CHAPTER VI
Disclosures

50. Definition

Financial statements are a structured representation of the financial position and financial performance of an entity. The objective of financial statements is to provide information about the financial position, financial performance and cash flows of an entity that is useful to a wide range of users in making economic decisions. Financial statements also show the results of the management's stewardship of the resources entrusted to it. Accounting events that cannot be displayed in the body of the financial statements, there is the requirement of other information as it exerts significant influence on the financial statements or necessary to the understanding of the financial statements. The disclosure of the additional information, along with other information in the notes, assists users of financial statements in predicting the entity's future cash flows and, in particular, their timing and certainty.

51. Essential requirements of disclosures

The following describes disclosure requirements of a non-profit organization beyond what was required or permitted to be written as comments from other provisions of this standard.

a) Introduction of the non-profit organizations and its activities;

b) The accounting policies adopted by non-profit organizations (including recognition criteria of assets, liabilities, income and expenses)

c) Nature of the organization;

d) The contents of the cash and cash equivalents;

e) Highlights of debt that must be repaid in cash;

f) The contents of in-kind donations

g) Collateral received or provided;

h) Related parties and details of the contents of important transactions with them;

i) The contents of the court cases at end of the fiscal year and cases currently in progress, litigation amount, etc.

j) Other disclosure that are relevant to the matters specified in the general description of the non-profit organization accounting standards and with material amount;

52. Disclosure of restricted and unrestricted fund

The following should be disclosed:

a) The accounting policy adopted for restricted funds and unrestricted funds, including the methods of presentation in the financial statements;

b) The nature and extent of restricted contributions recognized in the financial statements, and an indication of other forms of assistance from which the organization has directly benefited; and

c) Unfulfilled conditions and contingencies attaching to assistance that has been recognized.

53. Optional disclosures

In addition to the basic requirements of disclosure of the information required in order to enhance the usefulness of financial statements and fair presentation the preparer and the auditor may add additional disclosure to enrich the quality of the financial statements. For example, a non-profit organization may prepare and disclose the financial information based on product or department for the purpose of the internal management. It may indicate the information as regard to the restricted and unrestricted fund and assets.

54. Explanatory notes (notes to Financial Statements)

The non-profit organizations may give explanatory note for the financial statements in order to promote the understanding and for convenience of the users of financial statements.

a) Explanatory notes should be presented with cross reference in the main body of the financial statements and in the disclosure and notes to accounts;

b) If there are more than one comments relating to an individual items in the financial statements, that shall be appeared accordingly with cross reference;

Applicability

55. Applicability

This Standard shall be applicable from July 16, 2020 and early application shall be permitted. In case of the early application that fact shall be disclosed.

56. Transitional provisions

This standard shall be applied retrospectively. If it is impracticable to undertake the retrospective application of the full requirements of this standard, then that shall be applicable from the first accounting period that can be practically applied this standard.