amended Cash Flow Statement is provided above and additional guidance is provided below. |

**TAS 5. Cash Flow - Continued**

|  |  |
| --- | --- |
| Reference | **Reasons and Commentary on Cash Flow Statement - continued** |
|  | Commentary − Cash Flow Statement |
| AASB 107.14 (a) | In some cases it may be more appropriate to disclose different receipts and payments classes as needed on the Cash Flow Statement. For example, payments related to Cost of Goods Sold may be more appropriate to territory authorities. |
| AASB 107.14 (f) | Territory authorities will most likely need to include a payment line relating to GST remitted to the ATO. Where payments are greater than any refunds for any given year, the line *Goods and Services Tax remitted to the ATO* should replace the line *Goods and Services Tax Input Tax Credits from the Australian Taxation Office*. In most cases, an authority would have either a ‘*Goods and Services Tax Input Tax Credits from the Australian Taxation Office*’ line or a ‘*Goods and Services Tax Remitted to the Australian Taxation Office’* depending on whether the authority generally is in a refund or payment situation with the ATO. In the event that refunds are greater one year and payments are greater the next (or vice versa) both lines will be required. |
|  |  |
|  | Classification of Income Tax Cash Flows |
| AASB 107.35 | In the rare circumstance, where an authority has to pay income tax (because of the National Tax Equivalents Regime), cash flows relating to income taxes shall be disclosed separately and classified as operating activities unless they can be specifically identified with investing and financing activities. |

# TAS 6. Summary of AUTHORITY Output Classes and Output Class Operating Statements

|  |  |
| --- | --- |
| **Reference** | **Reasons and Commentary on Outputs Operating Statements** |
|  | **Reasons for the inclusion in TAS** |
|  | As some territory authorities are prescribed authorities they will need to include a Summary of Output Classes Statement and Output Class Operating Statements. Where authorities have only one output class, like directorates, the summary is not required.  As such, additional commentary has been included to outline this below. |
|  | Commentary − Summary of Agency Output Classes |
| Financial Management (Territory Authorities prescribed for Outputs) Guidelines 2017. Disallowable instrument 2017-65 | Only territory authorities that are “prescribed” territory authorities receiving Controlled Recurrent Payments are required to report on output classes. A ‘Summary of Output Classes’ statement and an Operating Statement for each territory authority output class must be disclosed in a territory authority’s financial statements. Prescribed territory authorities are:   * ACT Gambling and Racing Commission; * Canberra Institute of Technology; * Cultural Facilities Corporation; and * Legal Aid Commission (ACT). |
| FMA Section 63(2) | Budget numbers appearing in the Output Class Operating Statements are based on the authority’s Statement of Intent.  AASB 1052 *Disaggregated Disclosures* applies to government department (i.e. ACT directorate) disclosures, which are not relevant to territory authorities. |

# TAS 7. Statement of Appropriation

|  |  |
| --- | --- |
| Reference | **Reasons and Commentary on Outputs Operating Statements** |
|  | **Reasons for the inclusion in TAS** |
|  | Some territory authorities are able to receive appropriation directly and as such additional commentary is required to alert authorities which do not receive appropriation that they do not need to prepare a Statement of Appropriation.  As a result, amended guidance is provided below. |
|  | **Commentary − Statement of Appropriation** |
| AASB 107.14 (a) | Only those territory authorities that receive appropriation are required to prepare a Statement of Appropriation. |

# TAS 8. Note 2. Significant Accounting Policies

|  |  |
| --- | --- |
| **Reference** | **Note 2. Significant Account Policies refer to Appendix A – Basis of Preparation of the Financial Statements** |
|  | **LEGISLATIVE REQUIREMENT** |
| FMA Section 27(1) & 63(1)  FMA Section 27(3) & 63(3)  Financial Management (Periodic and Annual Financial Statements) Guidelines 2016 Section 7 & 8 DI 2016-121  AASB 101.10 | The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government Agencies.  The FMA and the *Financial Management Guidelines* issued under the Act, requires an Agency’s financial statements to include:   1. an Operating Statement for the year; 2. a Balance Sheet at the end of the year; 3. a Statement of Changes in Equity for the year; 4. a Cash Flow Statement for the year; 5. a Statement of Appropriation for the year; 6. an Operating Statement for each class of output for the year; 7. the significant accounting policies adopted for the year; and 8. such other statements as are necessary to fairly reflect the financial operations of the Agency during the year and its financial position at the end of the year. |
| AASB 1054.7, 8 & 9  FMA Section 27(2) & 63(2) | These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. The financial statements have been prepared in accordance with:   1. Australian Accounting Standards; 2. International Financial Reporting Standards; and   (iii) ACT Accounting and Disclosure Policies. |
|  | **CONTROLLED AND TERRITORIAL ITEMS** |
|  | ~~The Agency produces Controlled and Territorial financial statements. The Controlled financial statements include income, expenses, assets and liabilities over which the Agency has control. The Territorial financial statements include income, expenses, assets and liabilities that the Agency administers on behalf of the ACT Government, but does not control.~~  ~~The purpose of the distinction between Controlled and Territorial is to enable an assessment of the Agency’s performance against the decisions it has made in relation to the resources it controls, while maintaining accountability for all resources under its responsibility.~~  ~~The basis of accounting described in paragraph (a) above applies to both Controlled and Territorial financial statements except where specified otherwise.~~ |

**TAS 8. Note 2. Significant Accounting Policies - Continued**

|  |  |
| --- | --- |
| Reference | **Note 2. Significant Account Policies - continued** |
|  | **COMPARATIVE FIGURES** |
| FMA Section 63(2) | BUDGET FIGURES  The *Financial Management Act 1996* requires the statements to facilitate a comparison with the Statement of Intent. The budget numbers are as per the Statement of Intent.  *Prior Year Comparatives*  Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.  Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided. |
|  | GOING CONCERN  These financial statements have been prepared on a going concern basis as the ongoing functions, activities and funding of ‘Example Authority’ are set out in the 2019-20 Statement of Intent. |
|  | The section below relates to APPENDIX B – Significant Accounting Policies |
| ~~AASB 1004.30~~ | **~~REVENUE RECOGNITION~~**  **~~SIGNIFICANT ACCOUNTING POLICIES– SPECIFIC TO TERRITORIAL – INCOME~~**  *~~Payment for Expenses on Behalf of the Territory~~*  ~~The Payment for expenses on behalf of the Territory is recognised on an accrual basis. Due to the nature of territorial accounting, the Statement of Assets and Liabilities on Behalf of the Territory includes (as applicable) liabilities to, and receivables from, the Territory Banking Account.~~  *~~Taxes, Fees & Fines~~*  ~~Taxes are recognised as revenue at the time of payment. Fees are either recognised as revenue at the time of payment or when the fee is incurred. Fines are recognised as revenue on the issue of the relevant infringement notice. Where the fine attracts a penalty for late payment, the penalty amount is recognised as revenue on issue of the late payment notice.~~ |
|  | **BOROWING COSTS** |
| AASB 123.Aus8.1 & Aus 26.1  ACT Accounting Policy | Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost base of the asset. All other borrowing costs are expensed in the period in which they are incurred. |
| ACT Accounting Policy  Financial Framework Memorandum 2015/12 & 2018/16 | **EMPLOYEE BENEFITS**  Annual leave liabilities have been estimated on the assumption they will be wholly settled within three years. The rate used this financial year to estimate the present value of future annual leave payments is XX% (99.1 % in previous financial year)  The rate used this financial year to estimate the present value of future payments for long service leave is XX% (90.3 % in previous financial year). |

**TAS 8. Note 2. Significant Accounting Policies - Continued**

|  |  |
| --- | --- |
| Reference | **Note 2. Significant Account Policies - continued** |
|  | **Reasons for the inclusion in TAS** |
|  | * A Statement of Appropriation is only required to be presented by prescribed territory authorities who receive appropriation. All other authorities should delete this line from their policy note. * Output Class operating statements are only required to be presented by prescribed territory authorities. * Some territory authorities may comply with International Financial Reporting Standards (IFRSs) and should make a statement of compliance in such cases. However, see the reference to AASB 101.Aus16.2 below for further guidance. * Territory authorities are not required to present any Territorial Financial Statements as authorities do not administer any income or expenses on behalf of the Territory. Therefore, the policy note applicable to controlled and territorial reporting and a reference to Payments for Expenses on Behalf of the Territory should not appear in the authority’s accounting policy note. |
| Financial Framework Memorandum 2015/12 | * The budget numbers appearing in a territory authority’s financial statement are sourced from their Statement of Intent, whereas a directorate’s is based on the numbers presented in the 2017-18 Budget Papers. * Territory authorities generally do not collect any Taxes, Fees and Fines revenue, and as such, they will not need to disclose any accounting policy note concerning this type of revenue. * There has been a change in the accounting policy applicable to borrowing costs for territory authorities that are either for-profit or not considered a public sector entity. * For-profit authorities have the corporate bond rate applied as the discount factor in the calculation of the present value factor for annual leave and long service leave.   As a result, an amended disclosure is provided above and amended guidance is provided below. | |
|  | Commentary – Note 2: Significant Accounting Policies | | |
|  | The FMA guidelines only require prescribed territory authorities to report Output Class Operating Statements. All other territory authorities are not required to report this information, and may delete the line referring to it from their accounting policy note. | | |
|  | **Statement of Compliance with International Financial Reporting Standards (IFRSs)** | | |
| AASB 101.16  AASB 101.Aus16.2 | For-profit authorities are required to make an explicit and unreserved statement of compliance with IFRS in the notes where their financial statements comply with IFRSs. Compliance with Australian Accounting Standards by for- profit agencies will not necessarily lead to compliance with IFRSs. This circumstance arises when the entity is a for-profit government agency to which particular standards apply, such as AASB 4 *Contributions*, and to which Aus paragraphs in various other Australian Accounting Standards apply, and the entity applies a requirement that is inconsistent with an IFRS requirement. | | |
|  | **Borrowing Costs** | | |
| AASB 123. 8 & Aus 8.1 ACT Disclosure Policy | Territory authorities that are either for-profit, or not considered a public sector entity, will now have to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. These entities may still recognise other borrowing costs as an expense in the period in which they are incurred. | | |
| AASB 119.83 FFM Memo 2015/12 | **Corporate Bond Rate** | | |
|  | The rate used by for-profit authorities to discount employment benefit obligations (both funded and unfunded) is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. | | |

# TAS 9. Note 4. CONTROLLED RECURRENT PAYMENTS

|  |  |
| --- | --- |
| **Reference** | **Reasons and Commentary on Note 4 Controlled Recurrent Payments** |
|  | **Reasons for the inclusion in TAS** |
|  | As most territory authorities do not receive Controlled Recurrent Payments (CRP), a CRP note will not be required, however where territory authorities do receive CRP they must also provide a CRP note and a Statement of Appropriation.  As a result, amended guidance is provided below. |
|  | Commentary –Note 4: Controlled Recurrent Payments |
|  | The *Financial Management Act 1996* (FMA) allows some territory authorities to receive CRP directly from the ACT Government. Territory authorities that receive CRP will need to include the Note 4 disclosure, as provided in the Model, in their Financial Statements. Authorities that do not receive CRP are therefore not required to include a CRP note in their Financial Statements.  Where an authority receives CRP it must also disclose a Statement of Appropriation. |

# TAS 10. Note 11. Other Gains

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | **Note 11. Other Gains (Extract)** | | |
|  | ***~~Contribution Analysis~~*** | | |
| ~~AASB 1004.60 (a)~~ | ~~Contributions which have conditions of expenditure still required to be met~~ | ~~X,xxx~~ | ~~X,xxx~~ |
| ~~AASB 1004.60(d)~~ | ~~‘Example Agency’ has received donations from the public which must be spent on the restoration of a heritage asset which is held by the Agency.~~ | | |
|  | **Reasons and Commentary on Note 11 Other Gains** | | |
|  | **Reasons for the inclusion in TAS** | | |
|  | Disclosure of Contribution Analysis is only required by directorates and is therefore not required by territory authorities.  Therefore disclosure as provided above, which is an extract of the ‘Other Gains’ note, is not needed, and additional guidance, as amended, is also provided below. | | |
|  | Commentary – Note 11: Other Gains | | |
|  | Contribution Analysis as per AASB 1004 *Contributions* is only required by directorates, the general government sector and the whole-of-government financial statements.  Although territory authorities are included in the whole-of-government financial statements, they are not required to report the details as provided above in their own financial statements. | | |

**Reasons and Commentary on Note 11 Other Gains – Continues**

|  |  |
| --- | --- |
| **Reference** | **Note 11. Other Gains (Extract)** |
| ~~AASB 1004.27~~  ~~AASB 1004.60~~ | **~~Control~~**  ~~Control over an asset is deemed to arise when the Agency can benefit from funds/goods transferred to it and deny or regulate the access of others to those benefits.~~  **~~Disclosure of Contributions~~**  ~~Financial statements shall disclose, separately by way of note, the amounts and nature of contributions recognised as income:~~   1. ~~during the reporting period in respect of which expenditure in a manner specified by a transferor contributor had yet to be made as at the reporting date, details of those contributions and the conditions attaching to them;~~ 2. ~~during reporting period were provided specifically for provision of goods/services future period;~~ 3. ~~during the reporting period obtained in respect of a future rating or taxing period identified by the local government, GGS or whole of government for the purpose of establishing a rate or tax;~~ 4. ~~the nature of the amounts referred to in (a), (b) and (c) above and, in respect of (b) and (c) above, the periods to which they relate; and~~ 5. ~~in a previous reporting period that were obtained in respect of the current reporting period.~~ |

# TAS 11. Note 16. Cost of Goods Sold

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | **Note 16. Cost of Goods Sold** | | |
|  | Cost of Goods Sold represents the carrying amount of inventories for sale in the reporting period. | | |
|  |  | **2019** | **2018** |
|  |  | **$’000** | **$’000** |
|  | Purchase of Goods | X,xxx | X,xxx |
| AASB 102.36 (d) | **Total Cost of Goods Sold** | **X,xxx** | **X,xxx** |
|  | **Reasons for the inclusion in TAS** | | |
|  | The note *Grants and Purchased Services* as appearing in the Model is most likely best suited to directorates. Other notes, like *Cost of Goods Sold* (as presented above) are most likely more appropriate for territory authorities.  As a result, an example disclosure is provided above. | | |

# TAS 12. Note 18. Other Expenses

|  |  |
| --- | --- |
| **Reference** | **Reasons and Commentary on Note 18 Other Expenses** |
|  | **Reasons for the inclusion in TAS** |
|  | AASB 116 *Property, Plant and Equipment* provides different treatments of measuring revaluation decrements based on whether an authority operates on a for-profit or not-for-profit basis. All Directorates are not-for-profit, and as a result the guidance provided in Note 18 within the Model only applies to not-for-profit agencies.  Therefore, territory authorities should follow the additional guidance provided below, as determined by their individual for-profit or not-for-profit status. |
|  | Commentary – Note 18 Other Expenses |
| AASB 116.Aus 40.1 | Revaluation decrements are expensed when a particular asset (of for-profit territory authorities), or class of assets (of not-for-profit territory authorities), has/have been revalued downwards and there is no amount in the Asset Revaluation Surplus for the revaluation to be offset against. |

# TAS 13. Note 19. Waivers, Impairment Losses and Write-Offs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Reference** | **Note 19. Waivers, Impairment losses and write-offs** | | | | |
| ~~FMA Section 131~~ | ~~Under Section 131 of the~~ *~~Financial Management Act 1996~~* ~~the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. In 2016-17, the Treasurer waived loans owing to the Agency from third parties~~.  The waivers, impairment losses and write-offs listed below have occurred during the reporting period for the Agency. | | | | |
|  |  | No. | 2019  $’000 | No. | 2018  $’000 |
|  | **Waivers** |  |  |  |  |
|  | Waivers | X | X,xxx | X | X,xxx |
|  | **Total Waivers** | **X** | X,xxx | **X** | X,xxx |
|  |  |  |  |  |  |
|  | **Impairment Losses** |  |  |  |  |
|  | *~~Impairment Loss~~ Expected Credit Loss from Receivables* |  |  |  |  |
|  | Trade Receivables |  | X,xxx |  | X,xxx |
|  | Other Trade Receivables |  | X,xxx |  | X,xxx |
| AASB 7.20(e) | *Total ~~Impairment Loss~~ Expected Credit Loss from Receivables* |  | X,xxx |  | X,xxx |
|  | *Impairment Loss from Property, Plant and Equipment* |  |  |  |  |
| AASB 136.126 (a) | Plant and Equipment | X | X,xxx | X | X,xxx |
|  | *Total Impairment Loss from Property, Plant and Equipment* | X | X,xxx | X | X,xxx |
|  |  |  |  |  |  |
|  | **Total Impairment Losses** | **X** | **X,xxx** | **X** | **X,xxx** |
|  |  |  |  |  |  |
|  | **Write-offs** |  |  |  |  |
| ACT Disclosure Policy | Losses or Deficiencies in ~~Public~~ Monies | X | X,xxx | X | X,xxx |
| ACT Disclosure Policy | Irrecoverable Debts | X | X,xxx | X | X,xxx |
| ACT Disclosure Policy | Obsolete Stock | X | X,xxx | X | X,xxx |
|  |  |  |  |  |  |
|  | **Total Write-offs** | **X** | **X,xxx** | **X** | **X,xxx** |
|  | **Total Waivers, Impairment Losses and Write-offs** | **X** | **X,xxx** | **X** | **X,xxx** |

|  |  |
| --- | --- |
| Reference | **Reasons and Commentary on Note 19 Waivers, Impairment losses and write-offs** |
|  | **Reasons for the inclusion in TAS** |
|  | * Section 131 of the FMA, relating to waivers, only applies to directorates. This is due to the fact that the definition of public monies, i.e. amounts payable to the Territory, excludes monies received by a territory authority. However, it is ACT Disclosure Policy that territory authorities still report any waivers that they may provide. * In addition, any losses or deficiencies in monies, should still be reported as a write-off. Even though the monies held by a territory authority are not ‘public monies’ as defined by the FMA. Territory authorities should provide a line titled ‘Losses or Deficiencies in Monies’.   As a result, an alternative disclosure is provided above, with additional commentary provided below. |

**TAS 13. Note 19. Waivers, Impairment Losses and Write-Offs – Continued**

|  |  |
| --- | --- |
| Reference | **Reasons and Commentary on Note 19 Waivers, Impairment losses and write-offs - Continued** |
|  | Commentary − Note 19: Waivers, Impairment Losses and Write-Offs |
| ~~FMA Section 131~~  ACT Disclosure Policy | ~~Section 131 of the FMA requires that a waiver relating to an amount payable to the Territory shall be reported in the notes to the financial statements of the relevant Agency that relate to the year in which the right to payment was waived.~~  The disclosures required by this note are material by nature and disclosure is required regardless of the amount of the waiver. |
|  | **Losses or Deficiencies in ~~Public~~ Monies** |
| ACT Disclosure Policy  Chief Minister’s Annual Report Directions | The ‘Losses or Deficiencies in ~~Public~~ Monies’ line item will include a number of different items including, but not limited to, the following:   * decrease in monies due to fraud; * monies which can not be accounted for; and * monies which have been lost.   The Chief Minister’s Annual Report Directions requires further disclosure of fraud in the Annual Report. |
| ACT Disclosure Policy | A waiver is the relinquishment of a legal claim to a debt over which the Agency has control. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Agency to recover the amount. The write-off of debts may occur for reasons other than waivers. |

# TAS 14. Note 22. Cash and Cash Equivalents

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reference** | | **Note 22. Cash and Cash Equivalents** | | |
| ACT Disclosure Policy | | The Agency holds a number of bank accounts with the Westpac Bank as part of the whole-of-government banking arrangements. As part of these arrangements, the Agency does not receive any interest on these accounts. | | |
|  | | The Authority has demand deposits held directly with ‘Example Bank’ that earned an average floating interest rate of <5.5%>. | | |
|  | |  | 2019  $’000 | 2018  $’000 |
| AASB 107.45 | | Cash at Bank a | X,xxx | X,xxx |
| AASB 107.45 | | Cash on Hand | X,xxx | X,xxx |
| AASB 107.45 | | Demand Deposits | X,xxx | X,xxx |
|  | | **Total Cash and Cash Equivalents** | **X,xxx** | **X,xxx** |
|  |  | | |
|  | **Reasons and Commentary on Note 22. Cash and Cash Equivalents** | | |
|  | **Reasons for the inclusion in TAS** | | |
|  | Territory authorities may hold Cash and Cash Equivalents with external banks, whereas directorates, under the whole-of-government banking arrangements will only have cash and cash equivalents with the Territory Banking Account.  As a result, an additional disclosure is provided above and additional guidance is provided below. | | |
|  | Commentary – Note 22: Cash and Cash Equivalents | | |
|  | A territory authority will usually have demand deposits held directly with a bank. Disclosure of this, in the format illustrated above, will need to be made. | | |

# TAS 15. Note 25. Inventories

|  |  |
| --- | --- |
| **Reference** | **Reasons and Commentary on Note 25 Inventories** |
|  | **Reasons for the inclusion in TAS** |
|  | AASB 102 *Inventories* provides different treatments of measuring *‘inventories held for distribution’* based on whether an agency operates on a for-profit or not-for-profit basis. All directorates are not-for-profit, and as a result the guidance provided in Note 25 *Inventories* within the Model only applies to not-for-profit agencies.  Therefore, territory authorities should follow the additional guidance provided below, as determined by their individual for-profit or not-for-profit status. |
|  | Commentary − Note 25: Inventories |
|  | **Measurement**  Under AASB 102 *Inventories*, inventories are to be measured at the lower of cost or net realisable value. Not-for-profit Agencies with ‘inventories held for distribution’ are to measure them at cost, adjusted when applicable for any loss of service potential. Agencies shall disclose the basis on which any loss of service potential of inventories held for distribution is assessed or the bases when more than one basis is used.  For- profit territory authorities that possess ‘inventories held for distribution’ will need to measure them at the lower of cost or net realisable value, rather than at cost adjusted for any service loss potential, as the latter option only applies to not-for-profit agencies. |

# TAS 16. Note 27. Property, Plant and Equipment

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reference** | **Note 27. Property, Plant and Equipment (EXTRACT - to be placed at the end of the note)** | | | |
|  | **Carrying Value of Fair Valued Assets under the Cost Model** | | | |
|  | The following classes of Property, Plant and Equipment, which are carried at Fair value (as indicated above), would have had carrying values, if measured using the cost model, as follows: | | | |
|  |  | **2019**  **$’000** | | **2018**  **$’000** |
|  | **Carrying value if measured using Cost Model** |  | |  |
|  | *Land* |  | |  |
|  | Cost | X,xxx | | X,xxx |
|  | Accumulated Depreciation and Impairment | X,xxx | | X,xxx |
| AASB 116.77(e) | Net Carrying amount of Land at Cost | X,xxx | | X,xxx |
|  |  |  |  | |
|  | *Buildings* |  |  | |
|  | Cost | X,xxx | X,xxx | |
|  | Accumulated Depreciation and Impairment | X,xxx | X,xxx | |
| AASB 116.77(e) | Net Carrying amount of Buildings at Cost | X,xxx | X,xxx | |
|  |  |  |  | |
|  | *Leasehold Improvements* |  |  | |
|  | Cost | X,xxx | X,xxx | |
|  | Accumulated Depreciation and Impairment | X,xxx | X,xxx | |
| AASB 116.77(e) | Net Carrying amount of Leasehold Improvements at Cost | X,xxx | X,xxx | |

**TAS 16. Note 27. Property, Plant and Equipment – Continued**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Reference**  AASB.93(~~d~~ e)  AASB 13.93(e)(i)  AAS 13.93(f)) | **Fair value measurements using significant unobservable inputs (Level 3) (Extract)**   |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **2019** | **Land** | | **Buildings** | | | | **Leasehold**  **Improvements** | | | **Infrastructure**  **Assets** | **Community and Heritage Assets** | |  | **$’000** | **$’000** | | | | **$’000** | | | **$’000** | | **$’000** | | **Fair Value at end of the reporting period** | **X,xxx** | **XX,xxx** | | | | **X,xxx** | | | **X,XXXX** | | **XXX,XXX** | |  |  | | |  |  | | |  | | |  | | Total gains or losses for the period included in profit or loss, under ‘Other Gains’ |  | | |  |  | | |  | | |  | | Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period |  | | |  |  | | |  | | |  | |
| AASB 13.93(e)(i)  AAS 13.93(f)) | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **2018** |  |  |  | |  | |  | | |  | **$’000** | **$’000** | **$’000** | **$’000** | | **$’000** | | | **Fair Value at end of the reporting period** | **3,808** | **17,853** | **5,958** | | **3,462,299** | | **129,139** | | | Total gains or losses for the period included in profit or loss, under ‘Other Gains’ |  |  |  | |  | |  | | | Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period |  |  |  | |  | |  | | |

|  |  |
| --- | --- |
| **Reference** | **Information about significant unobservable inputs (Level 3) in fair value measurements** |
| AASB 13.93(d)  AASB 13.93 (h)(i) | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Item** | **Fair Value as at 30 June** | | **Significant Unobservable Inputs** | **Range of Unobservable Inputs**  **(Weighted Average)** | | **Relationship of Unobservable Inputs to Fair Value** | | **2019** | **2018** | **2019** | **2018** | |  | **$000** | **$000** |  |  |  |  | | **Valuation Technique: Market Approach** | | | | | | | | Land | XXXX | XXXX | Selection of land with similar approximate use | $XXX- $XXX per m2  ($XXX per m2) | $XXX-$XXX per m2  ($XXX per m2) | The higher the <discounting> adjustment to similar land values, the lower the fair value. | | **Valuation Technique: Depreciated Replacement Cost** | | | | | | | | Buildings | XXXX | XXXX | Consumed economic benefit/ obsolescence of asset | 20% - 1% per year  (5% per year) | 20% - 1% per year  (5% per year) | Greater consumption of economic benefit or increased obsolescence lowers fair value. | | Historical cost per square metre floor area (m2) | $XXXX - $XXXX per m2  ($XXXX per m2 | $XXXX- $XXXX per m2  ($XXXX per m2) | Higher historical cost per m2 increases fair value. | | Leasehold Improvements | XXXX | XXXX | Consumed economic benefit/ obsolescence of asset | 50% - 10%  (25% per year) | 50% - 10%  (25% per year) | Greater consumption of economic benefit or increased obsolescence lowers fair value. | | Infrastructure Assets | XXXX | XXXXX | Consumed economic benefit/ obsolescence of asset | 20% - 1%  (4% per year) | 20% - 1%  (4% per year) | Greater consumption of economic benefit or increased obsolescence lowers fair value. | | Historical cost per cubic metre (m3) | $500 - $550 per m3  ($530 per m3) | $480-$520 per m3  ($495 per m3) | Higher historical cost per cubic metre (m3) increases fair value. | | Community and Heritage Assets | XXXXX | XXXXX | Consumed economic benefit/ obsolescence of asset | 20% - 1%  (4%) | 20% - 1%  (4%) | Greater consumption of economic benefit or increased obsolescence lowers fair value. | |

**TAS 16. Note 27. Property, Plant and Equipment – Continued**

|  |  |
| --- | --- |
|  | **Information about significant unobservable inputs (Level 3) in fair value measurements - continued** |
|  | **Reasons for the inclusion in TAS** |
|  | AASB 116 *Property, Plant and Equipment* requires different disclosures based on whether an agency operates on a for-profit or not-for-profit basis. All directorates are not-for-profit, and as a result the guidance provided in Note 27within the model only applies to not-for-profit agencies.  Amendments to AASB 13 *Fair Value Measurement* has exempted not-for profit public sector agencies from certain requirements of the standard for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future cash flows. Therefore for-profit authorities have additional disclosures.  Therefore, territory authorities should follow the additional note disclosure above and guidance provided below, as determined by their individual for-profit or not-for-profit status. |
|  | Commentary − Note 27: Property, Plant and Equipment |
| AASB 116.77(e)  AASB 116.AUS 77.1 | Territory authorities that are for-profit will be required to disclose for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model. An example disclosure is presented above. For-profit territory authorities should include this disclosure at the end of their Property, Plant and Equipment note.  Territory authorities which are not-for-profit are not required to make this disclosure. |
|  | **Treatment of Revaluation Decrements** |
| AASB 116.Aus 40.1 | Revaluation decrements are expensed when a particular asset (of for-profit territory authorities), or class of assets (of not-for-profit territory authorities), has/have been revalued downwards and there is no amount in the Asset Revaluation Surplus for the revaluation to be offset against. |
|  | **Level 3 Valuation Inputs** |
| AASB 13.93(f)  AASB 93(d)  AASB 93(h)(i) | For recurring fair value measurements categorised within level 3 of the fair value hierarchy, for-profit authorities need to disclose the amount of the total gains and losses for the period attributable to the change in unrealised gains or losses relating to those assets and liabilities held at the end of the reporting period , by line item.  For fair value measurements categorised within level 3 of the fair value hierarchy, for-profit authorities have to disclose quantitative information about the significant unobservable inputs used in the fair value measurement.  For- profit authorities also need to provide a narrative description of the sensitivity of the fair value measurements to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement. If there are interrelationships between those inputs and other unobservable inputs, agencies shall provide a description of those interrelationships and how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement. |

# TAS 17. Note 28. InVestment Properties

|  |  |
| --- | --- |
| **Reference** | **Note 28. Investment Properties** |
| AASB 140.57 | A for-profit territory authority can transfer property to or from an investment property classification, when, and only when, there is a change in use of the property supported by evidence that a change in use has occurred. In isolation, management intention of a change in use is not sufficient |

# TAS ~~17~~ 18. Note 33. Interest-Bearing Liabilities and Finance Leases

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | **Note 33. Interest-Bearing Liabilities and Finance Leases (EXTRACT - to be placed at the end of the note)** | | |
|  | **Credit Facilities** | | |
|  | The Authority has organised a bank overdraft with ‘Example Bank’. The facility allows amounts to be drawn down at any time. The total amount of the facility is $5,000,000. The interest rate on the facility is variable and is determined using market rates at the time the overdraft is used. ‘Example Bank’ may cancel the facility at any time. The following sets out the used and unused portion of the credit facility at the end of the financial year. | | |
|  |  | **2019**  **$’000** | **2018**  **$’000** |
|  | **Used** |  |  |
|  | Bank Overdraft | X,xxx | X,xxx |
|  | **Unused** |  |  |
|  | Bank Overdraft | X,xxx | X,xxx |
|  | **Total Facility** | **X,xxx** | **X,xxx** |
|  |  | | |
|  | **Reasons and Commentary on Note 33 Interest–Bearing Liabilities and Finance Leases** | | |
|  | **Reasons for the inclusion in TAS** | | |
|  | Territory authorities may hold interest-bearing liabilities, such as overdrafts, with external banks. Whereas, directorates under the whole-of-government banking arrangements generally will only hold interest-bearing liabilities with the Territory Banking Account.  As a result, an additional disclosure is provided above and amended guidance is provided below. | | |
|  |  | | |
|  | Commentary − Note 33: Interest-Bearing Liabilities and Finance Leases | | |
| AASB 101.64 | If an authority expects, and has the discretion, to re-finance or rollover an existing loan facility for at least 12 months, it must classify the obligation as non-current, even if it would otherwise be due within a shorter period. | | |
| ACT Disclosure Policy | Details of used and unused bank overdraft facilities must be disclosed including:   * details of credit standby arrangements, including the nature of each arrangement and the total amount of credit unused; and * a summary of the used and unused loan facilities and the extent to which these can be continued or extended. | | |

# TAS ~~18~~ 19. Note 35. Other Provisions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reference** | **Note 35. Other Provisions (Extract)** | 2019  $’000 | | 2018  $’000 |
|  |  |  | |  |
|  | **Current Other Provisions** |  | |  |
| AASB 101.77 | Provision for Dividends | X,xxx | | X,xxx |
| AASB 101.77 | Provision for Restoration of Contaminated Site | X,xxx | | X,xxx |
| AASB 101.77 | Provision for Restructuring | X,xxx | | X,xxx |
|  |  |  | |  |
|  | **Total Current Other Provisions** | **X,xxx** | | **X,xxx** |
|  |  |  | |  |
|  | **Non-Current Other Provisions** |  | |  |
| AASB 101.77 | Provision for Restoration of Contaminated Site | X,xxx | | X,xxx |
| AASB 101.77 | Provision for Restructuring | X,xxx | | X,xxx |
| AASB 101.77 | Provision for Make Good | X,xxx | | X,xxx |
|  |  |  | |  |
|  | **Total Non-Current Other Provisions** | **X,xxx** | | **X,xxx** |
|  |  |  | |  |
|  | **Total Other Provisions** | **X,xxx** | | **X,xxx** |
|  |  |  | |  |
|  | **Provision for Dividend** | | | |
| AASB 137.85 | The Authority has proposed a final dividend of $X,xxx and this amount was appropriately authorised to be paid before the end of the reporting period. The amount will be paid to the ACT Government in July 20XX. | | | |
|  | **Reconciliation of the Provision for Dividends** | | | |
|  |  | | | |
| AASB 137.84 (a) | Provision for Dividends at the Beginning of the Reporting Period | X,xxx | X,xxx | |
| AASB 137.84 (b) | Increase in Provision during the year | X,xxx | X,xxx | |
| AASB 137.84 (c) | Amount Paid during the year | X,xxx | X,xxx | |
|  |  |  |  | |
| AASB 137.84 (a) | **Provision for Dividends at the End of the Reporting Period** | **X,xxx** | **X,xxx** | |
|  |  | | | |
|  | **Reasons for the inclusion in TAS** | | | |
|  | Some territory authorities may be required to pay dividends to various entities. Whereas, directorates do not have any shareholders and will not be required to pay dividends.  As a result, an additional disclosure is provided above. | | | |

# TAS ~~19~~ 20. Note 43. Interest in a Material Joint Venture

|  |  |  |  |
| --- | --- | --- | --- |
| **Reference** | Note 43. Interest in A Material Joint Venture (Extract) | | |
|  |  | 2019  $’000 | 2018  $’000 |
|  | **Summarised Operating Statement of ‘Example Joint Venture Entity’** |  |  |
| AASB 12.B12(b)(v) | Revenue | X,xxx | X,xxx |
|  | Expenses | X,xxx | X,xxx |
|  | **Operating Profit/(Loss) Before Income Tax** | **X,xxx** | **X,xxx** |
| AASB 12.B13(g) | Income Tax Expense | **(**X,xxx**)** | **(**X,xxx**)** |
| AASB 12.B12(b) (vi) | **Operating Profit/(Loss) After Income Tax** | **X,xxx** | **X,xxx** |
|  |  | | |
|  | **Reasons and Commentary on Note 43 Interest in a Material Joint Venture** | | |
|  | **Reasons for the inclusion in TAS** | | |
|  | As an authority may be involved with a joint venture that is required to pay income tax (or their equivalents) and directorates do not, additional disclosure is required.  As a result, an amended disclosure is provided above, and additional guidance is provided below. | | |
|  | Commentary − Note 43: Interest in a Material Joint Venture | | |
|  | For-profit territory authorities with interests in a joint venture **(**which operates on a for-profit basis), may likely be required to pay income tax. Where this is the case, the operating profit/ (loss), both before and after income tax, should be disclosed. | | |