



EXTERNAL REPORTING BOARD

Te Kāwai Ārahi Pūrongo Mōwaho

Statement of Performance Expectations

**For the period
1 July 2021 to 30 June 2022**

April 2021

Prepared in accordance with section 149C of the Crown Entities Act 2004

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Statement of Responsibility

This Statement of Performance Expectations has been prepared in accordance with the requirements of section 149C of the Crown Entities Act 2004. The purpose of the Statement of Performance Expectations is to promote the public accountability of the External Reporting Board (XRB) by:

- enabling the responsible Minister to participate in the process of setting the XRB's annual performance expectations.
- enabling the House of Representatives to be informed of those expectations; and
- providing a base against which the XRB's actual performance for the year can be assessed.

The XRB is responsible for the content of this Statement of Performance Expectations, which comprises the reportable outputs (as specified in the Statement of Forecast Service Performance) and the Prospective Financial Statements for the year, including the assumptions on which they are based, and for the judgements used in preparing them.

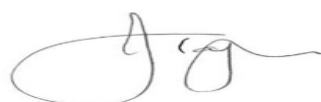
The Prospective Financial Statements have been prepared in accordance with generally accepted accounting practice in New Zealand.

As the XRB is an Independent Crown Entity, the Minister may not direct the XRB to have regard to, or give effect to, a government policy relating to the XRB's standard setting functions and as a result no such matters are included in this Statement of Performance Expectations.

In accordance with section 149I of the Crown Entities Act 2004, the XRB has consulted with the Minister of Commerce and Consumer Affairs in the preparation of this Statement.



Michele Embling
Chair
Date: 17 May 2021



Jane Taylor
Deputy Chair
Date: 17 May 2021

1. Introduction

1.1 Purpose of the Statement of Performance Expectations

This Statement of Performance Expectations (SPE) outlines the key aspects of the performance the XRB is expecting to deliver and prospective financial statements for the 2021/22 financial year. It describes the services we are funded to deliver, through our Government appropriation.

NOTE: This SPE has been drafted on the basis that proposed Climate Related Disclosure legislation will be enacted and that the necessary funding (included in the XRB's 2021 Budget appropriation) to deliver on an expanded mandate will progress in the timeframes indicated by the Government. Should either of these not progress, the XRB will discuss with the Minister and MBIE the implications for the current SPE and revise accordingly.

1.2 Overview of the XRB

The XRB's vision is that New Zealand prospers through effective decision making informed by high-quality, credible, integrated reporting. Our aim is to contribute to New Zealand's goal to create a sustainable, inclusive and prosperous economy. High-quality information is critical to ensuring decision making that impacts the wellbeing of New Zealand and New Zealanders is well informed. Our strategy recognises that high quality information goes beyond financial information and includes non-financial elements of performance including value creation, sustainability, and the wider impacts an organisation has on society and the environment. When integrated, this information spans the natural, human, social, and financial capitals that support intergenerational wellbeing. We enable high quality, credible, and integrated reporting through the provision of robust frameworks and standards that are internationally credible, while being relevant to Aotearoa New Zealand so that reporting and assurance in New Zealand promotes trust, confidence, transparency and accountability.

Legal Functions

The XRB is an Independent Crown Entity, initially established under the Financial Reporting Act 1993, with continued existence under Section 11 of the Financial Reporting Act 2013. As a Crown Entity, the XRB is subject to, and operates pursuant to, the Crown Entities Act 2004.

The XRB's functions are prescribed by Section 12 of the Financial Reporting Act 2013 and are as follows:

- developing and implementing an overall strategy for financial reporting standards (both accounting and auditing & assurance standards), including developing and implementing tiers of financial reporting;
- preparing and issuing financial reporting standards, including where applicable "non-GAAP standards" for entities entitled by law to use cash accounting, and authoritative pronouncements;

- preparing and issuing auditing & assurance and related services standards, including the professional and ethical standards that will govern the professional conduct of assurance providers; and
- liaising with national and international organisations that exercise functions that correspond with, or are similar to, those conferred on the XRB.

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill was introduced to the House mid-April 2021, it proposes an extension of the XRB’s mandate. The Bill proposes mandatory climate-related disclosure (CRD) reporting for all Crown financial institutions, large insurers, registered banks, credit unions, building societies and managers of registered investment schemes with more than \$1 billion in assets, and all listed entities. The XRB is charged with developing the reporting standards to support the new climate reporting regime.

The XRB Board comprises up to nine members appointed by the Governor General on the recommendation of the Minister of Commerce and Consumer Affairs. Information about the current members of the XRB can be found at www.xrb.govt.nz.

A staff team (currently 18 FTE) based in Wellington, Auckland, Christchurch, Dunedin and Nelson provide technical and logistical support.

2. Reportable Classes of Output

2.1 Reportable Classes of Output

The XRB has one reportable class of output, purchased by the Minister of Commerce and Consumer Affairs, i.e. one class of output funded by appropriation. There are five individual outputs that make up the class of output and these are described in the Statement of Forecast Service Performance (2.2. below).

Output Class: 2021/22 Forecast

Description of Output Class

Financial and climate reporting and auditing and assurance standards and other guidance issued for the purposes of promoting the quality of New Zealand financial and non-financial reporting.

What the Output Class is Intended to Achieve

The development and issuing of financial, climate reporting and auditing and assurance standards, and associated guidance that engender confidence in New Zealand financial and non-financial reporting; assist entities to better communicate their performance, enhance entities’ transparency, accountability and stewardship to stakeholders and support high performing and accountable organisations in both the private and public sectors.

	2021/22
Revenue from the Crown (\$000)	8,581
Revenue from Others (\$000)	26
Cost (\$000)	8,607

The XRB does not have any reportable class of outputs for which an exemption has been granted under section 149F of the Crown Entities Act 2004.

The XRB does not intend to supply any class of outputs in the 2021/22 financial year that is not a reportable class of outputs.

2.2 Statement of Forecast Service Performance for the Year Ended 30 June 2022

The XRB has five specific outputs that make up its Output Class:

- Develop and implement reporting strategies and frameworks for the Board's standard's setting activities (Output 1)
- Preparing and issuing Financial Reporting Standards (Output 2)
- Preparing and issuing Auditing & Assurance and other related services Standards (Output 3)
- Preparing and issuing climate standards and non-binding integrated reporting guidance (Output 4)
- Liaise with and influence of international bodies (Output 5)

In order to provide more detail of the activity that will be undertaken to produce the outputs described in Output 2 – Output 3 above, the forecast projects of the two standard-setting boards are listed at Appendix A and Appendix B. These projects are subject to change as they are impacted by a range of external factors, including social, economic and financial conditions, as well as by the activities of international bodies such as the IFRS Foundation and its board the International Accounting Standards Board (IASB), the International Public Sector Accounting Standards Board (IPSASB), the International Audit and Assurance Standards Board (IAASB), the International Ethics Standards Board for Accountants (IESBA), it is anticipated that the timing of these projects may need adjustment during the course of the year.

Output 4 will be impacted by international developments including the outcome of discussions regarding the establishment of an international board on sustainability, under the auspices of the IFRS Foundation.

Performance measures for XRB

	Performance measure	Forecast for 2021/22
Output 1. Develop and implement reporting strategies and frameworks for the Board's standard's setting activities	<p>The NZ financial reporting framework is fit for purpose and has the support of key stakeholders.</p> <p>The development of an integrated reporting framework that is relevant for NZ.</p> <p>The development of climate reporting standards that promote good quality decision making.</p> <p>Ongoing monitoring of the demand for assurance over Climate Statements and integrated reports.</p> <p>Assess the need for audit quality reforms based on the international developments regarding governance and audit quality reforms.</p> <p>Obtain stakeholder feedback on the current strategies for developing Financial and climate reporting and auditing and assurance standards and other guidance.</p> <p>Feedback should be sought from key stakeholder groups, including users, preparers, auditors, and regulatory bodies. Other mechanisms for receiving feedback include environmental scans, monitoring of media, research, and forums.</p>	<p>(a) Maintain the existing financial reporting strategy including the multi-standards, multi-tier Accounting Standards Framework</p> <p>(b) Develop and issue for feedback a Te Ao Māori world view framework for integrated reporting.</p> <p>(c) Develop and issue a strategy and work program for the climate standards and integrated reporting guidance.</p> <p>(d) Develop and issue due process documentation for the climate standards and integrated reporting guidance.</p> <p>(e) Develop and issue a consultation document on the levels of assurance required for GHG disclosures in the Climate Statement.</p> <p>(f) Survey investors and preparers regarding assurance needs in Climate Statements and issue a report.</p> <p>(g) Host a series of roundtables to discuss Governance and audit quality in New Zealand and issue a report on possible reforms and actions necessary to maintain and enhance governance and audit quality.</p> <p>(h) Stakeholders agree that XRB engagement processes are effective and fit for purpose and that consultation documents are clear and understandable.</p>
Output 2. Preparing and issuing Financial Reporting Standards	Number of exposure drafts (EDs) exposed for comment in New Zealand	<p>EDs expected to be issued:</p> <p>(a) IASB - 9</p> <p>(b) IPSASB - 4</p>

		(c) NZASB – 9 Total – 22
	Number of NZASB Accounting Standards issued	Standards expected to be issued: (a) IASB based - 8 (b) IPSASB based- 7 (c) Domestic – 4 Total – 19
	Number of other guidance documents issued to support consistent application of standards	Other staff FAQ's and guidance – 8
	Standards reflect relevant international standards with departures only to improve quality for the New Zealand environment. And for-profit accounting standards harmonised with Australia (where appropriate)	100% compliance
	Due process followed as demonstrated by the signing memo and approved by the XRB Board	100% compliance
	Number of outreach events held to support the development and promote awareness of accounting standards (e.g. webinars, roundtables, and other presentations).	Number of events: 35 Number of attendees: over 1,500
Output 3. Preparing and issuing Auditing & Assurance Standards and other related services standards	Number of standards issued.	4 International based professional and ethical standards 4 International based auditing and assurance and related services standards 2 New Zealand-specific auditing and assurance and related services standards

	Number of ED's exposed for comment in New Zealand.	3 EDs of domestic based auditing and assurance and related services standards.
	Develop and issue a consultation document on the applicability of ISAE-NZ 3410 <i>Assurance engagements on Greenhouse gas statements</i> for the assurance of Climate Statements: including consultation on the application of code of Ethics, independence requirements, and quality management.	Issue consultation document
	Due process followed as demonstrated by the signing memo and approved by the XRB Board	100% compliance
	Number of outreach events held to support the development and raise awareness of audit and assurance standards (e.g., webinars, roundtables, and other presentations).	Number of events: 25; including a series of 5 roundtables on Climate Statement Assurance; 2 roundtables on Non-assurance services and 3 workshops on implementation of quality management standards. Number of attendees: over 500
Output 4: Preparing and issuing climate standards and non-binding integrated reporting guidance *	Number of Consultation documents issued. Number of outreach events held to support the development and raise awareness of climate related disclosure standards (e.g., webinars, roundtables, and other presentations).	Issue 5 consultation documents in the lead up to issuing a comprehensive exposure draft in July 2022: <ul style="list-style-type: none"> - Governance section of the standard - Risk management section of the standard - Strategy and metrics/targets sections of the standard - Materiality guidance - GHG emissions calculation guidance Number of events 20; including webinars and roundtables on the introduction to Climate related disclosures; climate risks and Greenhouse Gas Protocol Number of attendees: over 400

Output 5: Liaise with and influence of international bodies	Submissions on relevant international consultation documents.	NZASB: 8 submissions NZAuASB: 5-8 submissions
	<p>Participation as members on relevant international boards, regional groupings, working groups and task forces.</p> <p>Attendance at meetings and working with international boards to influence international standard setting.</p> <p>Maintain membership, attendance and participation in Australian boards (Financial Reporting Council (FRC); Australian Accounting Standards Board (AASB); Australian Audit and Assurance Standards Board (AuASB). Liaise with</p>	<p>Maintain New Zealand representation on IPSASB and IAASB</p> <p>Attend (in person or virtually) relevant International Accounting Standards Board (IASB) meetings and participate in related national standards setters' meetings.</p> <p>Attend (in person or virtually) all International Public Sector Accounting Standards Board (IPSASB) meetings and participate in related national standards setters' meetings.</p> <p>Ongoing membership of the Australian Standards Boards (FRC, AASB and AuASB), and vice versa</p> <p>Attend (in person or virtually) all International Audit and Assurance Standards Board (IAASB) meetings and participate in related national standards setters' meetings.</p> <p>Maintain strong working relationship with the International Ethics Standards Board for Accountants (IESBA)</p>
	Staff secondments to relevant international standard setting bodies.	Staff secondments to relevant international standard setting bodies where appropriate.
	Host international guests from relevant international organisations at various forums.	<p>As appropriate but including:</p> <p>Chair of the International Public Sector Accounting Standards Board (IPSASB)</p> <p>International Accounting Standards Board (IASB) members and staff</p> <p>IFRS Trustees and staff</p>

- Significant levels of organisational activity will be undertaken to establish and build the XRS's capability and capacity as the XRB builds out its work program in the area of Climate related disclosure standards and non-binding integrated reporting guidance.

Our one reportable output class is achieved through the delivery of five individual outputs. The revenue allocated from our appropriation, together with the direct and attributed overhead costs for each output, is outlined below:

Output 1: Financial Reporting Strategy	2020/21 Estimate	2021/22 Forecast
	\$000	\$000
Crown Revenue Allocated	884	666
Crown Revenue Allocated-Climate related disclosures	1,100	0
Other Revenue	12	26
Costs	911	604
Attributed Overhead costs and other revenue	208	88

Output 2: Preparing and Issuing Financial Reporting Standards	2020/21 Estimate	2021/22 Forecast
	\$000	\$000
Crown Revenue Allocated	2,116	2,092
Other Revenue	0	0
Costs	1,850	1,827
Attributed Overhead costs and other revenue	221	265

Output 3: Preparing and Issuing Auditing and Assurance Standards	2020/21 Estimate	2021/22 Forecast
	\$000	\$000
Crown Revenue Allocated	1,411	1,360
Other Revenue	0	0
Costs	1,178	1,188
Attributed Overhead costs and other revenue	147	172

Output 4: Preparing and issuing climate standards and non-binding integrated reporting guidance	2020/21 Estimate \$000	2021/22 Forecast \$000
Crown Revenue Allocated	0	3,202
Other Revenue	0	0
Costs	0	2,796
Attributed Overhead costs and other revenue	0	406

Output 5: Liaison with and influence of international bodies	2020/21 Estimate \$000	2021/22 Forecast \$000
Crown Revenue Allocated	0	1,261
Other Revenue	0	0
Costs	0	1,101
Attributed Overhead costs and other revenue	0	160

The XRB has changed its output classes for 2021/2022 to include preparing and issuing climate standards and non-binding integrated reporting guidance and liaison with and influence of international boards. The XRB anticipates its mandate to be changed to include Climate standards and non-binding guidance for integrated reporting. During the year ended 30 June 2021, the XRB received an additional appropriation of \$1.1M to commence this work.

Liaison with and influence of international bodies was previously included within Outputs 1,2 and 3 and now also includes this work in relation to climate and integrated reporting.

3. Prospective Financial Statements for the Year Ended 30 June 2022

3.1 Introduction

These prospective financial statements have been prepared in accordance with generally accepted accounting practice for public sector public benefit entities. Their purpose is to facilitate consideration by Parliament of the planned performance of the External Reporting Board (XRB). The prospective financial statements set out the XRB's activities and planned performance. The use of this information for other purposes may not be appropriate. Readers are cautioned that actual results are likely to vary from the information presented and that the variation may be material.

These prospective financial statements have been prepared based on assumptions as to future events that the XRB reasonably expects to occur as at the date the information was prepared. It is not intended that this information will be updated.

3.2 Assumptions

The following assumptions have been used in preparing these prospective financial statements:

- The XRB will continue to operate in its current structure and form.
- The XRB's statutory functions will remain unchanged.
- Revenue from the Crown of \$8,581,000 year.
- There will be no change to premises occupancy.
- Externally driven costs will increase by no more than the rate of inflation.
- There will be no unexpected external events (such as a natural disaster) that will require significant operating or capital expenditures to be incurred.

3.3 Statement of Accounting Policies

(a) Reporting Entity

The XRB is an Independent Crown Entity under the Crown Entities Act 2004 and is responsible for financial reporting strategy and preparing and issuing financial reporting and auditing and assurance standards. The XRB was established on 1 July 2011.

The XRB has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

(b) Statement of Compliance

These prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 2 PBE Accounting Standards and disclosure concessions have been applied. This includes PBE FRS 42 Prospective Financial Statements.

The criteria under which the XRB is eligible to report in accordance with Tier 2 PBE Accounting Standards are:

- The XRB does not have public accountability as defined in XRB A1 Accounting Standards Framework (For-profit Entities plus Public Sector Public Benefit Entities plus Not -for-profit Entities update) and;
- The XRB has total expenses between \$2 million and \$30 million.

These prospective financial statements comply with PBE Accounting Standards.

These prospective financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

The prospective financial statements were approved by the XRB Board on 17 May 2021. The XRB Board is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures.

(c) Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of results and financial position on a historical cost basis have been applied.

(d) Functional, Presentation Currency and Rounding

The prospective financial statements are presented in New Zealand dollars. The functional currency of the XRB is New Zealand dollars. All values are rounded to the nearest thousand dollars (\$'000) unless otherwise specified.

(e) Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised when earned and is reported in the financial period to which it relates.

Revenue from the Crown

The XRB is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the Board meeting its objectives as specified in the Statement of Intent.

The XRB considers that there are no conditions attached to the Crown funding and as such it is recognised as revenue at the point of entitlement.

Interest

Interest income is recognised using the effective interest rate method.

Cash at Bank

Cash at bank includes cash on hand and deposits held at call with banks. Bank deposits are initially measured at the amount invested. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest rate method, less any provision for impairment.

Receivables

Receivables are initially measured at face value less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the XRB will not be able to collect amounts due according to the original terms of the receivable.

Property, Plant & Equipment

Property, plant and equipment consists of the following asset classes, furniture and fittings, plant and equipment, property improvements and computer equipment.

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the XRB and the cost of the item can be measured reliably.

Purchases of property, plant and equipment are initially recorded at cost.

Items of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may overstate fair value.

Costs incurred after the initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the XRB and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant and equipment are recognised in the surplus / (deficit) as they are incurred.

Depreciation is calculated to write off the cost over the expected useful lives of the assets from the date they are brought into use.

Straight line depreciation is charged at the following rates:

- | | |
|--------------------------|-------|
| • Furniture and Fittings | 10.5% |
| • Plant and Equipment | 30% |
| • Property Improvements | 7% |
| • Computer Equipment | 40% |

Intangible Assets

Acquired computer software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software. The XRB does not capitalise any internal costs incurred in the development of software for internal use.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Website development costs are capitalised as new functionality is created.

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus / (deficit). Straight line amortisation is charged on intangibles at the following rates:

- | | |
|-----------------------|-----|
| • Computer Software | 40% |
| • Website development | 25% |

Payables

Payables are initially measured at face value. After initial recognition, they are measured at amortised cost using the effective interest rate method.

Goods and Services Tax (GST)

All items in the prospective financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue (IR) is included as part of receivables or payables in the Prospective Statement of Financial Position.

The net GST paid to or received from IR is classified as an operating cash flow in the Prospective Statement of Cash Flows.

Income Tax

The XRB is exempt from the payment of income tax. Accordingly, no provision for income tax has been made.

Financial Instruments

The XRB is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, receivables and payables. All financial instruments are recognised in the Prospective Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Prospective Statement of Comprehensive Revenue and Expense.

Operating Leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the XRB are classified as operating leases. Payments are recognised as an expense on a straight-line basis over the term of the lease in the Prospective Statement of Comprehensive Revenue and Expense when payable. Lease incentives received are recognised in the deficit as a reduction of rental expense over the lease term. The XRB has an operating lease on its premises at 50 Manners Street, Wellington.

(f) Changes in Accounting Policies

There have been no changes in accounting policies.

External Reporting Board

Prospective Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2022

	2020/21 Estimate \$000	2021/2022 Forecast \$000
Revenue from the Crown	5,511	8,581
Interest	12	26
Total Revenue	5,523	8,607
Personnel Costs	2,555	4,442
Board Members' Fees	609	1,229
Travel	81	692
General Operating Costs	688	1,087
Contributions to IASB, IPSASB and other International Boards	250	550
Premises Expenses	168	165
Depreciation	108	106
Website / IT	30	312
Audit Fees	26	24
Total Expenses	4,515	8,607
Net (Deficit)	1,008	0
Other Comprehensive Revenue and Expenses	0	0
Total Comprehensive Revenue and Expenses	1,008	0

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Prospective Statement of Comprehensive Revenue and Expense

External Reporting Board

Prospective Statement of Financial Position

As at 30 June 2022

	2020/21 Estimate \$000	2021/22 Forecast \$000
ASSETS		
Current Assets		
Cash at Bank	606	237
Prepayments	50	60
Receivables	30	20
Investments	2,500	2,800
	<u>3,186</u>	<u>3,117</u>
Non-Current Assets		
Property, Plant and Equipment	152	287
Intangible Assets	16	0
	<u>168</u>	<u>287</u>
Total Assets	<u>3,354</u>	<u>3,404</u>
LIABILITIES		
Current Liabilities		
Creditors	150	165
Holiday Pay	150	185
	<u>300</u>	<u>350</u>
Non-Current Liabilities		
Provisions	19	19
	<u>19</u>	<u>19</u>
NET ASSETS	<u>3,035</u>	<u>3,035</u>
EQUITY		
Capital Contribution from the Crown	725	725
Retained Earnings	2,310	2,310
TOTAL EQUITY	<u>3,035</u>	<u>3,035</u>

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Prospective Statement of Financial Position

External Reporting Board

Prospective Statement of Movements in Equity

For the year ending 30 June 2022

	2020/21 Estimate \$000	2021/22 Forecast \$000
Equity as at 1 July	2,027	3,035
Total Recognised Revenues and Expenses	1,008	0
Equity as at 30 June	3,035	3,035

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Prospective Statement of Movements in Equity

External Reporting Board

Prospective Statement of Cash Flows

As at 30 June 2022

	2020/21 Estimate \$000	2021/22 Forecast \$000
Cash Flows from Operating Activities		
Cash was provided from:		
Revenue from the Crown	5,511	8,581
Interest	17	26
	<hr/> 5,528	<hr/> 8,607
Cash was distributed to:		
Employee Costs	2,579	4,407
Suppliers	1,508	3,495
Contribution to IASB IPSASB and other International Boards	250	550
	<hr/> 4,337	<hr/> 8,452
Net Cash Flow from: Operating Activities	1,191	155
Cash Flows from Investing Activities		
Cash was distributed to:		
Purchase of Property, Plant and Equipment	30	224
	<hr/>	<hr/>
Net Cash Flow from: Investing Activities	(30)	(224)
Cash Flows from Financing Activities		
Decrease / Increase in Term Deposits	(1,247)	(300)
	<hr/>	<hr/>
Net Cash Flow from: Financing Activities	(1,247)	(300)
Net (Decrease) / Increase in Cash	(86)	(369)
Add Opening Cash Balance	692	606
	<hr/>	<hr/>
Closing Cash Balance	606	237
	<hr/> <hr/>	<hr/> <hr/>

The Statement of Accounting Policies forms part of and is to be read in conjunction with the Prospective Statement of Cash Flows

4. Explanation of Prospective Financial Statements

Prospective Statement of Comprehensive Revenue and Expense

Revenue

The XRB anticipates its mandate to be expanded to include the development of Climate related disclosure standards and integrated reporting. The XRB received an additional \$1.1M appropriation in 2020/21. The XRB has made a cost pressure bid for both our anticipated expanded mandate and cost pressures for our current outputs totalling \$4.1M in 2021/22.

Interest

Interest is forecast to increase as a consequence of the anticipated additional appropriation.

Personnel Costs

Personnel costs has increased by \$1.8M as the XRB will need to grow its workforce to be able to deliver on the proposed new mandate and to its current functions. We estimate that additional eight full time employees will be required.

Board Members Fees

Board members fees has increased by \$620,000 as the XRB organisation will require additional meeting time in order to meet increased activity regarding its current functions and new mandate work.

Travel

Due to COVID 19 and the New Zealand borders being closed, the XRB travel expenditure for the 2020/21 year is very low. We anticipate returning to in- person representation at International Board meetings in 2021/22.

General Operating costs

General operating costs are forecast to increase due to increased numbers of staff, a reintroduction of our research program and increased communications costs associated with our proposed new mandate.

Contributions to IASB/ IPSASB and other International Boards

The XRB reduced its contribution to the IASB in 2020/21 from \$200K to \$150K. However, we anticipate that XRB will need to support other international Boards focused on climate related reporting and non- financial reporting. We have forecast \$300,000 for this contribution in 2021/22. The contribution to IPSASB at \$100K remains unchanged.

Website costs

The XRB has forecast to increase our spend to ensure that our website can provide the best possible user experience and ensure that information is easily accessible.

Prospective Statement of Financial Position

Property Plant and Equipment

The XRB has budgeted to replace some of its ageing Surface Pro computers during 2021/22. In addition, we have budgeted for a small re-arrangement of our Wellington office to enable us to have space enough for our forecast increase in employees.

APPENDIX A NZASB — Project forecast

NZASB submissions	Year to June 2021 (Estimated actual)	Year to June 2022 (Forecast)
Estimated Total – 2021	8	
IASB DP: Business Combinations – Disclosure, Goodwill and Impairment		
IASB ED: General Presentation and Disclosure		
IASB ED: Covid-19-Related Rent Concessions beyond 30 June 2021		
IPSASB ED 70: <i>Revenue with Performance Obligations</i>		
IPSASB ED 71: <i>Revenue without Performance Obligations</i>		
IPSASB ED 72: <i>Transfer Expenses</i>		
IPSASB ED 75: <i>Leases</i>		
IPSASB RFI: Concessionary Leases and Other Arrangements Similar to Leases		
Forecast Total – 2022		12
IASB DP: Business Combinations Under Common Control		
IASB RFI: IASB Agenda Consultation		
IASB RFI: Post-implementation Review of IFRS 9 – Classification and Measurement		
IASB ED: Disclosure Initiative – Targeted Standards-level Review of Disclosures		
IASB ED: Disclosure Initiative - Subsidiaries that are SMEs		
IASB CP: Equity Method		
IPSASB ED 76: Conceptual Framework, Measurement Update		
IPSASB ED 77: Measurement		
IPSASB ED 78: IPSAS 17 Update		
IPSASB ED 79: Non-current Assets and Discontinued Operations		
IPSASB DP: Natural Resources		
IPSASB DP: Mid-Term Agenda Consultation		

Standards issued by NZASB	Year to June 2021 (Estimated actual)	Year to June 2022 (Forecast)
Estimated Total – 2021	10	
IASB based standards	8	
IPSASB based standards	-	
Domestic standards	7	
Forecast Total – 2022		19
IASB based standards		8
IPSASB based standards		7
Domestic standards		4

Domestic standards issued by NZASB	Year to June 2021 (Estimated actual)	Year to June 2022 (Forecast)
Estimated Total – 2021	7	
Going Concern Disclosures (Amendments to PBE IPSAS 1)		
Going Concern Disclosures (Amendments to FRS-44)		
2020 Amendments to PBE FRS 48 - Deferral of effective date to 1 January 2022		
Amendments to PBE IFRS 17		
PBE Interest Rate Benchmark Reform—Phase 2		
Editorial Corrections to NZ IFRS		
Editorial Corrections to PBE Standards		

Forecast Total – 2022		5
Audit Fee Disclosures		
Public Sector Insurance		
Amendments to Tier 3 Standards		
Amendments to Tier 4 Standards		
PBE Editorials		

Consultation documents issued for comment by NZASB	Year to June 2021 (Estimated actual)	Year to June 2022 (Forecast)
Estimated Total – 2021	18	
IASB ED: Lease Liability in a Sale and Leaseback- Proposed amendment to IFRS 16		
IASB ED: Business Combinations under Common Control		
IASB RFI: RFI: Post-implementation of IFRS 10,11 and 12		
IASB ED: Regulatory Assets and Regulatory Liabilities		
IASB ED: Covid-19-Related Rent Concessions beyond 30 June 2021		
IASB ED: Disclosure Initiative – Targeted Standards-level Review of Disclosures		
IASB ED: Lack of Exchangeability (Amendments to IAS 1)		
IASB RFI: IASB Agenda Consultation		
IPSASB ED 73: COVID 19: Deferral of Effective Dates		
IPSASB ED 74: IPSAS 5, Borrowing Costs-Non-authoritative Guidance		
IPSASB ED 75: Leases		
IPSASB ED RFI: Concessionary Leases and Other Arrangements Similar to Leases		
IPSASB ED 76: Conceptual Framework Chapter 7, Measurement: Update		
IPSASB ED 77: Measurement		
IPSASB ED 78: IPSAS 17 Update		
IPSASB ED 79: Non-current Assets Held for Sale and Discontinued Operations		
NZASB ED: PBE Interest Rate Benchmark Reform—Phase 2		
NZASB RFI: Review of Simple Format Reporting Standards		
Forecast Total – 2022		22
IASB ED: Disclosure Initiative - Subsidiaries that are SMEs		
IASB CP: Equity Method		
IASB CP: Extractive Industries		
IASB ED: Financial Instruments with Characteristics of Equity		
IASB ED: ED Goodwill and Impairment		
IASB RFI: Post-implementation Review of IFRS 9 - Classification and Measurement		
Plus, another 3 estimated documents issued for comment by the IASB (based on previous years)		
IPSASB ED: Improvements		
IPSASB ED: Leases Public Sector Specific Issues		
IPSASB CP: Mid-Period Work Program		
IPSASB CP: Natural Resources		
PBE IFRS 17 Insurance Contracts (public sector)		
Disclosure of audit fees		
Amendments to Tier 3 and Tier 4 Simple Format Reporting Standards		
Omnibus Amendments to PBE Standards		
PBE IPSAS Revenue		
PBE IPSAS Transfer Expenses		
PBE IPSAS Leases		
PBE IPSAS Amendments to IPSAS 5 Borrowing Costs		
PBE IPSAS Non-current Assets Held for Sale and Discontinued Operations		

APPENDIX B NZAuASB — Project forecast

Submissions

	Year to June 2021 (Estimated actual)	Year to June 2022 (Forecast)
Estimated Total – 2021	7	
<i>IAASB</i>		
Going concern and Fraud Discussion Paper		
IAASB Auditor Reporting PIR Survey (NSS)		
IAASB Exposure Draft – Proposed ISA 600 (Revised)		
IAASB Consultation Paper: Proposed Non-Authoritative Guidance Extended External Reporting (EER) Assurance		
Conforming amendments re QMS for ISAs		
Conforming amendments re QMS for other assurance standards		
<i>IESBA</i>		
Exposure Draft on Public Interest Entities		
Forecast Total – 2022		6
ISA 500 Evidence		
LCE standard		
IESBA Technology		
IAASB workplan		
IESBA workplan		
PIR Long association		

New Zealand consultation documents issued for comment by NZAuASB

	Year to June 2021 (Estimated actual)	Year to June 2022 (Forecast)
<i>Professional and Ethical standards</i>		
Total – 2021/ 2022	6	1
PES-1 (Part 2)	1	
Pes-1 (FEES, NAS)	1	
NZAuASB ED: Public interest entity definition		1
PES-3, PES-4	2	
Auditing and Assurance Standards and related services		
Conforming amendments re QMS	1	
ISA (NZ) 220	1	

NZAuASB standards issued

	Year to June 2021 (Estimated actual)	Year to June 2022 (Forecast)
Professional and Ethical standards		
Total	4	2

PES-3 (Revised)	1	
PES-4	1	
PES -1 (Fees, NAS)		1
PES -1 (Pie definition)		1
PES -1 (Part 2)	1	
PES-1 (Objectivity)	1	
Auditing and Assurance Standards and related services		
Total	3	3
ISA (NZ) 220 (revised)	1	
ISA (NZ) 600 (revised)		1
Conforming amendments re QMS (ISAs and other standards)		2
Agreed Upon Procedures	1	
ISA (NZ) 315 conforming amendments	1	

NZ domestic standards forecast

	Year to June 2021 (Estimated actual)	Year to June 2022 (Forecast)
NZ SRE 2410	1	
Review standards on SPI		1
Corporate Fundraising standards		1
Alternative engagement for small charities		1