



**INPAG**

# Practice Guide 1

## Supplementary Statements

Version 1

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INPAG ED/2024/3

## INPAG

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## Why is this Practice Guide being published as part of Exposure Draft 3?

In September 2022 it was proposed that the IFR4NPO project should develop a standard format for an optional Supplementary statement that can meet the financial accountability needs of providers of grant funding. Feedback during stakeholder outreach throughout the course of the IFR4NPO project has highlighted the lack of harmonisation of donor reporting formats and that this results in a significant burden on Non-Profit Organisations (NPOs). Funders and auditors have also highlighted that the frequent inability of these special-purpose financial reports to be reconciled or cross-referenced to entity level audited financial statements is a significant assurance challenge.

Work was therefore progressed to develop a guide to meet the needs of stakeholders who require additional information, with this initially driven by the needs of those who provide funds to an NPO. This has resulted in the production of INPAG Practice Guide 1 – Supplementary statements (the Practice Guide).

The objective of the Practice Guide is to enable the presentation of key financial information about a specific activity, project or grant (or projects/grants) in a way that could be useful to the grantor for accountability purposes, as well as meaningful to primary users through being reconcilable to general purpose financial reports produced under INPAG.

The Practice Guide:

- requires the disclosure of specific categories of income and expenses that leads to a prescribed statement format.
- includes a by nature classification of expenses that covers the main categories of expense required by grantors to cover the direct costs of an activity.
- requires that each statement is supported by notes that explain the purpose and scope of each statement and the basis of its preparation. A reconciliation to the general purpose financial statements and an attestation is also required.

The Practice Guide provides templates for different variants of reporting that includes comparison to budget, multiple grants, multiple time periods and different currencies. Supplementary statements produced using the Practice Guide can be included as an annex to the financial statements.

This Practice Guide is linked to Section 37 *Supplementary information* of INPAG, which is being exposed in ED3. To ensure that this content is considered holistically, the Guide is included in ED3.

Specific matter for comment	
<p><b>Question 3:</b></p> <p>c) Do you agree with the format of the Supplementary statement? If not, what would you change and why?</p> <p>d) Do you agree with the options for the disclosure of capital and inventory related costs? If not, what would you change and why?</p> <p>e) Do you agree that the Supplementary statements are not part of the general purpose financial report but can be published as an annex? If not, why not?</p>	<p><b>References</b></p> <p>SS.5</p> <p>SS.18 – SS.21</p> <p>SS.25 – SS.26</p>

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## Supplementary statements of income, expenses, inventory and capital costs

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### Scope

- SS.1 Stakeholders including donors may require financial information in addition to that which is included in the general purpose financial statements in order to gain confirmation on how specific resources have been used by an NPO. The objective of the Supplementary statements of income, expenses, inventory and capital costs (Supplementary statements) is to present key auditable financial information about a set of the NPO's activities that is useful to individual stakeholders, as well as to other users of the financial statements.
- SS.2 This Practice Guide applies where NPOs choose to prepare one or more Supplementary statements in relation to one or more sets of their activities. The activity to which a Supplementary statement relates is a **specified activity** or a set of **specified activities**. The specified activities covered by a Supplementary statement may relate to a specific activity, grant, project, programme, an aggregation of these, or to all of the NPO's activities.
- SS.3 An NPO shall determine, by reference to the specified activities, which transactions to include in a Supplementary statement. All material transactions incurred in connection with the specified activities shall be included in that Supplementary statement. All information contained in the Supplementary statement and the accompanying notes must be reconcilable to an NPO's general purpose financial statements and/or underlying accounting records.
- SS.4 Where an NPO prepares one or more Supplementary statements using this Practice Guide, it must also follow all relevant requirements of INPAG Section 37 *Supplementary information*.

## Format of the Supplementary statement and information that shall be presented

SS.5 Any Supplementary statement prepared by an NPO shall be presented in accordance with the following format, subject to the additional information that NPOs are permitted to present in accordance with SS.23. This format may not be varied, but where an NPO has no material transactions against any line item, this may be omitted from the Supplementary statement.

	Note	Presentation currency
<b>Income</b>		
Grants and donations		
Other income ( <i>list by type</i> )		
<b>Total income</b>		
<b>Expenses</b>		
<b>Direct expenses</b>		
Employment		
Travel and subsistence		
Supplies and materials		
Running costs, external services and other		
Services in-kind and gifts in-kind		
Grants payable		
<b>Support costs</b>		
<b>Total expenses</b>		
Foreign currency translation gains/losses		
Transfers		
Other financial movements		
Change in grant [ <i>fund</i> ] balance		
Opening balance		
Closing balance		
<b>Inventory and capital costs (optional)</b>		
Total expenses		
Less: inventory expenses		
Less: depreciation and/or amortisation charged		
Add: inventory costs incurred		
Add: capital costs incurred		
<b>Expenses, inventory and capital costs</b>		
<b>Opening balance including inventory and capital costs</b>		
<b>Closing balance including inventory and capital costs</b>		

- SS.6 The Supplementary statement shall state the name of the reporting NPO and the specified activity or activities included within the scope of the Supplementary statement in the title to the statement. An NPO may also disclose the names of the grant providers although this is not required. If the Supplementary statement includes all the NPO's transactions for the period, the NPO must disclose this in the title of the Supplementary statement, by stating that the Supplementary statement is for the reporting NPO as a whole.
- SS.7 The Supplementary statement shall state the date of the end of the reporting period and the period covered by the Supplementary statement, which shall be the same as for the general purpose financial statements.
- SS.8 The Supplementary statement shall also state the presentation currency, which shall be the same presentation currency as for the general purpose financial statements. It shall also set out the level of rounding, if any, used in presenting the amounts in the Supplementary statement.
- SS.9 Income and expenses presented in INPAG as part of funds with restrictions shall be presented in a separate column to income and expenses that are presented in INPAG as part of funds without restrictions, where both are included in a single Supplementary statement.

## Income

- SS.10 Revenue for a specified activity shall be recognised using the same recognition and measurement requirements in INPAG. Each material grant or donation for a specified activity shall be disclosed separately in the Supplementary statement. Where there are other income sources related to the specified activities, such as interest receivable, these shall be identified separately from grant and donation income and aggregated by type.

## Expenses

- SS.11 Expenses related to a specified activity, shall be recognised using the same recognition and measurement requirements in INPAG, and classified in accordance with SS.12. Those expenses funded from funds with restrictions shall be shown in a separate column to those funded from funds without restrictions.
- SS.12 Expenses in the Supplementary statement shall be classified as:

### Direct expenses

- (a) **Employment** – Staff salaries including income taxes; social security or national insurance contributions; staff-related statutory or contractual costs (eg pension costs); additional remuneration paid to staff as part of the organisation's standard staff contract; statutory termination payments; staff housing costs; temporary staff costs; any costs associated with benefits provided to volunteers.
- (b) **Travel and subsistence** – Travel costs, including car rental, fuel, vehicle running costs, depreciation of vehicles, required flights and public transport; accommodation, subsistence or per diems for travelling staff; visas and other travel permits where required.
- (c) **Supplies and materials** – Procured supplies and materials required for activities or that have been used, distributed or written-down from inventory in the reporting period; non-staff costs of procurement and distribution including fuel, transport and haulage.
- (d) **Running costs, external services and other** – Rent, utilities, mobile and online communications and IT, office supplies, expensed equipment associated with direct activities; bank fees directly related to direct activities; costs of services including consultants, staff training costs, project audit fees, legal advice specifically in connection with the direct activities and other required specialists; depreciation of equipment used for the direct activities; any other direct running costs including the distribution costs associated with individual grant-making.
- (e) **Services in-kind and gifts-in-kind** – A service such as consulting or a physical item such as equipment or inventory provided by way of donation that has been used in the direct activities, distributed or written down.
- (f) **Grants** – Amounts transferred to other organisations or to individuals to undertake agreed activities or to cover defined costs.

## Support costs

- (g) **Support costs** – Costs which are necessary to administer and manage the NPO as a whole. Support costs relate to all of the activities carried out by an NPO, and are therefore shared across all the activities. Support costs may be included as a separate expense heading or allocated to each of the direct expenses headings on a line-by-line basis.

## Foreign currency translation gains or losses

- SS.13 Any foreign currency translation gain or loss or other financial movement, or element thereof, that is within the scope of the specified activities in the Supplementary statement.

## Transfers between funds

- SS.14 Where an NPO makes a transfer between the funds relating to a specified activity and another fund, it shall disclose the transfer on the face of the Supplementary statement. Any transfer between funds that relates to a specified activity must also be reflected in the Statement of Changes in Net Assets and the Movement in Funds note in the general purpose financial statements for the relevant period. Where an NPO makes a transfer between the funds relating to a specified activity and another fund, it shall disclose the transfer on the face of the Supplementary statement.

## Other financial movements

- SS.15 Other financial movements that have been included in the Statement of Changes in Net Assets in the general purpose financial statements and allocated by the NPO to a specified activity.

## Ineligible transactions

- SS.16 There may be transactions that are ineligible to be charged against a grant. This could include expenses or other gains and losses. Depending on the requirements of the stakeholder for whom the statement is being prepared and the scope of the Supplementary statement, there are three options for the presentation of ineligible expenses:
- a) **Exclude** them from the statement completely;
  - b) **Transfer** them by including the ineligible costs within the appropriate line item and then deducting them using the transfers line on the face of the statement; or
  - c) **Separately disclose** them by including the ineligible expenses in a separate column, with the column heading showing the source of funds to cover these expenses.

Whichever option is chosen, the Supplementary statement shall be reconciled to the general purpose financial statements. This provides transparency about the amounts covered by other sources of funding.

## Opening and closing balances

- SS.17 The opening and closing balances of the funds related to a specified activity must be cross-referenced and reconciled to the Movement in Funds note in the general purpose financial statements. An attestation must be provided by an individual with appropriate authority confirming that the information in the Supplementary statement reconciles to the note.

## Inventory costs

- SS.18 Where the income included in the Supplementary statement has been received to purchase or acquire inventory, an NPO may disclose the costs incurred in the acquisition of such supplies and materials in an optional section in the Supplementary statement. Where this option is chosen, any charge to expenses as a result of this inventory being used, distributed or written-down, that has been included in expenses in the Supplementary statement, needs to be identified. This charge shall be deducted from **total expenses** to arrive at the **expenses, inventory and capital costs** figure.

- SS.19 Where inventory costs are presented, the opening balance including inventory and capital costs shall include adjustments for cumulative use, distribution or write-downs and inventory costs in prior years.

## Capital costs

- SS.20 Where the income included in the Supplementary statement has been received to purchase or acquire capital items, an NPO may disclose the capital costs incurred in their acquisition in an optional section in the Supplementary statement. In such cases, any depreciation or amortisation charges related to that capital item(s), that has been included in expenses in the Supplementary statement, shall be deducted from **total expenses** to arrive at the **expenses, inventory and capital costs** figure.
- SS.21 Where capital costs are presented, the opening balance including capital costs will include adjustments for cumulative depreciation or amortisation charges and capital costs in prior years.

## Notes to the Supplementary statement

- SS.22 An NPO shall include the following notes to the Supplementary statement.
- (a) **Purpose and scope of the Supplementary statement** – The note shall explain the purpose of the Supplementary statement and provide a description of the specified activities. Cross-references to information in the general purpose financial statements, including notes to the financial statements, must be provided. The note shall provide an explanation for any differences in opening and closing balances between the Supplementary statement and those that are included in the general purpose financial statements.
  - (b) **Basis of preparation** – The note shall confirm that the Supplementary statement has been prepared on the same basis and using the same accounting policies as the general purpose financial statements. It shall explain whether the Supplementary statement has departed in any material respect from the basis and policies used to prepare the general purpose financial statements. An explanation of the departure(s) and the reason for the departure(s) shall be explained by way of note. Where amounts included in a Supplementary statement are affected by a change in accounting policy, a change in estimate, or a prior period error, this shall be disclosed along with the impact of the change or error. Any specific accounting policies relevant to each Supplementary statement shall also be provided.
- SS.23 An NPO shall also include the following notes to the Supplementary statement where relevant or necessary to support the user's understanding of the information presented in the Supplementary statement. The Supplementary statement shall include a reference number to the note on the relevant line.
- (a) **Presentation of the Supplementary statement** – If an NPO presents additional information in the Supplementary statement, as permitted by SS.24 it shall explain the additional information presented by way of a note to the Supplementary statement. The note shall provide the information necessary for the user to understand the presentation and layout provided.
  - (b) **Income** – If income includes amounts other than the grant or donation related to the specified activities, an NPO shall provide an explanation of this income and provide a cross reference to the general purpose financial statements. Where an NPO uses a classification of income in the Supplementary statement that is different to the general purpose financial statements, it shall explain where each class of income in the Supplementary statement is included in the Statement of Income and Expenses and/or related notes.
  - (c) **Expenses** – An NPO may include a further analysis of expenses. This may include the expense amounts related to the specified activities on a different recognition basis from that used in the general purpose financial statements. Where an NPO does so it must explain the alternative basis and the differences from the expenses classification required by the Supplementary statement.
  - (d) **Support costs** – Where an NPO includes an amount for total support costs, it shall explain the basis of the support cost charges. A reconciliation to the general purpose financial statements is required that shows where these costs are included in the disclosures required by Section 24 Part II *Classification of expenses*. The basis of apportionment to the specified activities shall also be disclosed.



Where an NPO allocates support costs to any of the expenses lines in “Direct expenses”, it shall in addition disclose these amounts and explain the basis of allocation. This may include the difference between the support costs that are eligible under the grant arrangements for the specified activity, the support cost rate based on actual expenses, and the basis of the support cost rate calculation.

- (e) **Foreign currency translation gains and losses** – If an amount is included in the Supplementary statement for foreign currency translation gains or losses, an NPO shall explain the basis upon which such gains or losses have been calculated, including the extent to which they are unrealised. The NPO shall also disclose the foreign currency translation rates used to arrive at the amounts shown. The source of funding for additional costs to the NPO in connection with specified activities that have arisen because of foreign currency translation gains and losses shall be disclosed, accompanied by an explanation. Any differences to the amounts disclosed in accordance with INPAG must also be explained. An NPO may also calculate and disclose the amount of the income, expenses or grant or fund balance had different foreign currency translation rates been used. Where it does so, it shall explain the basis of the alternative rates.
- (f) **Transfers** – Where an amount is included as a transfer in the Supplementary statement, the NPO shall explain the reasons for the transfer in a note, including its basis and the fund to or from which the amounts have been transferred.
- (g) **Other financial movements** – If an amount is included in the Supplementary statement for other financial changes, the NPO shall provide an explanation for the amount, including the basis of its calculation in relation to the specified activities.
- (h) **Inventory costs** – Where an NPO has included amounts in the inventory costs section of the Supplementary statement in accordance with SS.18, it shall provide an explanation of those amounts including details of the inventory acquired, its gross value, expenses related to any use, distribution or write-down, and whether these expenses have been included in the Supplementary statement.
- (i) **Capital costs** – Where an NPO has included amounts in the capital costs section of the Supplementary statement in accordance with SS.20, it shall provide an explanation of those amounts including details of the asset(s) acquired, their gross value, any depreciation or amortisation applicable to the asset, and whether such depreciation or amortisation has been included in the Supplementary statement.
- (j) **Reconciliation to cash income/cash expenditure/cash income and expenditure** – An NPO may present a reconciliation of the income amounts in the Supplementary statement to the cash amounts received in relation to the specified activities in the period. It may also present a reconciliation of the expense amounts in the Supplementary statement to the cash amounts in relation to the specified activities expended in the period. If the NPO presents both reconciliations to cash amounts, it may also present a grant or fund cash balance at the end of the reporting period. Annex C provides a format for cash reconciliations.
- (k) **Reconciliation to the general purpose financial statements** – Where an NPO presents a Supplementary statement for all of the NPO’s activities in the reporting period, it shall provide a reconciliation from the Supplementary statement to the general purpose financial statements for total income, expenses, and the movement in funds.

## Presentation of additional information in the Supplementary statement

SS.24 In addition to the information that an NPO shall present in accordance with the prescribed Supplementary statement format in SS.5, an NPO may also choose to present further information in separate columns.

- (a) **Currency in which the income was provided to the NPO** – an NPO may present the amounts, line by line, in the currency in which the income was provided to the NPO. Where this information is presented an NPO shall explain the basis of the presentation of the foreign currency amounts, including the foreign currency translation rates used.
- (b) **Budget amounts associated with the specified activities** – an NPO may present the budgeted amounts, line by line, associated with the specified activities. An NPO shall only present such amounts where they can be supported by a documented budget agreement between the parties.

- (c) **Prior period amounts relating to the specified activities** – where an NPO presents prior period amounts, each prior period shall be shown in a separate column, clearly identifying the relevant period. A column showing the total for each line over all the periods included may also be added. An NPO shall confirm whether prior period amounts agree to the prior period financial statements, and if not, it shall explain the differences.
- (d) **Amounts for each line split into two time periods which together make up the whole reporting period of the general purpose financial statements** – where an NPO presents this information it shall clearly identify the time periods included in each column, and include a column containing the total for the whole reporting period by each line.
- (e) **Separate columns for each grant and donation** – Where more than one grant or donation is included in the Supplementary statement, the NPO may include each grant or donation, with the related expenses, as a separate column in the Supplementary statement. The NPO may identify each grant or donation separately and may include a column containing the totals of the income and expenses presented for each grant or donation. The NPO may aggregate grants or donations in a column, for example, by grouping grants or donations in accordance with a specific theme or strand of activities, or grouping immaterial grants and donations together.

## Identification and inclusion of the Supplementary statement in the general purpose financial reports

- SS.25 An NPO may include any Supplementary statement(s) that it has prepared as Annex B to the general purpose financial statements, to appear after the final note in these. The Supplementary statement(s) shall be presented separately from the primary financial statements and accompanying notes. Any notes to a Supplementary statement shall follow immediately after the Supplementary statement to which they relate.
- SS.26 If a Supplementary statement and accompanying notes are audited, this shall be noted in the audit report. Where a Supplementary statement is unaudited, this should be clearly marked on both the Supplementary statement and in the audit report.

## Annex A

The format of the Supplementary statement is prescribed in accordance with SS.5 but an NPO is permitted to present further information in separate columns in accordance with SS.23.

### A – Standard prescribed presentation

**Supplementary statement of income, expenses, inventory and capital costs for [INSERT reference for or name by which the specified activities are known, for example, a grant or project name OR INSERT the NPO's name]**

**For the year ending XX XX 20XX**

	Note	Presentation currency
<b>Income</b>		
Grants and donations		
Other income <i>(list by type)</i>		
<b>Total income</b>		
<b>Expenses</b>		
<b>Direct expenses</b>		
Employment		
Travel and subsistence		
Supplies and materials		
Running costs, external services and other		
Gifts in kind		
Grants payable		
<b>Support costs</b>		
<b>Total expenses</b>		
Foreign currency translation gains/losses		
Transfers		
Other financial movements		
Change in grant <i>[fund]</i> balance		
Opening balance		
Closing balance		
<b>Inventory and capital costs (optional)</b>		
Total expenses		
Less: inventory expenses		
Less: depreciation and/or amortisation charged		
Add: inventory costs incurred		
Add: capital costs incurred		
<b>Expenses, inventory and capital costs</b>		
<b>Opening balance including inventory and capital costs</b>		
<b>Closing balance including inventory and capital costs</b>		

## Annex B

The format of the Supplementary statement is prescribed in accordance with SS.5 but an NPO is permitted to present further information in separate columns in accordance with SS.23.

### B1 – Donor or other stakeholder currency presentation

**Supplementary statement of income, expenses, inventory and capital costs for [INSERT reference for or name by which the specified activities are known, for example, a grant or project name OR INSERT the NPO's name]**

**For the year ending XX XX 20XX**

	Note	Current year Presentation currency	Current year Donor currency
<b>Income</b>			
Grants and donations			
Other income <i>(list by type)</i>			
<b>Total income</b>			
<b>Expenses</b>			
<b>Direct expenses</b>			
Employment			
Travel and subsistence			
Supplies and materials			
Running costs, external services and other			
Gifts in kind			
Grants payable			
<b>Support costs</b>			
<b>Total expenses</b>			
Foreign currency translation gains/losses			
Transfers			
Other financial movements			
Change in grant <i>[fund]</i> balance			
Opening balance			
Closing balance			
<b>Inventory and capital costs</b>			
Total expenses			
Less: inventory expenses			
Less: depreciation and/or amortisation charged			
Add: inventory costs incurred			
Add: capital costs incurred			
<b>Expenses, inventory and capital costs</b>			
<b>Opening balance including inventory and capital costs</b>			
<b>Closing balance including inventory and capital costs</b>			

## B2 – Against agreed budget presentation

Supplementary statement of income, expenses, inventory and capital costs for [INSERT reference for or name by which the specified activities are known, for example, a grant or project name OR INSERT the NPO's name]

For the year ending XX XX 20XX

		Actual	Agreed budget
		Current year	Current year
	Note	Presentation currency	Presentation currency
<b>Income</b>			
Grants and donations			
Other income ( <i>list by type</i> )			
<b>Total income</b>			
<b>Expenses</b>			
<b>Direct expenses</b>			
Employment			
Travel and subsistence			
Supplies and materials			
Running costs, external services and other			
Gifts in kind			
Grants payable			
<b>Support costs</b>			
<b>Total expenses</b>			
Foreign currency translation gains/losses			
Transfers			
Other financial movements			
Change in grant [ <i>fund</i> ] balance			
Opening balance			
Closing balance			
<b>Inventory and capital costs</b>			
Total expenses			
Less: inventory expenses			
Less: depreciation and/or amortisation charged			
Add: inventory costs incurred			
Add: capital costs incurred			
<b>Expenses, inventory and capital costs</b>			
<b>Opening balance including inventory and capital costs</b>			
<b>Closing balance including inventory and capital costs</b>			

### B3 – Multi-year presentation

Supplementary statement of income, expenses, inventory and capital costs for [INSERT reference for or name by which the specified activities are known, for example, a grant or project name OR INSERT the NPO's name]

For the year ending XX XX 20XX

		Prior year	Current year	Total to date
	Note	Presentation currency	Presentation currency	Presentation currency
<b>Income</b>				
Grants and donations				
Other income <i>(list by type)</i>				
<b>Total income</b>				
<b>Expenses</b>				
<b>Direct expenses</b>				
Employment				
Travel and subsistence				
Supplies and materials				
Running costs, external services and other				
Gifts in kind				
Grants payable				
<b>Support costs</b>				
<b>Total expenses</b>				
Foreign currency translation gains/losses				
Transfers				
Other financial movements				

		Prior year	Current year	Total to date
	Note	Presentation currency	Presentation currency	Presentation currency
Change in grant <i>[fund]</i> balance				
Opening balance				
Closing balance				
<b>Inventory and capital costs</b>				
Total expenses				
Less: inventory expenses				
Less: depreciation and/or amortisation charged				
Add: inventory costs incurred				
Add: capital costs incurred				
<b>Expenses, inventory and capital costs</b>				
<b>Opening balance including inventory and capital costs</b>				
<b>Closing balance including inventory and capital costs</b>				

## B4 – Split reporting period presentation

Supplementary statement of income, expenses, inventory and capital costs for [INSERT reference for or name by which the specified activities are known, for example, a grant or project name OR INSERT the NPO's name]

For the year ending XX XX 20XX

		Period 1 to [Donor reporting date]	Period 2	Reporting period total
	Note	Presentation currency	Presentation currency	Presentation currency
<b>Income</b>				
Grants and donations				
Other income <i>(list by type)</i>				
<b>Total income</b>				
<b>Expenses</b>				
<b>Direct expenses</b>				
Employment				
Travel and subsistence				
Supplies and materials				
Running costs, external services and other				
Gifts in kind				
Grants payable				
<b>Support costs</b>				
<b>Total expenses</b>				
Foreign currency translation gains/losses				
Transfers				
Other financial movements				



		Period 1 to [Donor reporting date]	Period 2	Reporting period total
	Note	Presentation currency	Presentation currency	Presentation currency
Change in grant <i>[fund]</i> balance				
Opening balance				
Closing balance				
<b>Inventory and capital costs</b>				
Total expenses				
Less: inventory expenses				
Less: depreciation and/or amortisation charged				
Add: inventory costs incurred				
Add: capital costs incurred				
<b>Expenses, inventory and capital costs</b>				
<b>Opening balance including inventory and capital costs</b>				
<b>Closing balance including inventory and capital costs</b>				

## B5 – Multiple grants presentation

Supplementary statement of income, expenses, inventory and capital costs for [INSERT reference for or name by which the specified activities are known, for example, a grant or project name OR INSERT the NPO's name]

For the year ending XX XX 20XX

		Restricted grant 1	Restricted grant 2	Total
		Current year	Current year	
	Note	Presentation currency	Presentation currency	Presentation currency
<b>Income</b>				
Grants and donations				
Other income <i>(list by type)</i>				
<b>Total income</b>				
<b>Expenses</b>				
<b>Direct expenses</b>				
Employment				
Travel and subsistence				
Supplies and materials				
Running costs, external services and other				
Gifts in kind				
Grants payable				
<b>Support costs</b>				
<b>Total expenses</b>				
Foreign currency translation gains/losses				
Transfers				
Other financial movements				

		Restricted grant 1	Restricted grant 2	Total
		Current year	Current year	
	Note	Presentation currency	Presentation currency	Presentation currency
Change in grant [ <i>fund</i> ] balance				
Opening balance				
Closing balance				
<b>Inventory and capital costs</b>				
Total expenses				
Less: inventory expenses				
Less: depreciation and/or amortisation charged				
Add: inventory costs incurred				
Add: capital costs incurred				
<b>Expenses, inventory and capital costs</b>				
<b>Opening balance including inventory and capital costs</b>				
<b>Closing balance including inventory and capital costs</b>				

## B6 – Funds without restrictions presentation

Supplementary statement of income, expenses, inventory and capital costs for [INSERT reference for or name by which the specified activities are known, for example, a grant or project name OR INSERT the NPO's name]

For the year ending XX XX 20XX

		Funds without restrictions	Restricted grant 1	Restricted grant 2	Total restricted grants	Total programme or organisation
		Current year	Current year	Current year		
	Note	Presentation currency	Presentation currency	Presentation currency	Presentation currency	Presentation currency
<b>Income</b>						
Grants and donations						
Other income <i>(list by type)</i>						
<b>Total income</b>						
<b>Expenses</b>						
<b>Direct expenses</b>						
Employment						
Travel and subsistence						
Supplies and materials						
Running costs, external services and other						
Gifts in kind						
Grants payable						
<b>Support costs</b>						
<b>Total expenses</b>						
Foreign currency translation gains/losses						
Transfers						
Other financial movements						
Change in grant <i>[fund]</i> balance						
Opening balance						
Closing balance						

		Funds without restrictions	Restricted grant 1	Restricted grant 2	Total restricted grants	Total programme or organisation
		Current year	Current year	Current year		
	Note	Presentation currency	Presentation currency	Presentation currency	Presentation currency	Presentation currency
<b>Inventory and capital costs</b>						
Total expenses						
Less: inventory expenses						
Less: depreciation and/or amortisation charged						
Add: inventory costs incurred						
Add: capital costs incurred						
<b>Expenses, inventory and capital costs</b>						
<b>Opening balance including inventory and capital costs</b>						
<b>Closing balance including inventory and capital costs</b>						

## Annex C – Optional cash reconciliation presentation

An optional cash reconciliation note can be used to reconcile: (a) income in the Supplementary statement to cash income; (b) expenses and capital costs in the Supplementary statement to cash expenditure; or (c) both income and expenses and capital costs in the Supplementary statement to cash and generate a grant cash balance. It can therefore be used as a cash drawdown report to the donor or to allow the donor to reconcile funds sent as per their records to income received by the NPO.

	Note	Specified activity/grant
		Current year
		Presentation currency (insert)
<b>Income reconciliation to grant cash received</b>		
Grant income		
Add: grant income accrued in prior year received in current year		
Less: grant income accrued in current year but not yet received		
Less: grant cash income received in prior year and deferred to current year		
Add: grant cash income received in current year but deferred		
Less: in kind (non-cash) income included in grant income		
<b>Grant income: cash received in year</b>		

<b>Expenditure reconciliation to grant cash spent</b>		
Total expenses and capital costs recognised		
<b>Cash flows not included in total expenses:</b>		
Add: cash outflows not included in total expenses and capital costs		
Less: cash inflows not included in total expenses and capital costs		
<b>Non-cash expenses and capital costs:</b>		
Less: non-cash expenses, inventory and capital costs included in total expenses		
<b>Grant expenses: cash expended in the year</b>		

<b>Opening grant cash balance</b>		
Net grant cash inflow/outflow		
Cash transfers		
<b>Closing grant cash balance</b>		
<b>Other cash items associated with the grant</b>		
<b>Other opening cash balances</b>		
Add: other cash income reported in the SS		
Cash foreign exchange gains/losses allocated to the grant		
<b>Other closing cash balances</b>		
<b>Closing grant cash balance including other income and foreign exchange</b>		



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