

DEFINITIONS

Non-Exchange transactions are transactions in which one entity will receive resources and provide no or nominal consideration directly in return.

There is a further group of non-exchange transactions where the entity may provide some consideration directly in return for the resources received, but that consideration does not approximate the fair value of the resources received. In these cases, the entity determines whether there is a combination of exchange and non-exchange transactions, each component of which is recognised separately. There are also additional transactions where it is not immediately clear whether they are exchange or non-exchange transactions. In these cases an examination of the substance of the transaction will determine if they are exchange or non-exchange transactions. (For revenue from exchange transactions, please refer to PBE IPSAS 9).

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the reporting entity, which represents an increase in net assets/equity, other than increases relating to contributions from owners.

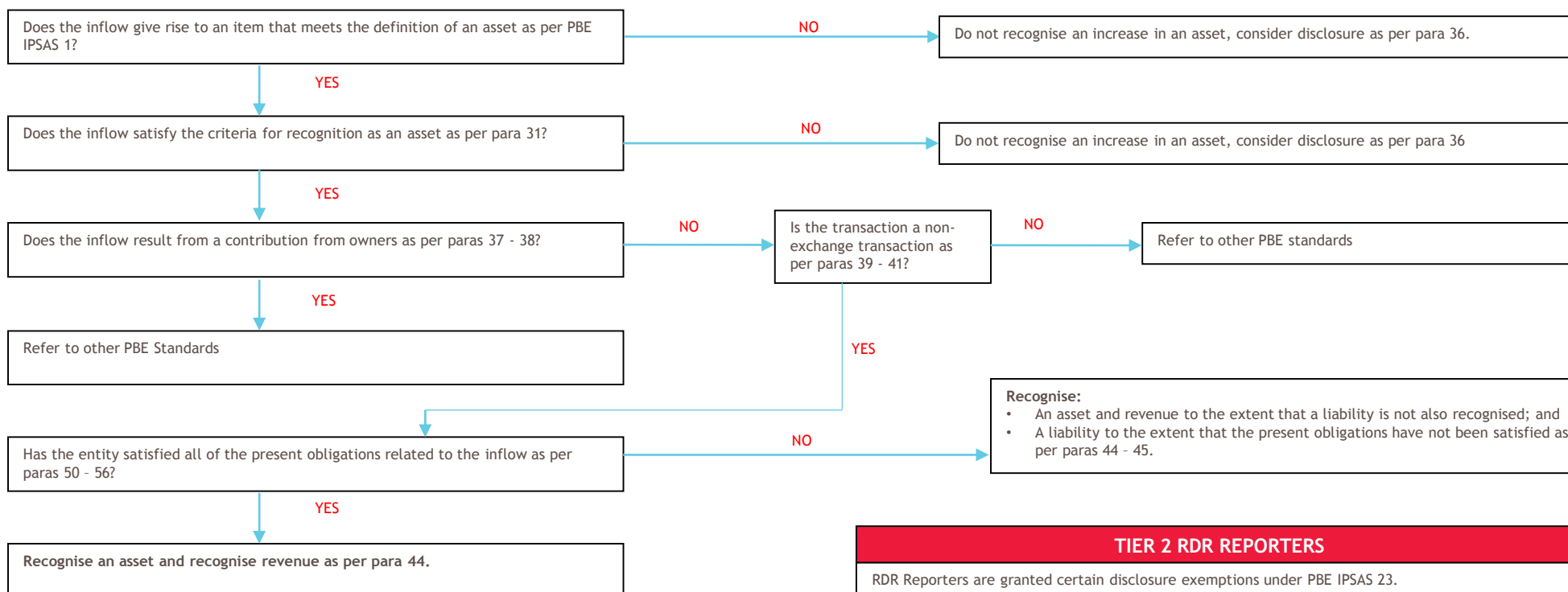
Examples of non-exchange transactions include taxes, fines, bequests, donations, grants and donated goods.

MEASUREMENT

- Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised by the entity.
- Assets acquired through non-exchange transactions are initially measured at fair value as at the date of acquisition.
- The amount recognised as a liability must be the best estimate of the amount required to settle the present obligation at the reporting date.

RECOGNITION

The initial inflow of the resource needs to be assessed in order to determine if the transaction is a non-exchange revenue transaction and whether an asset and related revenue can be recognised; or if an asset and a liability (deferred revenue) must be recognised. Tax assets are recognised when the taxable event occurs and the asset recognition criteria are met. The recognition assessment is as follows:



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