



ANNUAL REPORT
2018

IFRS® FOUNDATION

Contents

2018 at a glance	3
Reports	
Report from the Chair of the IFRS Foundation Trustees	4
Report from the Chair of the International Accounting Standards Board	5
Report from the Chair of the IFRS Foundation Monitoring Board	6
Our organisation	
Our objectives	7
Our mission statement	8
How we work	9
How we engage	10
Our people	11
Members of the International Accounting Standards Board	13
Performance and priorities	
2018 performance	14
2019 priorities	16
Governance	
Our structure	17
Trustees of the IFRS Foundation	18
Risks and how we mitigate them	21
Financials	
Introduction to the financial statements	22
Independent auditor's report to the Trustees of the IFRS Foundation	24
Financial statements and notes	26
Appendices	
Appendix 1—Financial supporters	38
Appendix 2—IFRS Advisory Council members	42
Appendix 3—IFRS Interpretations Committee members	44
Appendix 4—IFRS Foundation Monitoring Board members	45

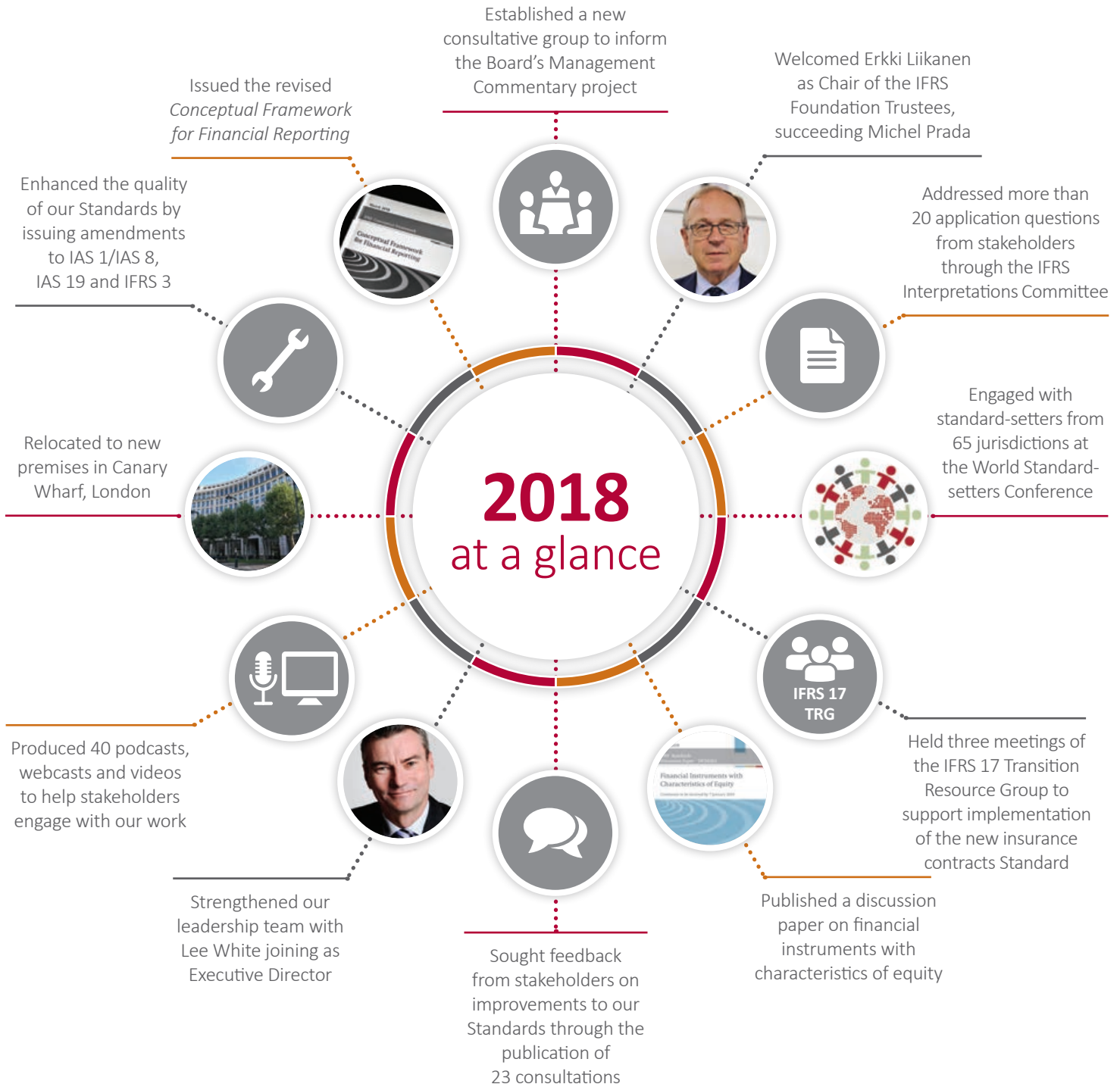
About us

The IFRS Foundation is a not-for-profit organisation established to develop a single set of high-quality, understandable, enforceable and globally accepted accounting standards—IFRS Standards—and to promote and facilitate their adoption.

IFRS Standards are set by the Foundation's standard-setting body, the International Accounting Standards Board.

The responsibility for governance and oversight of the Board lies with the IFRS Foundation Trustees, who in turn are accountable to a Monitoring Board of public authorities.

The Foundation is headquartered in London, United Kingdom, and has a regional Asia-Oceania office in Tokyo, Japan.



Working towards a common goal

Report from the Chair of the IFRS Foundation Trustees



This is my first report since being appointed as Chair of the IFRS Foundation Trustees in October 2018. I begin by thanking my predecessor Michel Prada for his excellent work and contribution during his time as Chair. I look forward to working with my fellow Trustees, Chair of the International Accounting Standards Board Hans Hoogervorst and the other Board members, as well as the IFRS Foundation staff, in delivering our important public interest mission.

Collaboration

In this year's annual report we focus on collaboration. It has been evident to me in these first few months that collaboration is at the heart of what this organisation does. The 'IFRS model' provides the mechanism by which participants from around the world, in both the private and public sectors, contribute towards a shared goal of high-quality, globally accepted accounting standards. I recall the importance of this collaborative approach in 2002, as a European Commissioner, when the European Union decided to adopt IFRS Standards, and more recently during meetings with our stakeholders in Africa, the Americas, Asia and Europe.

2018 achievements

This annual report describes the achievements of the Foundation and the Board in 2018. I would like to highlight the office relocation to the Canary Wharf district of London, a major undertaking for the staff, after more than 15 years in the City of London. I commend them for delivering a well-run relocation project. The new premises have been designed from the ground up as a centre for collaboration, benefitting from meeting spaces and use of advanced technology to support multi-party video conferencing and modern working practices.

2019 and beyond

Coming into 2019, the Trustees have begun to focus their thinking on the longer-term opportunities and challenges for the Foundation.

First, we will start the preparatory work for the next Trustees' *Constitution* review, due to begin in 2020. A changing geopolitical environment, the impact of technology on the consumption of financial information and growing interest in non-financial reporting require the Trustees to consider how to maintain relevance in this changing world.

Second, we will begin a multi-year digital transformation project that seeks to make the best use of technology in delivering value to stakeholders around the world. This project will involve a period of sustained investment both in the technology and in business processes that underpin our work, as well as in rethinking the digital services and experience we intend to offer in the coming years.

Third, we will further invest in our people, ensuring the Foundation continues to be an attractive destination for talented people. We will support their career development and help them to maximise their contribution to the organisation. This annual report showcases the important role our staff play in supporting international collaboration: they develop proposals for public comment and facilitate stakeholder engagement; they also implement technology to underpin that collaboration. The Trustees recently commissioned an Employee Engagement Survey to provide an independent benchmark for our people-focused work, and the positive feedback from that exercise provides a good base on which to build.

Thank you

I would like to thank my fellow Trustees, the members of the Board, our staff, our financial supporters and the many other people and organisations around the world who have contributed to our success during 2018.

Erkki Liikanen

Collaborating for quality

Report from the Chair of the International Accounting Standards Board



We have made substantial progress on projects in our work plan in 2018, supported by effective collaboration among our staff members and with our stakeholders.

Looking at 2018

Our efforts to support the implementation of IFRS 17, the new insurance contracts Standard issued in 2017, rank among our most important work in 2018. We have sought to understand concerns companies may have in implementing the Standard; towards the end of the year, the Board started discussing potential targeted changes that could ease the burden of moving to IFRS 17. In 2019, we plan to consult on proposed amendments, including on a proposed one-year deferral of the IFRS 17 effective date, to assist companies applying the Standard for the first time. You can read more about this work on page 15.

Another important technical development in 2018 was the publication of the revised *Conceptual Framework for Financial Reporting*. Primarily a tool to help the Board develop Standards based on consistent concepts, it is also a useful document for companies, investors and others involved in financial reporting.

In June 2018, we published a discussion paper that considered improvements in classifying financial instruments as liabilities or equity. This consultation document explored clarifying principles for addressing complexity and diversity in practice as well as enhanced requirements for presentation and disclosure. We have conducted outreach meetings with stakeholders and received more than 100 comment letters, which we are currently analysing to determine the next steps for the project.

We have made significant progress on the portfolio of projects under our overarching theme, Better Communication in Financial Reporting: Primary Financial Statements, the Disclosure Initiative, Management Commentary and the IFRS Taxonomy. These projects are designed to make financial information more useful to investors. You can read more about the Better Communication projects on page 16.

Acknowledging the need to keep change manageable, we are now working on many projects primarily focused on improvements in presentation and disclosure rather than on changes to recognition and measurement. These changes should be less disruptive to companies preparing financial statements.

The year ahead

In addition to advancing the projects already mentioned, the Board will seek stakeholders' views on several other projects in 2019.

In response to requests from the G20, regulators are preparing to replace the widely used interbank offered rate (IBOR), prompting a Board research project in 2018 to look at possible effects of IBOR reform on financial reporting. The Board has begun a standard-setting project and plans to issue amendments to the new and old financial instruments Standards, IFRS 9 and IAS 39, by the end of the year.

Two other important consultation documents we plan to publish in 2019 are on accounting for goodwill and on rate-regulated activities. In addition, we will continue supporting consistent application of our Standards, working closely with the IFRS Interpretations Committee. We will also commence a review of the *IFRS for SMEs*® Standard, our requirements aimed at companies that are not listed on a stock exchange.

Thank you

I would like to thank my fellow Board members and our staff as well as people serving on our advisory groups and other stakeholders for their continuing collaboration.

Hans Hoogervorst

Reinforcing the public interest

Report from the Chair of the IFRS Foundation Monitoring Board



High-quality financial reporting is vital for enhancing confidence in capital markets. That is why, as a group of capital market authorities responsible for setting the form and content of financial reporting in our jurisdictions, the Monitoring Board reinforces the public interest oversight of the IFRS Foundation and the Trustees' work to strengthen the promotion and development of high-quality IFRS Standards.

As Chair, in 2018 I had the pleasure of welcoming two new rotating observers to the Monitoring Board: Jurgen Boyd, Deputy Executive Officer of the Financial Sector Conduct Authority of South Africa, representing the IOSCO Africa/Middle-East Regional Committee, and Marcos Ayerra, Chairman of the Comisión Nacional de Valores of Argentina and representative of the IOSCO Inter-American Regional Committee (Chairman). Their perspectives enhance the Monitoring Board's geographical spread and its engagement on accounting matters of broad public interest.

To achieve our goals, we have focused on three key areas:

- people—where we have actively participated in the selection and approval of the Trustees;

- processes and procedures—among our key duties we oversee and advise the Trustees on their responsibilities, including strengthening the governance framework of the Foundation; and
- engagement—with the Trustees on policy matters and market developments.

People

The Foundation is an independent body charged with serving the public interest, while its Trustees are entrusted with the governance and oversight of the International Accounting Standards Board. It is therefore paramount that the Trustees continue to be diverse, experienced and competent senior individuals who are globally respected, public-interest orientated and committed to the development and effective implementation of IFRS Standards globally. The Monitoring Board has a constitutional role to constructively contribute to safeguarding the application of the Foundation's *Constitution*.

In 2018, we welcomed the appointment of Erkki Liikanen, who succeeded Michel Prada in October 2018 as Chair of the Trustees. Mr Liikanen will be instrumental in leading the Foundation into the future, and the members of the Monitoring Board look forward to working closely with him. I take this opportunity to again thank Michel Prada for his remarkable achievements and his leadership over the last seven years.

In 2018 and 2019, we also welcomed ten new Trustees to the Foundation, bringing a wealth of international experience, deep knowledge of corporate reporting and an understanding of the financial sector.

Processes and procedures

In accordance with our responsibilities, we have established the monitoring of the Trustees' plan for reviewing the *Due Process Handbook* as a priority in its 2018-19 work plan. The review—and the proposed amendments resulting from it—is designed to ensure the *Handbook* remains fit for purpose in light of developments in the Board's and the IFRS Interpretations Committee's processes and that it continues to reflect best practice. The main proposed amendments relate to effects analyses and agenda decisions.

We have also continued to discuss with the Trustees the *Perceptions of the IFRS Foundation* research report and the IFRS Foundation's efforts to identify and evaluate its operational risks, including the development of evaluation metrics and key performance indicators.

We welcome the close collaboration between the Monitoring Board Deputies Working Group and senior staff of the Foundation and the Board on these matters.

Engagement

Our engagement with the Trustees on market and regulatory developments continues on financial reporting, digital reporting, challenges posed by technology and innovation, and the IFRS Taxonomy. Monitoring Board members share their views on issues that can affect how the Standards function and how the Foundation delivers its mandate.

Finally, I would like to express my appreciation to my Monitoring Board colleagues, our Deputies Working Group and our Secretariat. I look forward to continuing working closely with stakeholders around the world in accomplishing our goal of high-quality financial information.

Jean-Paul Servais

Our objectives

The objectives of the IFRS Foundation set out in our *Constitution* are to:

- develop a single set of high-quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles;
- promote the use and rigorous application of those standards;
- take account of the needs of varied sizes and types of entities in diverse economic settings; and
- promote adoption of IFRS Standards.

What we do

Our resources

Empowered employees
Sufficient financial resources
Global network of engaged stakeholders
IT and office infrastructure
Highly-respected brand and intellectual property



Global accounting standards

Increase transparency in financial reporting
Strengthen accountability in the financial markets
Lower capital costs and reduce reporting costs
Foster trust, growth and long-term stability in the global economy

Our mission statement

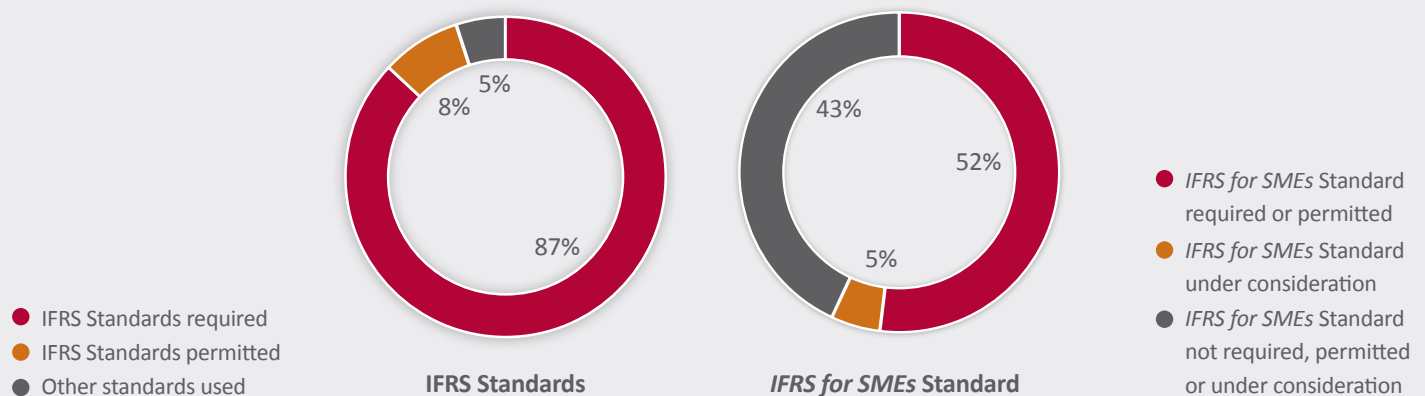
Our mission is to develop IFRS Standards that bring transparency, accountability and efficiency to financial markets around the world. Our work serves the public interest by fostering trust, growth and long-term financial stability in the global economy.

- IFRS Standards bring **transparency** by enhancing the international comparability and quality of financial information, enabling investors and other market participants to make informed economic decisions.
- IFRS Standards strengthen **accountability** by reducing the information gap between the providers of capital and the people to whom they have entrusted their money. Our Standards provide information that is needed to hold management to account. As a source of globally comparable information, IFRS Standards are also of vital importance to regulators around the world.
- IFRS Standards contribute to economic **efficiency** by helping investors to identify opportunities and risks across the world, thus improving capital allocation. For businesses, the use of a single, trusted accounting language lowers the cost of capital and reduces international reporting costs.

Spotlight

Worldwide adoption of our Standards

The IFRS Foundation monitors the use of IFRS Standards and the *IFRS for SMEs* Standard around the world. To date, we have assessed 166 jurisdictions.¹



¹ Profiles on all assessed jurisdictions and further analysis of adoption can be found at www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction. Data accurate as at 31 March 2019.

Spotlight

Our new offices

In August 2018, the Foundation relocated to new offices in Canary Wharf, London.

The new premises provide a modern working environment that can meet the organisation's future needs.

We would like to thank all staff for their constructive contribution to developing the new office space and the successful move, and Trustee Werner Brandt for his leadership of the relocation project.

How we work

In developing IFRS Standards and supporting consistent application, the Board and the IFRS Interpretations Committee follow a due process based on three principles:

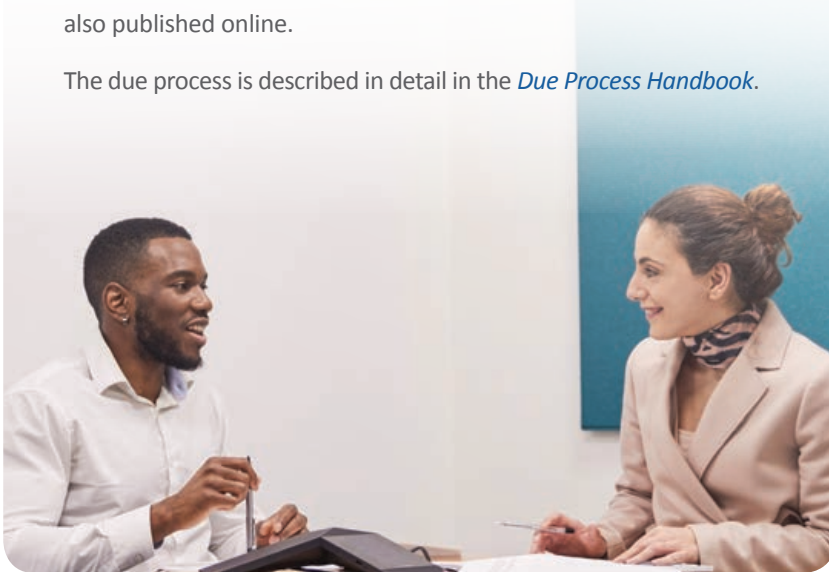
- **transparency;**
- **full and fair consultation;** and
- **accountability.**

The due process ensures that the public can follow each stage of standard-setting and participate by sharing their views.

All papers prepared for meetings of the Board and the Interpretations Committee are published on our website and the meetings are broadcast live and recorded.

Board proposals to introduce or change IFRS Standards and Interpretations Committee proposals for IFRIC Interpretations of Standards and tentative agenda decisions are published for public consultation. Feedback from stakeholders to these consultations is also published online.

The due process is described in detail in the [Due Process Handbook](#).



Spotlight

Mari Carmen Civera

Adoption support manager



Joined: July 2013

From: Spain

How does your role support collaboration?

As a member of the Translations, Adoption and Copyright team, I support jurisdictions adopting IFRS Standards with contractual arrangements and help them overcome translation-related challenges. I also translate updates and support materials into Spanish to help our stakeholders in the Spanish-speaking world. In addition, I am responsible for facilitating our relationship with the World Bank.

Standard-setting process

There are three main stages in the standard-setting process:

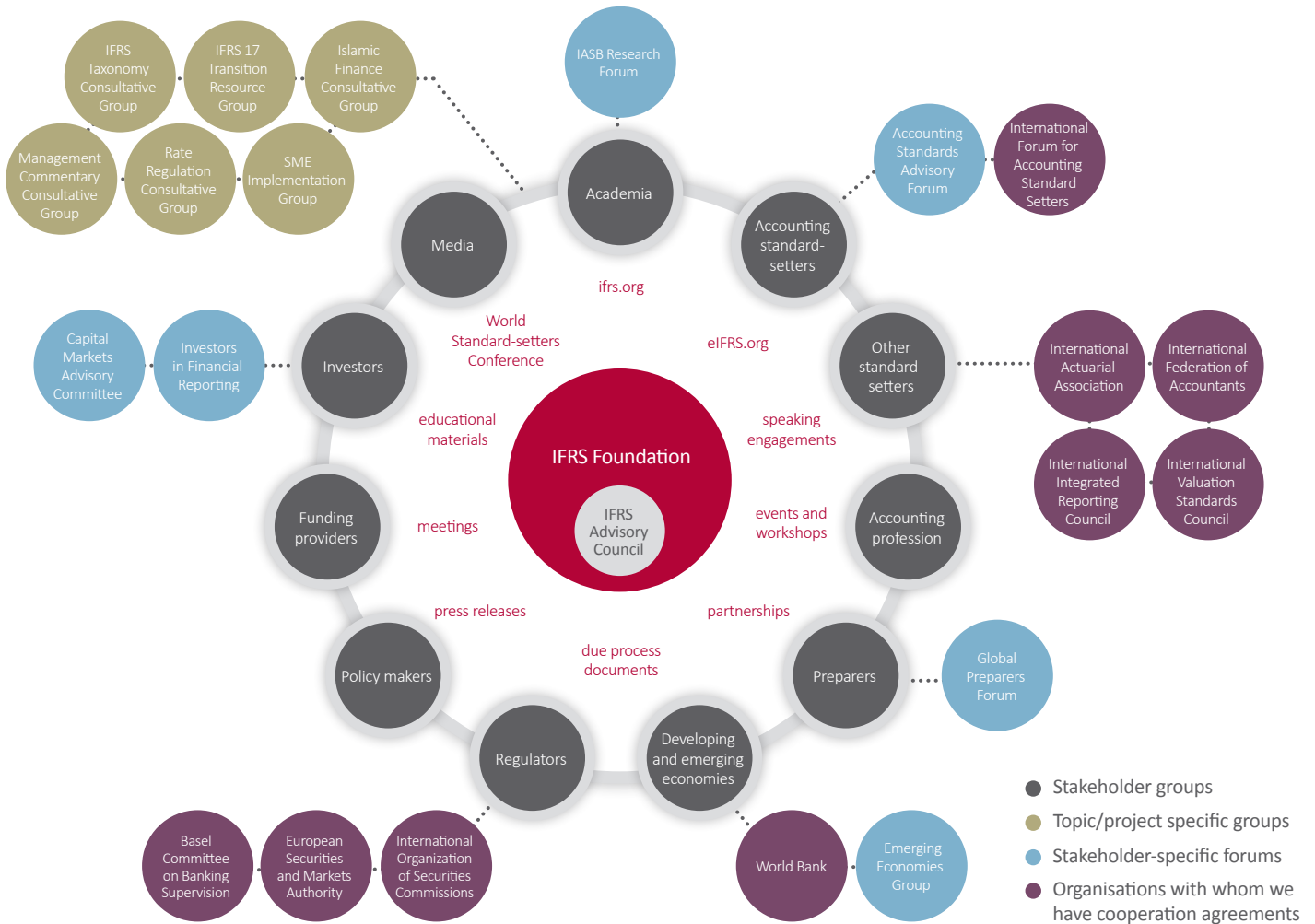


How we engage

Developing high-quality IFRS Standards hinges on collaboration. We depend on feedback from people affected by financial reporting who help us generate ideas and evaluate which solutions work in practice for stakeholders.

Our stakeholder relations take many shapes. We have a range of agreements, advisory bodies and groups to provide input and advice to the Board.

The IFRS Foundation Trustees annually assess the effectiveness of our stakeholder groups.



Spotlight

Emerging Economies Group

The Emerging Economies Group (EEG) was established in 2011 in response to a request by the G20 to deepen the involvement of emerging economies in the development of IFRS Standards.

Members of the EEG are national standard-setters in the G20 emerging economies and in Malaysia. Each meeting of the EEG focuses on a

specific topic, allowing EEG members and members of the International Accounting Standards Board to discuss the application of IFRS Standards within an emerging economies context. In 2018, the EEG met in Malaysia and South Korea.

Board member Amaro Gomes chairs the EEG and the People's Republic of

China's Ministry of Finance has, since the EEG's foundation, been providing the permanent group secretariat, attaching high attention to the work and investing significant human, material and financial resources in supporting the efficient operation of the group. The IFRS Foundation appreciates China's support of the EEG.

Our people

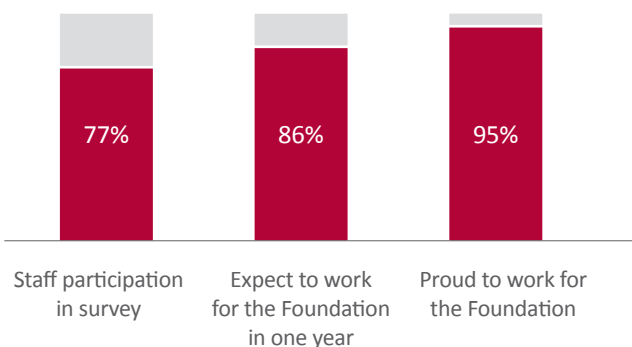
To deliver the IFRS Foundation's mission, we need people with a wide range of expertise and experience. We focus on providing a stimulating and challenging work environment in which people can develop their professional skills.

We have a diverse workforce: in 2018, we had 149 people of 39 different nationalities.

Staff engagement

In 2018, we commissioned an independent research agency to conduct our first-ever staff engagement survey. We intend to repeat the poll regularly to help us measure, understand and improve staff engagement.

Nearly eight out of 10 employees participated in the survey, with an encouraging number of respondents saying they would recommend the Foundation as a great place to work (the employee net promoter score was +17).²



² Employee net promoter score is measured on a scale from -100 to +100.

Spotlight

Asia-Oceania office

The IFRS Foundation's Asia-Oceania office was established in 2012 and is located in Tokyo.

The office provides a dedicated point of contact and a platform for cooperation with stakeholders in Japan and across the Asia-Oceania region, as well as a base for technical staff working on research and standard-setting projects.

The Financial Accounting Standards Foundation in Japan has provided the full funding for the office since its establishment. The IFRS Foundation greatly appreciates Japan's leadership and continuing support.



Executive Director Lee White, Chair of the Trustees Erkki Liikanen and Board member Takatsugu Ochi with the Asia-Oceania team.



149 people 39 nationalities

Spotlight

Gloria Lindfield

Executive coordinator



Joined: May 2009

From: Nigeria/United Kingdom

How does your role support collaboration?

I organise the IFRS Foundation's events and conferences, including our annual World Standard-setters Conference, liaising with colleagues, the delegates, the venue and other conference partners. Working with colleagues across the organisation, I help develop the conference programme. I also make sure relevant stakeholders are aware of and invited to the events and that all my colleagues know their conference-related responsibilities.

Spotlight

Simon Bohannon

AV & broadcast specialist



Joined: July 2018

From: United Kingdom

How does your role support collaboration?

My job is to connect our London office with the rest of the world using different technologies, for example, through the live streaming of Board meetings and the recording of educational webcasts. I work with colleagues to make them feel comfortable with these technologies. I am also responsible for making sure the connections work as they should when we have virtual meetings with external parties.

Members of the International Accounting Standards Board

At 31 December 2018



Hans Hoogervorst
Chair
(The Netherlands—Europe)
Second term ends
30 June 2021



Sue Lloyd
Vice-Chair
(New Zealand—at large)
Second term ends
31 December 2023



Nick Anderson
(United Kingdom—Europe)
First term ends
31 August 2022



Takatsugu Ochi
(Japan—Asia-Oceania)
Second term ends
30 June 2019



Martin Edelmann
(Germany—Europe)
Second term ends
30 June 2021



Darrel Scott
(South Africa—Africa)
Second term ends
30 September 2020



Françoise Flores³
(France—Europe)
First term ends
31 December 2021



Tom Scott
(Canada—Americas)
First term ends
31 March 2022



Amaro Gomes
(Brazil—Americas)
Second term ends
30 June 2019



Chungwoo Suh
(South Korea—Asia-Oceania)
Second term ends
30 June 2020



Gary Kabureck
(United States—Americas)
Second term ends
30 June 2020



Ann Tarca
(Australia—Asia-Oceania)
First term ends
30 June 2022



Jianqiao Lu
(China—Asia-Oceania)
First term ends
31 August 2022



Mary Tokar
(United States—Americas)
Second term ends
30 June 2022

Further information about the Board members, including their biographies, can be found at www.ifrs.org/groups/international-accounting-standards-board.

³ Part-time Board member

Performance and priorities

2018 performance

Standard-setting

- issued the revised *Conceptual Framework for Financial Reporting*;
- made progress on the Better Communication in Financial Reporting projects: Primary Financial Statements, Disclosure Initiative, Management Commentary and the IFRS Taxonomy;
- amended IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (definition of material), IFRS 3 *Business Combinations* (definition of a business) and IAS 19 *Employee Benefits*;
- published a discussion paper—*Financial Instruments with Characteristics of Equity*;
- started work on three projects from the research pipeline: Extractive Activities, Provisions and Pension Benefits that Depend on Asset Returns;
- published an exposure draft on amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* on accounting policy changes;
- published a project summary of the Share-based Payment project;
- added a project on IBOR reform to the Board's work plan; and
- published an update to the IFRS Taxonomy on IFRS 17 *Insurance Contracts* and a proposed IFRS Taxonomy update on common reporting practice IFRS 13 *Fair Value Measurement*.

Supporting implementation and consistent application

- held three meetings of the IFRS 17 Transition Resource Group to discuss implementation questions;
- maintained an effective IFRS Interpretations Committee, addressing 23 questions, of which 21 resulted in published agenda decisions with explanatory materials and two advanced to proposed targeted amendments to Standards (IAS 12 *Income Taxes* and IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*);
- published modules supporting implementation of the *IFRS for SMEs* Standard;
- advanced the IFRS Foundation's publication offering by publishing annotated versions of the required and issued IFRS Standards;
- completed a Post-implementation Review of IFRS 13, which showed that the Standard works as intended; and
- published an updated guide for preparers on using the IFRS Taxonomy.



Effective stakeholder engagement

- completed a review of the Accounting Standards Advisory Forum and appointed new members to the group for 2019–22;
- established and held the first meeting of the Management Commentary Consultative Group;
- organised stakeholder events in partnership with national standard-setters to coincide with meetings of the IFRS Foundation Trustees in Hong Kong, London and South Africa, with speakers including Mervyn King, Chair Emeritus of the International Integrated Reporting Council;
- continued implementing intellectual property licensing agreements, including signing agreements with India for use of IFRS Standards in its development of Ind AS, and the European Commission for use of the IFRS Taxonomy;
- held more than 20 meetings with our advisory bodies and groups;
- organised an international conference in Frankfurt, the annual World Standard-setters Conference in London, an academic research forum in Sydney, an investor-focused panel discussion in London and a conference on IFRS 17 in Kuala Lumpur; and
- produced 40 podcasts, webcasts and videos to help stakeholders keep up to date with our work.

Foundation operations

- made a successful transition to the Trustee chairmanship of Erkki Liikanen from that of Michel Prada;
- improved project management of the technical standard-setting process to better assess timeframes and reasons for changes to the work plan;
- commenced work to update the *Due Process Handbook*;
- developed a comprehensive project plan to maximise and respond to technological innovation;
- updated the *Constitution* following a consultation by the Trustees;
- completed the office move to Canary Wharf without undue disruption to our work;
- welcomed Lee White as Executive Director;
- successfully implemented a new content management system to securely store our Standards electronically and to enhance our ability to support our customers and partners;
- implemented processes to meet new data protection requirements (GDPR) on time; and
- introduced a staff engagement survey and enhanced our focus on staff learning and development.

Spotlight

IFRS 17 implementation

Because IFRS 17 represents a fundamental—and much needed—improvement in insurers' accounting, we have invested considerable resources in supporting implementation of the Standard: developing education materials; meeting with investors, preparers, auditors and regulators; and discussing implementation questions in a public forum—the Transition Resource Group (TRG)—as well as speaking at many conferences.

The Board has listened to the concerns and challenges raised by stakeholders as IFRS 17 is being implemented. Having considered how the burden of implementation can be eased without the loss of useful information to investors, the Board is now in the process of developing proposals for targeted amendments to the Standard.

More information on that project and the implementation support can be found at www.ifrs.org/issued-standards/list-of-standards/ifrs-17-insurance-contracts.

Performance and priorities

2019 priorities

Standard-setting

- publish an exposure draft on proposed amendments to IFRS 17 *Insurance Contracts*;
- publish major consultation documents on the Primary Financial Statements; Rate-regulated Activities and Goodwill and Impairment projects;
- issue amendments to IFRS 9 *Financial Instruments* and IAS 39 *Financial Instruments: Recognition and Measurement* in response to IBOR reform;
- commence redeliberations on Financial Instruments with Characteristics of Equity project following feedback received on discussion paper;
- commence review of the *IFRS for SMEs* Standard;
- publish project summaries on completed IFRS 8 *Operating Segments*, Discount Rates and Principles of Disclosure projects;
- activate further research projects from the research pipeline; and
- commence outreach on the core model in the Dynamic Risk Management project.

Supporting implementation and consistent application

- maintain an effective IFRS Interpretations Committee;
- continue supporting implementation of IFRS 17 *Insurance Contracts*; and
- use online and other platforms to deliver educational materials on IFRS Standards and the IFRS Taxonomy.

Effective stakeholder engagement

- organise an international conference in London in June and the World Standard-setters Conference in October;
- collaborate with partners to organise stakeholder events in conjunction with the Trustees' meetings in Kuala Lumpur, Munich and New York;
- hold meetings with standing advisory groups;
- hold outreach meetings with varied stakeholders on technical projects;
- organise an academic conference in partnership with the Journal of International Accounting Research in New Jersey, United States; and
- implement country and region-specific engagement plans.

IFRS Foundation operations

- refine strategic actions;
- consult on proposed changes to the *Due Process Handbook*;
- commence delivery of a technology project focused on systems upgrades, modernisation and digital engagement;
- continue working to become an employer of choice;
- review and enhance the brand architecture;
- continue refinement and alignment of licensing arrangements; and
- welcome new Board members to succeed Amaro Gomes and Takatsugu Ochi, whose second terms end in June 2019.

The Board's work plan with details on how projects are progressing can be found at www.ifrs.org/projects/work-plan.

Spotlight

Better Communication in Financial Reporting

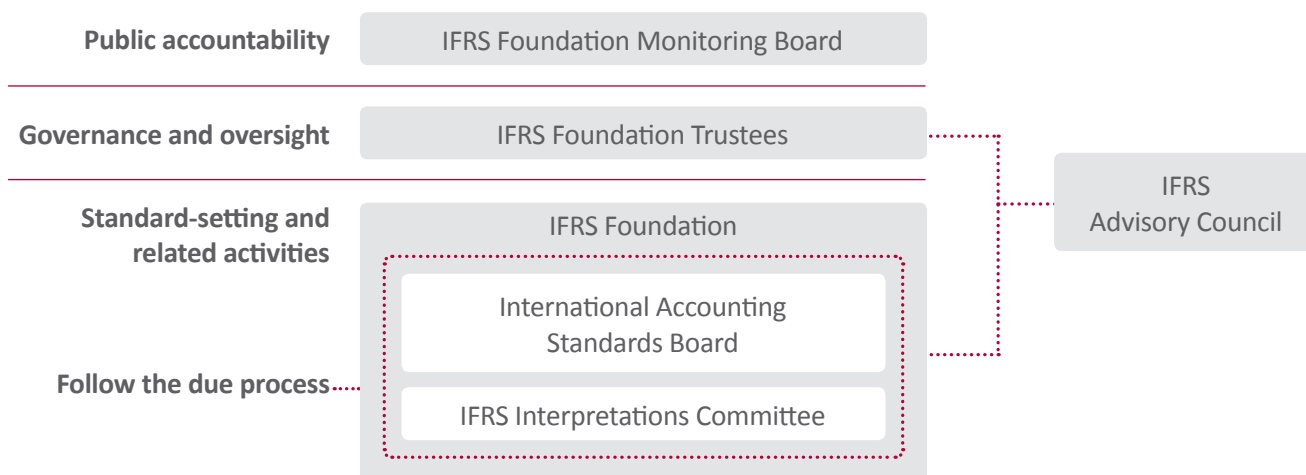
Better Communication in Financial Reporting is a central theme of the Board's work that emerged from the 2015 *Agenda Consultation*, which sought stakeholders' views on which projects the Board should prioritise over the coming years.

Projects covered by the Better Communication theme focus on improving the content and delivery of information to users of general purpose financial reports:

- **Primary Financial Statements**—improving the structure and content of the primary financial statements, including proposals to add new subtotals to the statement of financial performance;
- **Disclosure Initiative**—improving the effectiveness of disclosures in financial reports in response to concerns raised by preparers and investors;
- **Management Commentary**—improving guidance on the management commentary that supports investors' assessments of companies' sustainable prospects and stewardship, including on information about intangibles and about environmental, social and governance issues; and
- **IFRS Taxonomy**—facilitating electronic communication of financial information.

Our structure

The IFRS Foundation has a three-tier governance structure, designed to keep standard-setting independent of special interests and deliver a high level of accountability to stakeholders from around the world.



The **Monitoring Board** is a group of capital market authorities (see page 45) that reinforces the public interest oversight of the IFRS Foundation and the Trustees. The Monitoring Board is responsible for approving all Trustee appointments.

The **Trustees** are 22 individuals (see page 18) with varied professional backgrounds, appointed from all over the world. They maintain the IFRS Foundation's *Constitution* and appoint members to the Board and its advisory bodies. They also ensure appropriate financing is in place, review the Foundation's strategy and make sure that the organisation follows the due process set out in the *Due Process Handbook*.

The **Board** is the independent standard-setting body of the Foundation. It has 14 members (see page 13) from different countries and with varied backgrounds: academia, the

accounting profession, investment, preparation of financial statements, regulation and standard-setting. The Board issues IFRS Standards and the *IFRS for SMEs* Standard.

The **Interpretations Committee** is a body comprising 14 external members and a non-voting chair (see page 44) that supports the Board by responding to questions about applying IFRS Standards. The Committee proposes the Board makes narrow-scope amendments to the Standards, develops proposed IFRS Interpretations of the Standards and publishes educational agenda decisions.

The **Advisory Council** (see page 42) is the formal strategic advisory body to the Board and the Trustees, consisting of representatives from wide-ranging groups affected by and interested in the Foundation's work.



Trustees of the IFRS Foundation

At 31 December 2018



Erkki Liikanen (Europe)
Chair

Former Governor of the Bank of Finland

First term ends 30 September 2021

Attendance 2018: 1 of 1 meeting



Sheila Fraser (Americas)
Vice-Chair

Former Auditor General of Canada

Second term ends 31 December 2019

Attendance 2018: 3 of 3 meetings



Takafumi Sato (At large)
Vice-Chair

President of Japan Exchange Regulation

Second term ends 31 December 2020

Attendance 2018: 3 of 3 meetings

Abdulrahman Al-Humaid (At large)

Chairman of the Saudi Organization for Certified Public Accountants' Committee for Adopting International Accounting Standards

Second term ended 31 December 2018

Attendance 2018: 1 of 3 meetings

Guillermo Babatz (Americas)

Managing Partner at Atik Capital, S.C.

Second term ends 31 December 2021

Attendance 2018: 3 of 3 meetings

Alan Beller (Americas)

Senior Counsel at Cleary Gottlieb Steen & Hamilton LLP

Second term ends 31 December 2020

Attendance 2018: 3 of 3 meetings

Else Bos (Europe)

Member of the governing Board, Executive Director and Chair for Prudential Supervision at the Dutch Central Bank

First term ends 31 December 2019

Attendance 2018: 3 of 3 meetings

Colette Bowe (Europe)

Chair of the UK Banking Standards Board

First term ends 31 December 2020

Attendance 2018: 1 of 3 meetings

Werner Brandt (Europe)

Former Board member and CFO of SAP SE

Second term ends 31 December 2020

Attendance 2018: 2 of 3 meetings

Teresa Ko (Asia-Oceania)

Chairman of Freshfields Bruckhaus Deringer

First term ends 31 December 2020

Attendance 2018: 3 of 3 meetings

Su-Keun Kwak (Asia-Oceania)

Professor of Accounting at Seoul National University

First term ends 31 December 2019

Attendance 2018: 3 of 3 meetings

Larry Leva (Americas)

Former Global Vice Chairman—Quality, Risk and Regulatory for KPMG International

First term ends 31 December 2020

Attendance 2018: 3 of 3 meetings

Michel Madelain (At large)

Former Vice-Chairman and President of Moody's Investors Service

First term ends 31 December 2020

Attendance 2018: 3 of 3 meetings

Ross McInnes (Europe)

Chairman of the Board of Safran

First term ends 31 December 2020

Attendance 2018: 3 of 3 meetings

Wiseman Nkuhlu (Africa)

Chairman of the Board of KPMG South Africa

Second term ended 31 December 2018

Attendance 2018: 3 of 3 meetings

Joji Okada (Asia-Oceania)

Audit & Supervisory Board Member, Mitsui & Company Limited

Second term ended 31 December 2018

Attendance 2018: 3 of 3 meetings

Vinod Rai (Asia-Oceania)

Former Comptroller and Auditor General of India

First term ends 31 December 2020

Attendance 2018: 3 of 3 meetings

Lucrezia Reichlin (Europe)

Professor of Economics at the London Business School

First term ends 31 December 2020

Attendance 2018: 2 of 3 meetings

Maria Helena Santana (Americas)

Former Chair and President of the Securities and Exchange Commission of Brazil

Second term ends 31 December 2019

Attendance 2018: 1 of 3 meetings

Kurt Schacht (Americas)

Managing Director of the CFA Institute's Standards and Advocacy Division

Second term ends 31 December 2020

Attendance 2018: 2 of 3 meetings

Lynn Wood (Asia-Oceania)

Former Chairman of the Australian Financial Reporting Council

Second term ends 31 December 2019

Attendance 2018: 3 of 3 meetings

Guangyao Zhu (Asia-Oceania)

Former Vice Finance Minister of the People's Republic of China

First term ends 31 December 2019

Attendance 2018: 3 of 3 meetings

Trustees serving from 1 January 2019:

Sarah J. Al Suhaimi, Suresh P. Kana and Kazuyuki Masu.

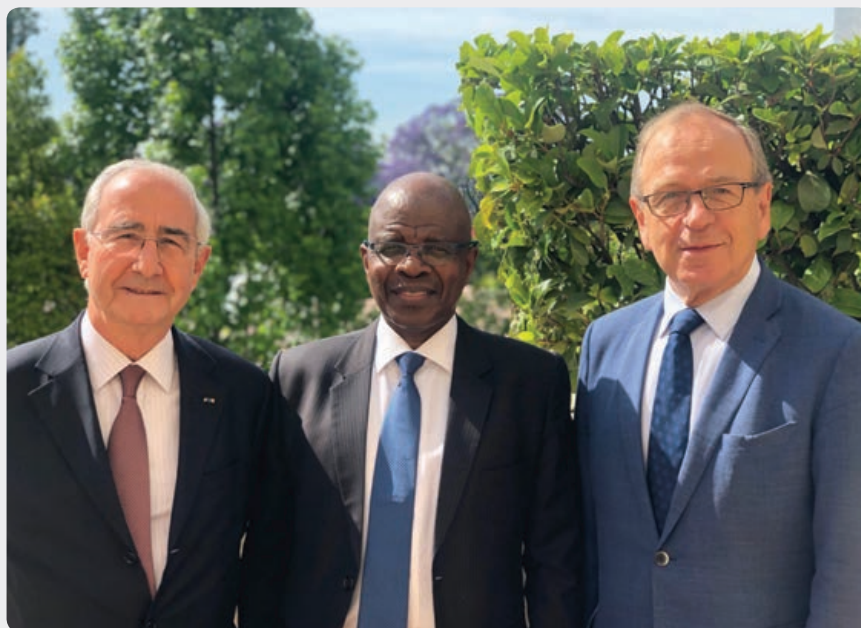
The *Constitution* was amended in 2018, following public consultation, to adjust the appointment terms for the Trustee Chair and Vice-Chairs.

Thank you to Michel Prada

Michel Prada served as Chair of the IFRS Foundation Trustees from 2012 until he handed the reins to current Chair Erkki Liikanen during the Trustees' meeting in Johannesburg, South Africa, in October 2018.

Michel has been a key player in the drive towards a global set of high-quality accounting standards. He chaired the IOSCO Technical Committee meeting in 2000 that recommended the use of IFRS Standard for cross-border listings; served on the Financial Crisis Advisory Group that guided the Board's response to the global financial crisis; and has made invaluable contributions to the Foundation during his tenure.

We thank Michel for his hard work and dedication to our mission.



Michel Prada (retired Chair) together with Wiseman Nkulu (retired Trustee) and Erkki Liikanen (Chair).

Further information about the Trustees, including their full biographies, can be found at www.ifrs.org/groups/trustees-of-the-ifrs-foundation.

Trustee committees

The Trustees meet three times a year in different locations around the world, and operate through several committees.

Audit and Finance Committee

Responsible for reviewing the Foundation's annual budget, accounts, plans and forecasts. The Committee also raises the Foundation's operating funds and oversees its financial policies as well as its compliance and risk reports. This committee has a subcommittee focused on hedging and investments.

Chair: Werner Brandt

Due Process Oversight Committee

Responsible for ensuring that the Board and the Foundation follow the *Due Process Handbook*. The Committee's meetings are held in public.

Chair: Alan Beller

Education and Content Services Committee

Responsible for overseeing the Foundation's education and content services such as translations and subscriptions.

Chair: Else Bos

Executive Committee

Responsible for ensuring coordination and consistency in the Foundation's work and supporting the Trustees in their periodic reviews of the Foundation's *Constitution* and strategy.

Chair: Erkki Liikanen

Human Capital Committee

Responsible for oversight of the Foundation's people management to ensure that it meets the organisation's needs.

Chair: Takafumi Sato

Nominating Committee

Responsible for appointments to the Trustees, the Board, IFRS Interpretations Committee and IFRS Advisory Council; also responsible for appointing the Executive Director.

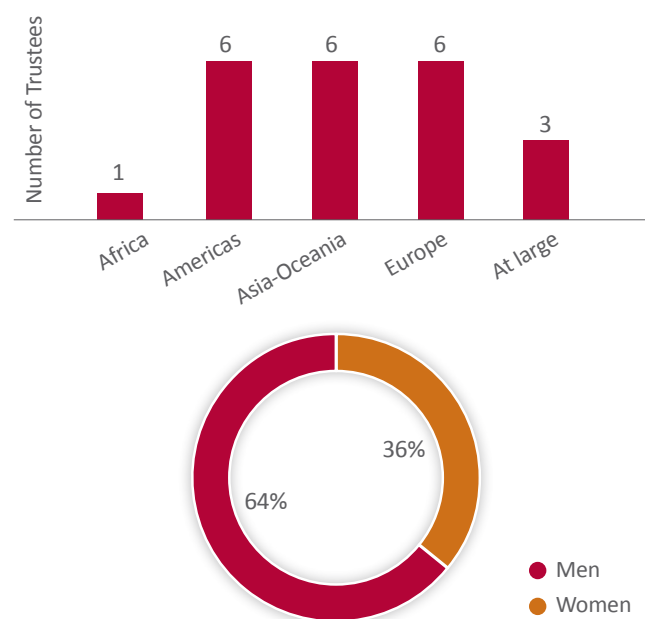
Chair: Sheila Fraser

Business Process and Technology Committee (from 2019)

Responsible for overseeing the Foundation's multi-year project to update its technology infrastructure, digital experience and related business processes.

Chair: Werner Brandt

Geographical and gender balance⁴



⁴ The *Constitution* requires the Trustees to have varied professional backgrounds and come from different geographical regions. The 'at large' category comprises Trustees from any region to ensure an appropriate balance. Data is as at 31 March 2019.

Spotlight

Fred Nieto, CFA

Technical staff—investor engagement



Joined: June 2013

From: Canada

How does your role support collaboration?

Explaining accounting changes to investors, using terms they prefer, is one of my main responsibilities. I facilitate dialogue between Board members, technical project leads and the investor community. I find out about investors' needs and gather views on our activities and then feed this back to the organisation.

Risks and how we mitigate them

The IFRS Foundation's Risk Committee identifies, evaluates and manages the risks faced by the Foundation. It reports to the Trustees' Audit and Finance Committee.

The Risk Committee reviews the key risks for the Foundation and the appropriate accompanying mitigation actions regularly throughout the year. In 2018 the principal risks were as follows:

Brand—the risk that the Foundation fails to protect its reputation as a professional and competent global accounting standard-setter.

Geopolitical—the risk that the UK's decision to leave the European Union affects the IFRS Foundation in different ways, including our ability to recruit and retain EU nationals and the adoption of IFRS Standards in the UK.

Product—the risk that the Foundation fails to develop high-quality IFRS Standards (including the IFRS Taxonomy) and that inconsistent application of the Standards undermines them as a single set of global accounting standards.

Technological infrastructure—the risk of breaches of both the Foundation's IT infrastructure and the data it contains as a result of cyber hacks, phishing campaigns, system failure or human error.

Spotlight

Uni Choi

Technical staff member



Joined: July 2016

From: South Korea

How does your role support collaboration?

I joined the organisation as a Practice Fellow—a secondee from an accounting firm. The opportunity to make a difference and improve financial reporting made me stay when my 18-month secondment finished. I work on standard-setting and implementation issues related to financial instruments. I also meet with national standard-setters, investors, banks and regulators to understand their views on the Board's financial-instruments related proposals.

Spotlight

Natasha Flint

Legal counsel



Joined: December 2016

From: United Kingdom

How does your role support collaboration?

My responsibilities range from protecting our intellectual property and brand to compliance and governance matters. I interact with different teams internally, providing them with legal and business advice. I also interact with external stakeholders, building bridges between their needs and ours and strengthening our relationships.

Introduction to the financial statements

2018 financial results

The IFRS Foundation's financial statements are prepared in accordance with IFRS Standards. Financial highlights of the accompanying financial statements are as follows.

- The Foundation is reporting £2.9 million in comprehensive income for 2018, down from £8.7 million in 2017.
- Total income from all activities decreased slightly to £31.0 million from £32.1 million.
- Total operating expenses increased to £27.2 million from £24.3 million.
- As of 31 December 2018, the Foundation's net assets increased to £34.4 million from £31.5 million.

Brexit

The United Kingdom's decision to leave the European Union has created prolonged uncertainty for UK-based businesses in several areas such as immigration, taxation, the movement of goods and currency exchange rate volatility. The Foundation receives funding from several jurisdictions within the European Union and is exposed to the impact of any changes in these key areas on its business operations. At this time, there are no definitive conclusions about the timing and extent of changes to be imposed on UK business practices in general. The Foundation is closely monitoring the Brexit plans, directives and professional advice that have been issued in order to minimise any disruption or adverse impact on its operations.

Contributions

In 2018, contributions to the Foundation were £22.0 million, a decrease of £3.1 million from 2017, owing largely to reductions from certain jurisdictions and accounting firms. Most of the funding, £15.9 million or 72%, was received in US dollars and euros (2017: £19.4 million, 77%).

Publications and related activities

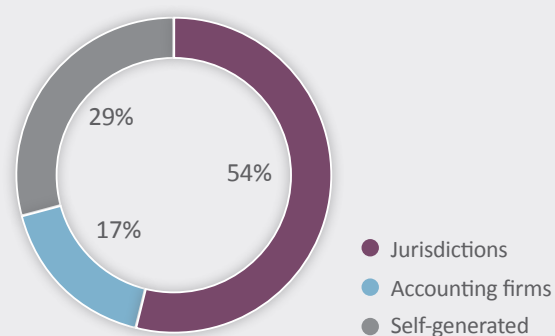
Overall publications revenue increased by £2.0 million. The increase is attributable to licensing fees, up £2.2 million, as a result of new agreements with accounting firms, training companies and other customers. Subscription revenues remained nearly level at £1.8 million. Publication sales were down slightly amounting to £1.5 million (2017: £1.6 million). The Foundation has achieved substantially level results for its publications and subscriptions over the years with various product and marketing improvements. However, the protection and licensing of the Foundation's intellectual property is expected to grow moderately. Note 6 includes new disclosures about the Foundation's commercial revenue products in compliance with IFRS 15 *Revenue from Contracts with Customers* that became effective 1 January 2018.

The cost of publications and related expenses increased by 10%, or £344,000, to £3.7 million, attributable largely to occupancy costs as explained on page 23. Net income from publications and related activities increased by £1.7 million to £5.0 million.

Spotlight

How we are funded

The IFRS Foundation's income comes from three main sources: voluntary contributions from jurisdictions around the world; voluntary contributions from international accounting firms; and self-generated income from subscriptions, sale of publications and licencing our intellectual property. The full list of financial supporters in 2018 can be found on pages 38-41. Further information about our funding arrangements can be found on our website.



Income 2018

Expenses

Total operating expenses were £27.2 million, an increase of £2.9 million on 2017's figure. Most of the increase is attributable to headcount and occupancy costs. Regarding headcount, as noted in 2017, there was a decrease due to the timing between leavers and their replacements. The increase in remuneration costs, as a result of positions filled, amounts to £1.2 million in 2018 (see note 1).

In addition, £1.5 million of the increase is attributable to premises and occupancy related costs as discussed in note 3. The Foundation had operating leases for two premises in London to allow for the new office fit-out before relocation. The new lease for offices based in Canary Wharf included a rent incentive for 2018 where no rental payments were due. Such incentives, however, are allocated over the entire lease and rent expense is recognised on a straight-line basis over the lease term based on the total rental payments. In effect there were duplicate rent expenses and other occupancy related expenses such as building service charges and business property taxes for nine months of the year.

Reserves

As of 31 December 2018, the Foundation's reserves were £34.4 million (2017: £31.5 million). The reserves include £3.4 million of net long-term investment in the Foundation's new premises at Canary Wharf. The Foundation's goal is to continue to maintain future operating reserves of cash and working capital equal to meet at least one year's operating expenditure. The operating reserve is an unrestricted fund balance set aside to stabilise the Foundation's finances by providing a 'cushion' against unexpected events or losses of income.

2019 outlook

The Foundation acknowledges and appreciates the continuing support of its contributors listed on pages 38 to 41. In 2019, the Foundation will continue to manage its operating expenditure prudently and effectively and will actively pursue further initiatives to enhance the organisation's operational stability. The 2019 plan includes a multi-year comprehensive review and update of business processes and technology. The organisation's other operating requirements are not expected to increase significantly.

Trustee approval

These financial statements cover the year ended 31 December 2018. They have been prepared in compliance with IFRS Standards, Interpretations and amendments that were effective or applied early at 1 January 2018.

The financial statements were approved and authorised for issue by the Trustees of the Foundation on 29 April 2019. At that date there had been no events since 31 December 2018 that required disclosure in, or an adjustment to, the financial statements.



Erkki Liikanen
Chair of the IFRS Foundation Trustees

Independent auditor's report to the Trustees of the IFRS Foundation

Opinion

We have audited the financial statements of the IFRS Foundation, set out on pages 26 to 37, which comprise the statement of financial position as at 31 December 2018; the statement of comprehensive income; statement of changes in equity; and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Standards).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This report is made solely to the Foundation's Trustees, as a body, in accordance with our letter of engagement dated 1 October 2018. Our audit work has been undertaken so that we might state to the Foundation's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation and the Foundation's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 23 and pages 38 to 46, but does not include the financial statements on pages 26 to 37 and our auditor's report thereon on pages 24 and 25. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Standards, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for overseeing the Foundation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton UK LLP

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants
London
United Kingdom

Date: 29 April 2019

Statement of comprehensive income

Year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Income			
Contributions	5	22,007	25,084
Revenue from publications and related activities	6	8,622	6,612
Other income	5	375	383
		<u>31,004</u>	<u>32,079</u>
Operating expenses			
Technical and operational activities			
• Board members and staff costs	1	(17,059)	(15,861)
• Other technical and operating costs	1	(2,418)	(2,203)
• IFRS Advisory Council, IFRS Interpretations Committee and other advisory bodies	1	(249)	(237)
Publications and related activities expenses	6	(3,661)	(3,317)
Trustee oversight	2	(971)	(930)
Premises, occupancy and related expenses	3	(2,884)	(1,708)
		<u>(27,242)</u>	<u>(24,256)</u>
Net operating income		3,762	7,823
Finance income	9	500	3,901
Finance costs	9	(1,335)	(3,060)
		<u>(835)</u>	<u>841</u>
Income before tax		2,927	8,664
Income tax expense	4	–	–
Comprehensive income for the year		<u>2,927</u>	<u>8,664</u>

Statement of changes in equity

Year ended 31 December 2018

Retained surplus at beginning of year	31,501	22,837
Comprehensive income for the year	<u>2,927</u>	<u>8,664</u>
Retained surplus at end of year	<u>34,428</u>	<u>31,501</u>

The notes on pages 29 to 37 form part of these financial statements.

Statement of financial position

As at 31 December 2018

	Note	2018 £'000	2017 £'000
Assets			
Current assets			
Cash and cash equivalents		10,588	13,145
Contributions receivable	5	2,545	2,471
Trade and other receivables	6	949	1,268
Prepaid expenses		542	710
Inventories	6	67	23
Bonds at fair value, including accrued interest	8	2,582	2,618
Forward currency contracts at fair value	7	–	325
		17,273	20,560
Non-current assets			
Bonds at fair value, including accrued interest	8	19,805	15,632
Forward currency contracts at fair value	7	–	138
Leasehold improvements, furniture and equipment	3	3,372	391
		23,177	16,161
Total assets		40,450	36,721
Liabilities			
Current liabilities			
Trade and other payables		288	286
Payroll taxes payable		609	603
Accrued expenses		1,115	1,273
Contributions received in advance	5	157	536
Publications revenue received in advance	6	1,375	1,324
Forward currency contracts at fair value	7	652	348
Reinstatement provision	3	–	516
Rent incentive	3	88	63
		4,284	4,949
Non-current liabilities			
Forward currency contracts at fair value	7	573	170
Reinstatement provision	3	459	101
Rent incentive	3	706	–
		1,738	271
Total liabilities		6,022	5,220
Net assets		34,428	31,501

The notes on pages 29 to 37 form part of these financial statements.

Statement of cash flows

Year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Operating activities			
Cash received			
Contributions		21,562	25,526
Publications and related activities		8,839	6,666
Funding for Asia-Oceania office	5	318	317
Interest		547	515
Foreign exchange settlements		217	–
Other receipts		42	21
Cash paid			
Salaries, wages and benefits		(17,117)	(15,629)
Publications and related activities expenses		(3,568)	(3,326)
Trustees' fees		(638)	(622)
Foreign exchange settlements		–	(2,615)
Other operating expenses		(4,944)	(4,216)
Net cash from operating activities		5,258	6,637
Investing activities			
Matured bonds receipts		2,371	751
New bond purchases		(6,965)	(4,002)
Purchase of leasehold improvements, furniture and equipment		(3,254)	(163)
Net cash from investing activities		(7,848)	(3,414)
Effects of exchange rate changes on cash and cash equivalents		33	(9)
Net (decrease) increase in cash and cash equivalents		(2,557)	3,214
Cash and cash equivalents at the beginning of the year		13,145	9,931
Cash and cash equivalents at the end of the year		10,588	13,145

The notes on pages 29 to 37 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2018

Significant accounting policies

The Foundation is an independent, not-for-profit organisation incorporated in the State of Delaware, United States, on 6 February 2001. Its primary operations are based in London. The functional and presentation currency is sterling.

The financial statements were approved and authorised for issue by the Trustees of the Foundation on 29 April 2019.

At that date there had been no events since 31 December 2018 that required disclosure in, or an adjustment to, the financial statements. The Trustees are responsible for overseeing the Foundation's financial reporting process and for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The Foundation produces annual budgets and forecasts which take into account the Foundations activities, operations and known cash requirements. Having regard to all relevant circumstances and the funds held by the Foundation, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

The Foundation's most important intangible asset is the intellectual property embodied in the IFRS Standards. The Foundation does not recognise this asset because the value and future economic benefits cannot be reliably measured. Costs related to the development of IFRS Standards are recognised as an expense when they are incurred.

All other accounting policies that are relevant to understanding the financial statements are provided throughout the notes to the financial statements.

When preparing the financial statements, management makes judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. There are no significant judgements or estimates that require separate disclosure.

Current period and future changes to the accounting policies

The financial statements have been prepared on the basis of IFRS Standards, Interpretations and amendments effective at 1 January 2018. All accounting policies have been applied consistently to the two years presented.

The Foundation has applied IFRS 9 *Financial Instruments* (2014) retrospectively from its effective date of 1 January 2018. For the Foundation, IFRS 9 (2014) superseded IFRS 9 (2009), which the Foundation had applied since 2009. The effect of applying IFRS 9 (2014) was not material to the net assets or comprehensive income for the year or the prior year.

The Foundation has applied IFRS 15 *Revenue from Contracts with Customers* retrospectively from its effective date of 1 January 2018. The effect of applying IFRS 15 was not material to the revenue or net assets for the year or the prior year.

In 2016, IFRS 16 *Leases* was issued; the Foundation will apply the Standard using the modified retrospective method from its effective date of 1 January 2019. Applying IFRS 16, the Foundation expects to recognise leasehold premises in the statement of financial position at approximately £6.2 million together with a lease liability of £7.0 million, based on the full 10-year term of the lease. The difference between the asset and liability is largely attributable to an initial rent incentive. The Foundation will recognise depreciation and interest expenses instead of rent expense.

The Foundation has concluded that there are no other applicable Standards or Interpretations in issue that are not yet adopted that will have a material impact on the financial statements.

Explanatory information

The explanatory notes have been organised into sections that provide a cohesive presentation of the financial reporting implications of the Foundation's core activity—the development of IFRS Standards—how it funds that activity and how it manages the contributions from the several currencies of its funding providers. Each section presents the financial information and any material accounting policies that are relevant to understanding the activities of the Foundation.

Activities

1 Technical and operational activities

Board members and staff costs

The main costs associated with developing IFRS Standards are the salaries of the Board members and the staff. The Foundation had an average headcount of 142 employees including Board members and paid-for secondees during 2018 (2017: 134).

	2018	2017
	£'000	£'000
Board member salaries and related costs	7,158	6,587
Staff salaries and related costs	11,677	11,178
	18,835	17,765
Less costs included in publications expenses (see note 6)	(1,776)	(1,904)
	17,059	15,861

The Trustees' Human Capital Committee reviews, benchmarks and recommends salary and benefit levels, which are reviewed and approved annually by the Trustees as a whole. Board members' gross salaries covering all compensation and benefits for 2018 were as follows: £572,500 for the Chair of the Board (2017: £563,700); £494,500 for the Vice-Chair of the Board (2017: £486,900), and an average of £452,000 for other Board members (2017: £446,500). The Board had a full complement of 14 members throughout 2018. In addition to the Trustees and the Chair and Vice-Chair of the Board, the 'key management personnel' includes the Executive Director, appointed in April 2018, whose gross salary in the year amounted to £204,000 (January to May 2017: £122,000). The Foundation pays monthly contributions, at rates between 8% and 10% of gross salary, into a defined contribution group personal pension scheme for substantially all staff except Board members.

Other technical and operating costs

	2018	2017
	£'000	£'000
Audit, legal and taxation advice	144	148
Communication and technology	696	394
External relations	39	83
Human resource and recruitment activities	341	469
Meeting video conferencing	137	155
Travel and meetings	701	645
Other office-related costs	360	309
	2,418	2,203

IFRS Advisory Council, IFRS Interpretations Committee and other advisory bodies

In 2018 and 2017, the Foundation paid remuneration to the Chair of the IFRS Advisory Council of £40,000. Additionally, the Foundation reimbursed travel and accommodation costs. Other members of the IFRS Advisory Council are not paid remuneration and meet their own costs for attending meetings.

Members of the IFRS Interpretations Committee are not remunerated by the Foundation for their work on this body. However, they are reimbursed for their travel and accommodation costs for attending meetings.

Members of the Board's other advisory bodies meet their own costs for attending meetings. No members of these bodies are remunerated by the Foundation.

The remuneration, travel and meeting costs for these committees and advisory bodies are as follows:

	2018	2017
	£'000	£'000
IFRS Advisory Council remuneration costs	40	40
IFRS Advisory Council travel and meeting costs	64	59
IFRS Interpretations Committee travel and meeting costs	145	138
	<u>249</u>	<u>237</u>

2 Trustee oversight

The Foundation's management and governance is overseen by 22 Trustees (2017: 20). The Trustees meet three times a year. The Chair of the Trustees receives £200,000 per annum. Other Trustees receive an annual fee of £20,000 and are reimbursed for their travel on Foundation business. There are six Trustee committees; committee chairs receive an additional £7,000 per annum.

Costs associated with Trustee activities are as follows:

	2018	2017
	£'000	£'000
Remuneration costs	672	610
Travel and meeting costs	299	320
	<u>971</u>	<u>930</u>

3 Premises, occupancy and related expenses

The components of premises, occupancy and related expenses are as follows:

	2018	2017
	£'000	£'000
Rent	1,727	927
Rates, insurance and energy	833	588
Service charges	513	265
Depreciation	368	249
Other costs	143	85
	<u>3,584</u>	<u>2,114</u>
Less amounts allocated to publications expenses (see note 6)	<u>(700)</u>	<u>(406)</u>
	<u>2,884</u>	<u>1,708</u>

In September 2018, the Foundation terminated its operating lease at 30 Cannon Street in London. In January 2018, the Foundation entered into a new lease and commenced the fit-out and move to new offices. The main activities of the Foundation are now undertaken in Canary Wharf at 7 Westferry Circus, London. The new lease is for 10 years until December 2027 with a five-year break clause and lease incentives in the form of rent-free periods both initially and in year six. The Foundation also leases an Asia-Oceania office located in the Otemachi Financial City South Tower in Tokyo. The Tokyo lease expires in September 2022.

Payments made under the leases are recognised as expenses on a straight-line basis over the terms of the leases. Lease incentives on the London lease are recognised as an integral part of the total lease expense over the term of the lease.

The estimated costs of reinstating the premises when the leases expire are recognised as lease reinstatement obligations and are included in leasehold improvements and recognised evenly over the remaining lease term.

Both operating lease contracts contain market review clauses. Obligations due on the leases, excluding service charges and property rates, are as follows:

	2018	2017
	£'000	£'000
Within one year	991	717
In two to five years	3,206	250
More than five years	4,011	–
	<u>8,208</u>	<u>967</u>

Leasehold improvements, furniture and equipment

Leasehold improvements, furniture and equipment are initially measured at cost, and then depreciated on a straight-line basis. Leasehold improvements are depreciated over the remaining period of the lease. Furniture and equipment, including new but not significant equipment leases, are depreciated over three and five years. The significant movements in 2018 result from the fit-out of the Foundation's new premises.

	2018	2017
	£'000	£'000
Leasehold improvements		
Cost at 1 January	1,515	1,441
Additions	2,611	84
Disposals	(1,258)	(10)
Cost at 31 December	<u>2,868</u>	<u>1,515</u>
Accumulated depreciation		
Balance at 1 January	1,306	1,209
Charge for the year	192	97
Disposals	(1,247)	–
Balance at 31 December	<u>251</u>	<u>1,306</u>
Carrying amount	<u>2,617</u>	<u>209</u>
Furniture and equipment		
Cost at 1 January	1,251	1,209
Additions	766	93
Disposals	(782)	(51)
Cost at 31 December	<u>1,235</u>	<u>1,251</u>
Accumulated depreciation		
Balance at 1 January	1,069	975
Charge for the year	176	152
Disposals	(765)	(58)
Balance at 31 December	<u>480</u>	<u>1,069</u>
Carrying amount	<u>755</u>	<u>182</u>
Total carrying amount	<u>3,372</u>	<u>391</u>

4 Taxation

For US taxation purposes, the Foundation is classified as a not-for-profit, tax-exempt organisation. In 2006, the Foundation reached an agreement with the UK authorities regarding the status of taxation on its publications and related revenues. For 2018, the taxation expense is calculated on that basis, and is estimated to be £nil (2017: £nil).

At the end of 2018, the Foundation is carrying forward a loss for UK tax purposes of £6,340,000 (2017: £6,129,000). The Foundation does not recognise this loss as a deferred tax asset because of the uncertainty of being able to utilise these losses to offset future taxable income.

Funding

5 Contributions

Contributions to the Foundation are voluntary, mainly publicly sponsored, and are recognised as income in the year designated by the contributor. Contributions that have been received but are designated for use after the reporting date are deferred and recognised as liabilities. Contributions received after the reporting date, but designated for use in the reporting period, are recognised as income and as contributions receivable. All contributions received are for general use by the Foundation except for funding of the Asia-Oceania office as noted below.

The Foundation receives an annual contribution from the European Union that is supported by an enforceable grant, subject to various conditions that the Foundation is expected to meet. Contributions receivable includes the final grant instalment expected for the year of £1,024,000 (2017: £1,286,000).

The Foundation received other income including separate funding in 2018 of £318,000 / ¥50,000,000 (2017: £317,000 / ¥50,000,000) towards the operations of the Asia-Oceania office located in Tokyo. £340,000 (2017: £353,000) has been recognised in other income to offset the related operating expenses.

The Foundation receives contributions in a range of currencies, as follows:

	2018	2017
	£'000	£'000
UK Pounds	2,308	2,241
US Dollars	8,699	12,156
Euro	7,155	7,204
Other	3,845	3,483
	<u>22,007</u>	<u>25,084</u>

For more information on how the Foundation manages its currency risk, refer to note 7. A full list of contributors can be found on pages 38-41.

6 Publications and related activities

The following table presents the components of the net income generated by the Foundation's publications and related activities.

	2018	2017
	£'000	£'000
Revenues from contracts with customers		
Publications	1,508	1,647
Subscription services	1,768	1,800
Licensing	5,127	2,938
Conferences and speaking engagements	219	227
	<u>8,622</u>	<u>6,612</u>
Expenses		
Staff salaries and related costs	1,776	1,904
Cost of goods sold	433	358
Depreciation	43	26
Other costs, including occupancy expenses	1,409	1,029
	<u>3,661</u>	<u>3,317</u>
Net income from publications and related activities	<u><u>4,961</u></u>	<u><u>3,295</u></u>

Revenues are generated from the sale of printed publications, subscription services, various licensing contracts, and conference and speaking engagements. The Foundation recognises revenue when it satisfies its performance obligations to customers. Revenue is measured based on the consideration specified in the contracts.

- Revenue from printed publications is recognised when control of the publication is transferred to the customer, which occurs upon shipment. Publications are paid for in advance of shipment.
- Revenue from subscription services is recognised over the subscription period on a time-apportioned basis because the services provide ongoing access to updated versions of IFRS Standards and other related content. Subscriptions are generally paid for in advance.
- The Foundation enters non-exclusive licensing contracts granting third parties rights to use IFRS Standards and related content to provide various products and services. Consideration for these contracts is in the form of fixed fees payable in advance or arrears, or variable fees that are based on customers' sales and payable quarterly in arrears. Revenues for fixed-fee contracts are recognised on a time-apportioned basis over the term of the licence because the contracts provide ongoing access to updated versions of IFRS Standards and other related content. Revenues for variable-fee contracts are recognised as the customers' sales occur.
- Revenues from conferences and speaking engagements are recognised when the conference or other event occurs.

Customers are entitled to refunds or returns in accordance with statutory requirements, but such occurrences based on experience are expected to be infrequent and insignificant.

Trade and other receivables include £892,000 (2017: £1,097,000) from licensing contracts. Publications revenue received in advance relates to subscription services and licensing contracts; the amount of £1,324,000 recognised at the beginning of the year has been recognised as revenue during the year, and, the amount of £1,375,000 recognised at the end of the year is expected to be recognised as revenue in 2019. No further information is provided about remaining performance obligations at the end of the year that have an original duration of one year or less, as allowed by IFRS 15. Inventories consist of the Foundation's publications, which are carried at the lower of the cost of printing, on a first-in, first-out basis, or their net realisable value.

Management of funds

7 Risk management

Foreign currency management

To manage risks associated with fluctuations in voluntary contribution levels, the Trustees of the Foundation provided guidance for maintaining sufficient funds to be able to meet at least 12 months' of operating costs. The Foundation's expenses arise largely in sterling, whereas the organisation receives funding and future financing commitments, under various publicly sponsored funding regimes, primarily in US dollars and euros (refer to note 5). Some expenses are incurred and paid in US dollars and euros after which the net contributions in those currencies are exchanged for sterling. This exposes the organisation to currency risk. This note explains the financial reporting consequences of how the Foundation manages foreign currency risk.

The Trustees have implemented a strategy to mitigate the foreign exchange fluctuation risks connected with these expected future net contributions. The Foundation generally forward sells approximately 90% of its expected net US dollar contributions, 70% of its expected net euro contributions and 50% of its expected net Japanese yen contributions to fix a sterling equivalent. Foreign currency is sold forward on a two-year rolling basis with an established financial institution; credit risk is deemed minimal.

The forward foreign exchange contracts used by the Foundation to mitigate foreign exchange risk are recognised at fair value and subsequently measured at fair value through profit or loss. The following table presents the fair value and notional value of these contracts by currency.

	2018			2017		
	Fair value '000	Notional value '000	Weighted average rate	Fair value '000	Notional value '000	Weighted average rate
Forward foreign exchange contracts by currency:						
Financial assets						
USD (Level 2)	–	–	–	£375	\$15,250	1.33
JPY (Level 2)	–	–	–	£17	¥141,000	146.75
EUR (Level 2)	–	–	–	£71	€5,000	1.098
Financial liabilities						
USD (Level 2)	£(858)	\$23,050	1.363	£(348)	\$7,500	1.447
JPY (Level 2)	£(89)	¥282,000	144.244	–	–	–
EUR (Level 2)	£(278)	€10,100	1.129	£(170)	€5,000	1.144

The fair value of forward foreign exchange contracts is bank-provided and based on price models using observable exchange rates, described as Level 2 in IFRS 13 *Fair Value Measurement*. All non-current forward contracts expire by 2021. The effect of these forward contracts is that the Foundation is exposed to the currency risk associated with the expected remaining 10% of projected net US dollar contributions, 30% of projected net euro contributions and 50% of projected net Japanese yen contributions (commencing in 2019) that are not covered by the forward contracts.

A potential 10% increase in average exchange rates for sterling would have produced estimated losses on the remaining actual net US dollar contributions received during the year of £147,000 and on the remaining actual net euro contributions received during the year of £197,000. To the extent that projected contributions in either currency change, the Foundation actively manages the amount of each currency forward sold.

Liquidity and interest rate risk

The Foundation manages its working capital to ensure sufficient cash resources are maintained to meet short-term liabilities. The Foundation has no borrowings.

The Foundation has a target of keeping an amount in cash equal to or exceeding the upcoming quarter's expenditure including amounts to meet maturing forward foreign exchange contracts. Cash is held either as current or as short-term deposits at floating rates of interest. Part of the cash is held in euro, Japanese yen and US dollar bank accounts to meet expenditure obligations. Surplus funds are invested in sterling-denominated, fixed rate bonds of governments, governmental agencies or international organisations with AAA ratings at the time of purchase. These funds are reserves for continuing operations and capital expenditure.

The Foundation manages and receives information from its advisors on its investments in bonds on a fair value basis that includes value changes attributable to interest rate risk. Financial results are provided on that basis to the Trustees and key management personnel. Bonds can be converted into cash if necessary.

Credit risk

The Foundation has financial assets measured at amortised cost comprising cash and cash equivalents, contributions receivable and publication-related receivables. The Foundation has assessed the credit risk of its financial assets measured at amortised cost and has determined that the loss allowance for expected credit losses of those assets is immaterial to the financial statements. The Foundation's exposure to credit losses has been historically very low.

Cash and cash equivalents are all held in financial institutions with high credit ratings.

At 31 December 2018, the Foundation had a receivable of £1,024,000 from a single contributor. This contribution receivable reflects the final grant instalment from the European Union, which has a high credit rating and stable outlook. The Foundation has determined this receivable to have low credit risk.

Exposure to credit risk arising from publications and related activities is managed by requiring advance payments for some products and services and with the contractual control of the use of the Foundation's intellectual property. The Foundation retains a right to terminate contracts and cancel all rights and licences, although such occurrences are expected to be infrequent and not significant.

The carrying amount of the Foundation's financial assets represent the maximum credit exposure.

8 Investments

Bonds are recognised at fair value and subsequently measured at fair value through profit or loss. The values of these bonds are quoted on active markets, described as Level 1 in IFRS 13. Fair values and face values of current and non-current bonds are presented in the following table.

	2018	2018	2017	2017
	Fair	Face	Fair	Face
	value	value	value	value
	£'000	£'000	£'000	£'000
Current, including accrued interest	2,582	2,568	2,618	2,595
Non-current, including accrued interest	19,805	19,871	15,632	15,551
	22,387	22,439	18,250	18,146

The Foundation measures all other financial instruments at amortised cost. Those financial instruments include financial assets with a total carrying amount of £12,823,000 (2017: £15,699,000) and financial liabilities with a total carrying amount of £288,000 (2017: £286,000). The carrying amount of these financial assets and liabilities is a reasonable approximation of their fair value. These financial instruments include cash and cash equivalents, contributions receivable, publication-related receivables, and trade and other payables.

9 Finance income and finance costs

	2018	2017
	£'000	£'000
Finance income:		
Interest income	247	219
Fair value gains on forward foreign exchange contracts	9	3,682
Exchange gains on forward foreign exchange contracts and cash holdings	244	–
	500	3,901
Finance costs:		
Fair value losses on forward foreign exchange contracts	(1,179)	(282)
Fair value losses on bonds	(156)	(160)
Exchange losses on forward foreign exchange contracts and cash holdings	–	(2,618)
	(1,335)	(3,060)
	(835)	841

Fair value gains and losses from bonds do not include interest income.

Appendix 1

Financial supporters

Jurisdiction	Organisation	
Australia	£557,000	Financial Reporting Council
Brazil	£146,775	
	£100,000 +	Fundação de Apoio ao Comitê de Pronunciamentos Contábeis
	£25,000 +	Central Bank of Brazil
	Less than £25,000	Petrobras SA
Canada	£531,793	
	£100,000 +	Chartered Professional Accountants of Canada
	Less than £25,000	Office of the Superintendent of Financial Institutions
Chinese Taipei	£62,000	
	Less than £25,000	Accounting Research and Development Foundation
		Taiwan Futures Exchange
		Taipei Exchange
		Taiwan Stock Exchange Corporation
		Taiwan Depository & Clearing Corporation
European Union	£4,152,984	European Commission
France	£891,345	Ministry for the Economy and Finance—Autorité des Normes Comptables
Germany	<i>Voluntary levies through the Accounting Standards Committee of Germany (DRSC)</i>	
	£757,380	
	£25,000 +	Allianz SE
		Fresenius SE & Co KGaA
		BASF SE
		Linde AG
		Bayer AG
		Merck KGaA
		BMW—Bayerische Motoren Werke AG
		Münchener Rückversicherungs-Gesellschaft AG
		Commerzbank AG
		ProSiebenSat.1 Media SE
		Continental AG
		RWE AG
		Daimler AG
		SAP SE
		Deutsche Post AG
		Siemens AG
		Deutsche Telekom AG
		thyssenkrupp AG
		Fresenius Medical Care AG & Co KGaA
		Volkswagen AG
	Less than £25,000	Aareal Bank AG
		Fielmann AG
		alstria office REIT-AG
		Fraport AG
		BAUER AG
		freenet AG
		Borussia Dortmund GmbH & Co KGaA
		Gerresheimer AG (GX Glas GmbH)
		CropEnergies AG
		GFT Technologies SE
		DekaBank
		Grammer AG
		Deutsche Beteiligungs AG
		Hannover Rück SE
		Deutsche Börse AG
		Heidelberger Druckmaschinen AG
		DEUTZ AG
		HORNBAACH Holding AG & Co KGaA
		Drägerwerk AG & Co KGaA
		HSBC Trinkaus & Burkhardt AG
		Dürr AG
		Infineon Technologies AG

continued...

Jurisdiction	Organisation
Germany	<i>continued...</i>
Less than £25,000 (continued)	innogy SE
	Rheinmetall AG
	KION Group AG
	Sartorius AG
	LANXESS AG
	Südzucker AG
	METRO AG
	TUI AG
MTU Aero Engines AG	
United Internet AG	
NORMA Group SE	
Villeroy & Boch AG	
OSRAM Licht AG	
Wacker Chemie AG	
Progress-Werk Oberkirch AG	
Wirecard AG	
PUMA SE	
Hong Kong SAR	
£56,670	
£25,000 +	Securities and Futures Commission
Less than £25,000	Hong Kong Monetary Authority
India	
£489,500	Ministry of Corporate Affairs
Indonesia	
£68,000	Financial Services Authority (OJK)
International	
£18,514	Bank for International Settlements
Ireland	
£7,406	Central Bank & Financial Services Authority of Ireland
Israel	
£17,000	Israel Securities Authority
Italy	
£666,201	Organismo Italiano di Contabilità
Japan	
£1,949,977	Financial Accounting Standards Foundation
£318,000	Financial Accounting Standards Foundation—restricted contribution for the Asia-Oceania office
Kazakhstan	
£7,048	National Bank of Kazakhstan
Malaysia	
£70,530	Malaysian Accounting Standards Board
Netherlands	
£353,313	
£100,000 +	Ministry of Finance
Less than £25,000	De Nederlandsche Bank
New Zealand	
£99,432	External Reporting Board
Norway	
£88,974	Financial Supervisory Authority of Norway

continued...

Jurisdiction	Organisation	
People's Republic of China		
	£2,486,928	
£100,000 +	Chinese Institute of Certified Public Accountants	Shanghai Stock Exchange
	Ministry of Finance	Shenzen Stock Exchange
£50,000 +	China Development Bank	China Investment Corporation
£25,000 +	China Communications Construction Company Ltd	China Petroleum & Chemical Corporation
	China National Offshore Oil Corporation	PetroChina Company Limited
	China Pacific Insurance (Group) Co Ltd	
Less than £25,000	Agricultural Bank of China	China Mobile Communication Co Ltd
	Bank of China Limited	China Telecom Corporation Limited
	Bank of Communications Co. Ltd.	Huaneng Power International Inc
	China CITIC Bank Corporation Limited	Industrial and Commercial Bank of China Limited
	China Construction Bank Corporation	New China Life Insurance Company Ltd
	China Merchants Bank	PICC Property and Casualty Company Limited
Portugal		
	£18,510	Banco de Portugal
Russia		
	£427,700	Ministry of Finance of the Russian Federation
Saudi Arabia		
	£150,000	Saudi Organization for Certified Public Accountants (SOCPA)
Singapore		
	£70,000	Ministry of Finance
South Africa		
	£131,135	
£100,000 +	Companies and Intellectual Property Commission	
Less than £25,000	Johannesburg Stock Exchange	
South Korea <i>Donations contributed through the Korea Accounting Standards Board</i>		
	£507,854	
£100,000 +	Korea Accounting Standards Board (KASB)	
£50,000 +	Financial Supervisory Service	Samsung Electronics Co., Ltd
£25,000 +	Deloitte Anjin LLC	Samsung C&T Corporation
	Doosan Infracore Co., Ltd.	Samsung Fire & Marine Insurance Co., Ltd.
	Ernst & Young Han Young	Samsung Life Insurance Co., Ltd.
	Korea Gas Corporation	Samsung SDS Co., Ltd.
	KPMG Samjong Accounting Corp.	SK Hynix Inc.
	LG Display Co., Ltd.	SK Telecom Co., Ltd
	Samil PricewaterhouseCoopers	Woori Bank

continued...

Jurisdiction	Organisation	
South Korea <i>continued...</i>		
Less than £25,000	Celltrion, Inc.	LG Electronics Inc.
	Hana Financial Group Inc.	Samsung Card Co., Ltd.
	KB Financial Group Inc.	Samsung SDI Co., Ltd.
	KEPCO Plant Service & Engineering Co., Ltd.	Samsung Securities Co., Ltd.
	Korea District Heating Corporation	Shinhan Financial Group Co., Ltd
	Korea Hydro & Nuclear Power Co., Ltd	
Spain		
£353,170	Bolsas y Mercados Españoles	
Switzerland		
£80,731		
£50,000 +	SwissHoldings	
Less than £25,000	Swiss National Bank	
United Kingdom <i>Levies through the Financial Reporting Council</i>		
£813,000		
United States of America		
£597,659		
£100,000 +	Citigroup Inc.	
£50,000 +	American Institute of CPAs (AICPA)	Board of Governors of the Federal Reserve System
	Bank of America Corporation	CFA Institute
£25,000 +	Ford Motor Company	Oracle Corporation
	Morgan Stanley	
Less than £25,000	General Motors Company	PepsiCo, Inc.
International accounting firms		
£5,378,582		
(US\$1.65 million each)	Deloitte Touche Tohmatsu Limited	KPMG
	Ernst & Young	PricewaterhouseCoopers
£100,000 +	BDO (Brussels Worldwide Services BvBA) —US\$300,000	Mazars—US\$200,000
	Grant Thornton—US\$300,000	

Appendix 2

IFRS Advisory Council members

At 31 December 2018

Chair		
Joanna Perry	Non-Executive Director, New Zealand	
Represented body	Represented by	Position
Institute of International Finance	Gavin Francis (Vice-Chair)	Group Chief Accounting Officer, HSBC Holdings plc
ACTEO and MEDEF	Olivia Larmaraud	Deputy Corporate Accounting Director, PSA Peugeot Citroën
Basel Committee on Banking Supervision	William Coen	Secretary General
BDO	Jens Freiberg	Head of International Financial Reporting, Head of Capital Markets, BDO AG
Brazilian Development Bank	Vânia Maria da Costa Borgerth	Deputy Managing Director for the Controlling Division
Business Europe	Kristian Koktvedgaard	Head of VAT Accounting and Auditing, Confederation of Danish Industry
Capital Markets Board of Turkey	Sibel Ulusoy Tokgöz	Deputy Head, Accounting Standards Department
CFA Institute	Giuseppe Balocchi	Future of Finance Content Council member
Comisión Nacional Bancaria y de Valores	Laura Ramírez	Deputy General, Director on Accounting Regulation
Corporate Reporting Users Forum	Lothar Weniger	Owner, ALIAG, Usingen
Council of Institutional Investors	Anne Simpson	Investment Director, Global Governance, CalPERS
Deloitte	Stephen Taylor	Audit Partner
European Accounting Association	Ann Jorissen	Professor of Accounting, University of Antwerp, Antwerp Management School
European Central Bank	Jürgen Kirchhof	Principal Finance Expert, Financial Reporting & Policy Division
European Federation of Financial Analysts Societies	Javier de Frutos	Chief Investment Officer, Sailbridge Capital
European Financial Reporting Advisory Group	Jean-Paul Gauzès	EFRAG Board President
European Securities Markets Authority	Roxana Damianov	Corporate Reporting Team Leader
External Reporting Board, New Zealand	Ken Warren	Chief Accounting Advisor, The Treasury, New Zealand
EY	James Luke	Technical Partner, Africa Region
Fédération Internationale des Experts-Comptables Francophones	Aziz Dieye	Founder of Cabinet Aziz Dieye and Centre Africain d'Etudes Supérieures en Gestion (Management High School), Senegal
Financial Executives International	Ron Edmonds	Controller and Vice President of Controllers and Tax, DowDuPont
Financial Reporting Standards Council of South Africa	Garth Coppin	Member
Grant Thornton	Jake Green	Technical Partner
HUB Global Insurance Group	Lynda Sullivan	Executive Vice President and Group Chief Accounting Officer, Manulife Financial
Individual	Surya Subramanian	Group Chief Financial Officer, Emirates NBD
Indonesian Financial Services Authority	Ety Wulandari	Deputy Commissioner
Insurance Europe	Olav Jones	Deputy Director General
International Actuarial Association	Micheline Dionne	Member of the IAA Executive Committee
International Association for Accounting Education & Research	Holger Daske	Professor and Chair of Accounting and Capital Markets, University of Mannheim

Represented body	Represented by	Position
International Association of Insurance Supervisors	Abdulrahman Fahd Almosad CMA	Insurance Supervisor
International Co-operative Alliance	Isabelle Ferrand	Chief Financial Officer, Confédération Nationale du Crédit Mutuel
International Corporate Governance Network	Ian Burger	Head of Corporate Governance, Newton Investment Management
International Federation of Accountants	John Stanford	Technical Director of the International Public Sector Accounting Standards Board
International Monetary Fund	Ghiath Shabsigh	Assistant Director, Monetary and Capital Markets Department
International Organization of Securities Commissions	Areewan Aimdilokwong	Director of the Audit Oversight Department, Securities & Exchange Commission of Thailand
International Organization of Securities Commissions	Ton Meershoek	Technical Expert in Financial Reporting, Netherlands Authority for the Financial Markets
Investment Association	Colin McDonald	Director and Head of EMEA Financial Reporting Group at BlackRock
Investment Company Institute	Clive Brown	Chief Executive Officer of RBC Global Asset Management (UK) Limited
Korea Accounting Standards Board	Jee In Jang	Advisor to KASB
KPMG	Andrew Marshall	Senior Technical Partner
Ministry of Finance, People's Republic of China	Yibin Gao	Director-General of Accounting Regulatory Department
National Organisation for Financial Accounting and Reporting Standards	Igor Kozyrev	Chairman of the Management Board of NOFA, Deputy Chief Accountant — Deputy Vice-President, Head of External Reporting Department, LUKOIL
Nippon Keidanren	Hidetake Ishihara	Managing Executive Officer, Nippon Steel Corporation
PwC	Henry Daubeney	Partner, Global Head of Reporting and Chief Accountant
Shanghai University of Finance and Economics	Xinyuan Chen	Vice President and Professor
UK FRC (representing the national standard-setters of France, Germany, Italy and the UK)	Paul George	Executive Director of Corporate Reporting and Governance
Wipro Ltd	Suresh Senapaty	Former Executive Director and Chief Financial Officer
World Bank	Pam O'Connell	Director and World Bank Group Chief Accountant

Observer organisations

European Commission

Japan Financial Services Agency

US Securities and Exchange Commission

Information about current Advisory Council members can be found at www.ifrs.org/groups/ifrs-advisory-council.

Appendix 3

IFRS Interpretations Committee members

At 31 December 2018

Non-voting Chair	
Sue Lloyd	Vice-Chair, International Accounting Standards Board

Name	Title	Organisation	Term ends
Andrew Buchanan	Global Head of IFRS	BDO	30 June 2019
Tony de Bell	Senior Partner, PwC Global Accounting Services Group	PwC	30 June 2019
Reinhard Dotzlaw	Global IFRS Leader	KPMG	30 June 2019
Carl Douglas	Corporate Controller	CCR S.A.	30 June 2020
Mikael Hagström	Senior Vice President and CFO	Dongfeng Commercial Vehicles	30 June 2020
Jongsoo Han	Member	Korea Accounting Standards Board	30 June 2021
Guy Jones	Partner, IFRS Regional Leader Canada	EY	30 June 2021
Goro Kumagai	Senior Fellow, Markets Strategic Intelligence Department	Mizuho Securities Co Ltd	30 June 2021
Bruce Mackenzie	Managing Director	W Consulting International	30 June 2020
Bertrand Perrin	Director, Accounting Standards and Special Projects	Vivendi	30 June 2019
Dr Martin Schloemer	Head of Accounting Principles & Policies	Bayer AG	30 June 2019
Robert Uhl	Partner, National Director of Accounting Standards	Deloitte & Touche LLP	30 June 2021
Bonnie Van Etten	Group Chief Accounting Officer	FCA	30 June 2020
Yang Zheng	Vice President and CFO	New China Life Insurance Co Ltd	30 June 2019

Further information about the IFRS Interpretations Committee, including biographies of all members, can be found at www.ifrs.org/groups/ifrs-interpretations-committee.

Appendix 4

IFRS Foundation Monitoring Board members

At 31 December 2018

Jurisdiction	Member	Position and organisation
IOSCO	Jean-Paul Servais (Chair)	Representative of the IOSCO Board (Vice-Chairman), Chairman of the Financial Services and Markets Authority, Belgium
IOSCO	Ünal Eryilmaz	Representative of the IOSCO Growth and Emerging Markets Committee. Board Member of the Capital Markets Board of Turkey
Brazil	Marcelo Barbosa	Chairman of the Securities and Exchange Commission of Brazil
European Commission	Valdis Dombrovskis	Vice-President for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union
Japan	Ryozo Himino	Vice Minister for International Affairs of the Financial Services Agency
People's Republic of China	Cheng Lihua	Vice Minister of the Ministry of Finance
South Korea	JongKu Choi	Chairman of the Financial Services Commission
United States	Jay Clayton	Chairman of the Securities and Exchange Commission

Observer	Position and organisation
Marcos Ayerra	Representative of the IOSCO Inter-American Regional Committee (Chairman) and Chairman of the Comisión Nacional de Valores, Argentina
Jurgen Boyd	Representative of the IOSCO Africa/Middle-East Regional Committee and Deputy Executive Officer of the Financial Sector Conduct Authority of South Africa
Fernando Vargas	Representative of the Basel Committee on Banking Supervision

Further information about the IFRS Monitoring Board can be found at www.ifrs.org/groups/ifrs-foundation-monitoring-board.

The Trustees of the IFRS Foundation thank all staff and contributors for their collaboration and commitment in 2018.





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