

ILLUSTRATIVE EXAMPLE SHOWING RELATED PARTIES (Identified as (r) below)

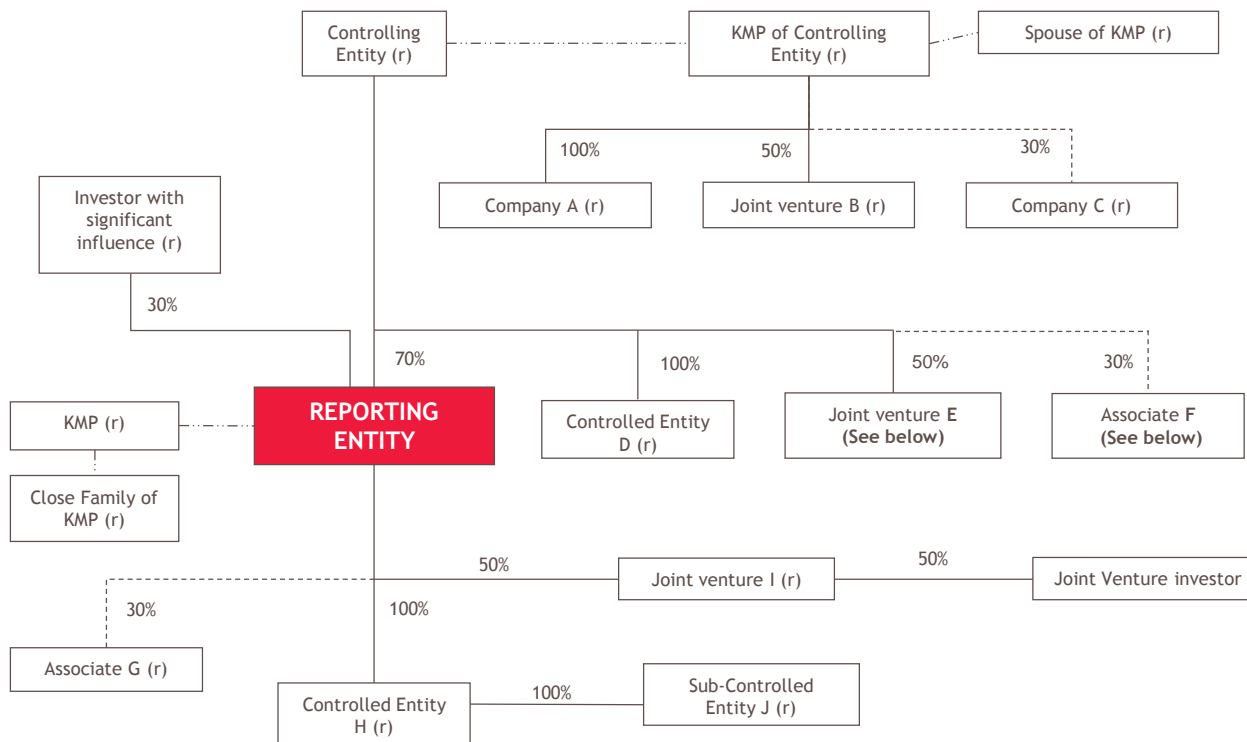


Illustration used for example purposes only. It does not form part of PBE IPSAS 20.

Joint Venture E and Associate F

- The PBE IPSAS definition of a related party does not necessarily include Joint Venture E and Associate F above. However, an associate or joint venture of key management personnel of the controlling entity IS a related party under PBE IPSAS 20.
- The above diagram is for illustrative purposes only. It does not contain an exhaustive analysis of related party relationships

DEFINITIONS

Key management personnel (KMP) are those persons having authority and responsibility for:

- Planning, Directing, & Controlling the activities of the entity, directly or indirectly, including all directors or members of the governing body (exec & non-exec).

Close family member includes, but NOT LIMITED to:

- Children and Dependents;
- Spouse/Partner;
- Children and Dependents of Spouse/Partner.

Need to assess case-by-case, in terms of level of influence.

A **related party transaction** is a transfer of:

- Resources; or
- Obligations between related parties, whether a price is charged or not.

Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the reporting entity or the government of which it forms part.

DISCLOSURE

Relationships between controlling entities and controlled entities

- Regardless of whether there have been transactions.
- Disclose names of controlled entities, the name of the intermediate controlling entity and the ultimate controlling entity (if any).

Key management personnel (KMP) compensation

Disclose:

- Aggregate remuneration and numbers of KMP (show major classes of KMP separately);
- Total amount of all other remuneration and compensation to KMP and close family members of KMP that are not on arms length basis;
- Details of loan balances (and movements relating to) for each KMP and close member of family of KMP.

Related party transactions

Only if there have been transactions that are not on arms length basis, then disclose:

- The nature of related party relationship.
- The types of transactions that have occurred.
- Details and elements of the transactions necessary to clarify the significance of these transactions and to its operations (refer to PBE IPSAS 20.27 - .33 for more information).

Items of a similar nature may be disclosed in aggregate, except when separate disclosure is necessary to provide relevant and reliable information for decision-making and accountability purposes.