Better information for better decisions
This annual report by the Trustees of the IFRS Foundation covers the financial year ended 31 December 2023; it was authorised for issue in April 2024.

If you have questions or feedback on the report, please email communications@ifrs.org. Detailed information about the IFRS Foundation can be found on www.ifrs.org.
At a glance

Who we are

IFRS Foundation
The IFRS Foundation is a not-for-profit organisation created in 2001 to develop—in the public interest—high-quality, understandable, enforceable and globally accepted standards for general purpose financial reporting, and to promote and facilitate their adoption.

The Standards—IFRS® Accounting Standards and IFRS® Sustainability Disclosure Standards—are collectively referred to as IFRS® Standards. They are set by the Foundation’s two independent standard-setting bodies, the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), using a rigorous, inclusive and transparent due process.

Oversight
The IFRS Foundation Trustees oversee the two boards and are accountable to a Monitoring Board of public authorities.

Locations
The Foundation has offices in Beijing, Frankfurt, London, Montreal, San Francisco and Tokyo.

What we do

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

Our values
- **We serve the public interest**—to deliver our mission, we act with integrity, transparency and accountability.
- **We shape the future**—we help shape the future of financial reporting to promote a sustainable and resilient global economy.
- **We deliver as one**—we deliver as one Foundation, connected by our shared commitment to our mission and goals.
- **We thrive together**—we create a supportive environment for all colleagues to do their best work and thrive.

Our objectives
The IFRS Foundation’s objectives, as set out in our Constitution, are:
- to develop—in the public interest—high-quality, understandable, enforceable and globally accepted IFRS Standards for general purpose financial reporting based on clearly articulated principles;
- to promote the use and rigorous application of IFRS Standards;
- to take account of the needs of varied sizes and types of entities in diverse economic settings when developing and promoting use of IFRS Standards; and
- to promote and facilitate adoption of IFRS Standards.
Better information for better decisions

The IFRS Foundation’s founding principle is that better information leads to better decisions. Investors need reliable, transparent and globally comparable information about companies to make better investment decisions.

IFRS Standards meet this need by enabling companies worldwide to provide such information to their investors.
How we enable better decisions continued

Promoting efficient capital markets

We are all affected by how well the global capital markets work. They enable governments to borrow money for development and companies to finance business and manage risks.

Capital markets need transparent and reliable information to function efficiently—investors must be able to trust the information they receive from the companies they invest in. IFRS Standards enhance the transparency and quality of the information provided and help investors identify opportunities and risks globally, thus improving capital allocation.

By providing a common reporting language, IFRS Standards reduce both the cost of capital and reporting costs for companies.

In a challenging and ever-evolving global environment, companies’ interactions with each other and their surroundings are constantly changing. In developing our Standards for global capital markets, we adapt and respond to emerging and evolving information needs.
How we enable better decisions continued

**Collaborating to develop global standards**

Developing standards that can be applied in a consistent manner by companies around the world is a collaborative process. To ensure that our Standards are of the highest possible quality, we gather ideas and views from all those affected by and with an interest in standard-setting for the capital markets.

We bring parties together to assist us in finding the best possible solutions. We engage, consult and listen to inform our independent standard-setting boards.

Our recognised due process for standard-setting is rigorous, inclusive and transparent. It builds trust in and global acceptance of our Standards.
How we enable better decisions continued

How we create and preserve value

Inputs

- Intellectual capital (IFRS Standards and related materials, brand, due process)
- Staff
- Stakeholder relationships (including advisory bodies and consultative groups)
- Financial capital
- Manufactured capital (IT and offices)

Activities

- Develop and maintain IFRS Standards and related materials
- Deliver guidance and services that support adoption of IFRS Standards
- Support rigorous and consistent application of IFRS Standards
- Consult and engage with stakeholders
- Train and support staff

Outputs

- High-quality IFRS Standards and related materials
- Engaged stakeholders and worldwide organisational support

Outcomes

- Widespread use of IFRS Standards around the world
- Increased transparency, accountability and efficiency in the world's capital markets
- Improved trust, growth and long-term stability in the global economy
- Engaged and high-performing staff
Key accomplishments in 2023

- **Completed** technical discussions on two new IFRS Accounting Standards to improve companies' financial performance reporting (IFRS 18 Presentation and Disclosure in Financial Statements) and reduce disclosures for subsidiary companies (IFRS 19 Subsidiaries without Public Accountability: Disclosures), due to be issued in 2024.

- **Amended** our Accounting Standards to improve transparency of supplier finance arrangements, help companies respond to international tax reform and increase consistency in accounting when a currency cannot be exchanged.

- **Launched** two inaugural IFRS Sustainability Disclosure Standards—IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

- **Amended** the SASB Standards, which facilitate the application of IFRS S1, to enhance their international applicability.

- **Secured** endorsement of IFRS Sustainability Disclosure Standards by market regulators.

- **Opened** our office in Beijing, following the signing of a Memorandum of Understanding with the Chinese Ministry of Finance in 2022.

- **Signed** an agreement with the Financial Accounting Standards Foundation in Japan, extending Japan’s long-term financial commitment to the IFRS Foundation and our office in Tokyo.
Report from the Chair of the IFRS Foundation Trustees
One Foundation, two boards

For more than two decades, widespread adoption of IFRS Standards has resulted in investors gaining access to high-quality, globally comparable financial information.

As investors’ information needs have evolved, so have IFRS Standards—we have updated and enhanced them to reflect changing business models, technology-driven innovation and, more recently, investors’ desire to understand sustainability-related risks and opportunities.

Our Constitution requires the Trustees to ensure the IFRS Foundation has the strategy, resources and governance necessary for IFRS Standards to meet the ever-changing needs of the global markets. I am pleased to report that, in 2023, we continued to make important progress towards meeting those needs.

The creation of the International Sustainability Standards Board (ISSB) in 2021, to sit alongside the International Accounting Standards Board (IASB), represented the most significant change to the IFRS Foundation since its formation in 2001. Both boards serve the public interest—providing global capital markets with better information that allows investors to make better decisions. Therefore, it is essential that all parts of the IFRS Foundation, the two boards and staff in all locations, continue to work together towards this common purpose.

In 2023 the One Foundation programme enabled us to finish consolidating the Climate Disclosure Standards Board and the Value Reporting Foundation’s (VRF) systems and processes. Our investment in technology transformation in recent years greatly eased this integration.

We also prioritised work to ensure all staff, regardless of function or location, feel part of one organisation with a common culture and shared values. The resulting culture framework will serve as an important reference point as the organisation continues to grow and evolve during 2024.

Enhancing financial reporting

As Trustees, we have overseen and worked with the leadership of the IASB and the ISSB to support the achievement of their respective goals.

The ISSB made further substantial progress, building on the pledges made by the IFRS Foundation at the time of its launch. In 2023 the ISSB issued its inaugural IFRS Sustainability Disclosure Standards and, importantly, had them validated and endorsed by the International Organization of Securities Commissions (IOSCO)—mirroring IOSCO’s endorsement of the Accounting Standards of the IASB’s predecessor body in May 2000.¹ The Trustees have overseen the creation and appointment of various advisory and consultative bodies to the ISSB and ensured that necessary resources were provided to enable the ISSB to develop capacity-building activities.

In 2024 we will work with partners to roll out a capacity-building programme to support markets, with a focus on emerging and developing economies, in preparing to apply IFRS Sustainability Disclosure Standards. We will also seek to advance jurisdictional adoption by working with public authorities at an international and jurisdiction level—including with colleagues at the Financial Stability Board and IOSCO.

The IASB has continued to adapt IFRS Accounting Standards in line with the evolving information needs of investors. Among various innovations, an important project is the overhaul of the requirements for financial statements—with a focus on the statement of profit or loss and the notes—which for decades have served as the cornerstones of investment decision-making. The new requirements will be issued in 2024 and represent the first new IFRS Accounting Standard in several years. The IASB also expects to start two new projects about the reporting of cash flows and intangibles, responding to investors’ information needs.

The Trustees will continue to assess the strategic direction of corporate reporting by both boards.

¹ The International Accounting Standards Committee was restructured to become the IASB in 1999–2000; the IASB held its first meeting in 2001.
Both boards serve the public interest—providing global markets with better information that allows investors to make better decisions.

Resources for the organisation
None of this work would be possible without a well-resourced organisation—another vital Trustee responsibility. Ensuring the financing of the Foundation to support growth and development will continue to be a priority for the Trustees. In 2023 we worked to maintain funding for the IASB while initiating different funding approaches for the ISSB, supported by our partners, to gradually replace the seed funding. However, continued focus and engagement are necessary to ensure appropriate diversity, strength and stability in funding sources.

The Trustees have overseen the further development of our multi-location model (see page 25). In 2023 we opened the ISSB’s Beijing office and appointed new Office Directors for our offices in Frankfurt, Montreal and Tokyo.

In 2024 we will move from our temporary home in Montreal to our new, permanent location in the city.

At a leadership level, Linda Mezon-Hutter commenced her role as Vice-Chair of the IASB, alongside two new board members—bringing the IASB to its full complement of 14 members. I was also delighted to confirm the reappointment of Emmanuel Faber to serve a second term as ISSB Chair from 2025—thus providing stability and certainty to the ISSB.

We have also made a conscious effort to ensure the composition of the Trustees reflects the breadth of the Foundation’s responsibilities, with an appropriate balance between expertise in accounting and sustainability matters.

The cohort of Trustees who joined in 2023 have helped to provide this balance. We have also made some changes to the Trustee committees, with the formation of a Budget and Finance Committee, which is now separate from the Audit and Risk Committee.

Erkki Liikanen
Chair of the IFRS Foundation Trustees

1. This report was written on 31 December 2023, at the end of the reporting period.
Report from the Chair of the International Accounting Standards Board

Improving decision-making

In 2023 capital markets faced geopolitical tensions, technological disruptions and fluctuating market conditions. Consequently, reliable information became even more crucial to facilitating well-informed decisions.

Remarkably, 2023 also marked 50 years of international accounting standard-setting. This achievement was made possible by the dedicated commitment of individuals and jurisdictions alike to improving the function of capital markets to enable efficient capital allocation, connect economies and support growth.

Technical work plan

I am pleased to report that in 2023 we have made significant progress throughout our work plan. Notably, we concluded our discussions on the Primary Financial Statements project, which will lead to a new IFRS Accounting Standard in 2024. Intended to improve the financial performance information that companies provide to investors, this Accounting Standard will affect almost all companies that report using IFRS Accounting Standards and benefit investors in those companies.

We also finished redeliberating our proposals for reduced disclosure requirements for subsidiaries of parent companies that apply IFRS Accounting Standards. This project will also lead to a new Accounting Standard in 2024. It will simplify financial reporting and thereby reduce costs for eligible companies that choose to apply it.

Furthermore, we issued amendments to our Accounting Standards to address supplier finance arrangements and the issue of lack of exchangeability in foreign exchange rates.

We carried out two post-implementation reviews, which are integral to understanding whether IFRS Standards are effectively achieving their intended goals. Stakeholder feedback is paramount in such reviews. We moved to the second phase of our review of IFRS 9 Financial Instruments, which concentrated on impairment requirements. We also sought stakeholder feedback on IFRS 15 Revenue from Contracts with Customers. Looking ahead to 2024, our focus will shift towards reviewing IFRS 16 Leases.

We upheld our commitment to timely action. For instance, we promptly amended our financial reporting requirements for taxes to align with the Organisation for Economic Co-operation and Development’s reform of the international tax regime. Our swift action gave certainty to companies and investors.

The ability to respond effectively when required remains an important part of our duty to serve stakeholders’ interests.

Engagement

In 2023 we advanced several projects to the next phase. I wish to highlight two specific examples.

- We proposed amendments to clarify reporting on “hybrid” financial instruments containing both debt and equity features. The complex nature of these instruments has led to varied accounting practices, making it difficult for investors to evaluate and compare companies’ financial positions and performance.

- In 2023, we decided to publish a package of proposals in 2024, designed to enhance disclosures about acquisitions and improve goodwill impairment testing. In developing this package, the IASB carefully considered the balance between providing better information for investors and the cost and risk implications for companies.
2023 marked 50 years of international accounting standard-setting, made possible by the dedicated commitment of people and jurisdictions alike.

To effectively address uncertainties and set priorities, ongoing engagement with our stakeholders remains fundamental. Throughout the year my fellow IASB members and I had the privilege of meeting and actively listening to many of our stakeholders—regulators, companies, investors, auditors and academics—through various forums. We value their contributions, which guide our work.

**Consistent application**
For IFRS Accounting Standards to fulfil their purpose it is essential that they are applied consistently worldwide. The IASB works with the IFRS Interpretations Committee to foster consistent application of our Accounting Standards. In addressing questions about the application of our Accounting Standards, the Committee ensures that its decisions and guidance are widely applicable, helping companies to report consistently so that investors can make well-informed decisions.

**Cross-cutting work**
Some of our work bridges several of our Accounting Standards and other materials. Examples of projects that we progressed in 2023 and will continue into 2024 and beyond include our work:

- on climate-related matters—we have started a project to explore whether and how we can support companies in their reporting on climate-related matters and other uncertainties in the financial statements, recognising this is an area about which investors and companies are asking questions;
- on digital reporting—we continue to monitor developments in how investors use technology in their analysis and investment decisions, develop our digital Accounting Taxonomy and work with regulators to facilitate digital reporting for investors; and
- with the ISSB—to assist in providing investors with connected information in companies’ general purpose financial reports (see page 33).

**Andreas Barckow**
Chair of the IASB

On behalf of my fellow IASB members and staff, I thank you for the confidence and trust you have vested in us. This is essential for us to continue the work we do for the stakeholders we serve.

I thank my fellow board members for their contribution in 2023, and IASB Vice-Chair Linda Mezon-Hutter for great collaboration. Thanks also to the Trustees for bringing the IASB back up to a full complement of 14 members.

The 50th anniversary of international accounting standards reminds us of our collective capacity and determination to address challenges. We look forward to earning your continued support in the upcoming year and beyond.
Report from the Chair of the International Sustainability Standards Board

From creation to implementation

Welcoming a new year offers an opportune moment to reflect on the significant progress made in 2023 towards a global baseline of sustainability-related financial disclosures.

We had an ambitious list of strategic priorities for 2023, and I’m pleased to say that we made significant progress on all of them. The year saw us move from creation to a new phase of our work, focused on adoption and implementation, with a real sense of anticipation for 2024.

Our accomplishments in 2023 provide a solid basis for the work to come. We successfully developed our first two IFRS Sustainability Disclosure Standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, which we issued in June. IFRS S1 and IFRS S2 help to provide a common language for disclosing material information about sustainability-related risks and opportunities that affect companies’ prospects, starting with climate-related disclosures. We now look forward to seeing IFRS S1 and IFRS S2 applied in practice so that the benefits of consistent, comparable decision-useful information can be felt around the world.

Global collaboration and support

The progress we have made thus far would not have been possible without the support of and collaboration with stakeholders globally. Their participation has greatly enhanced the quality and pace of our work. We are grateful for their close involvement, which has included participation in international events such as COP28 and regional climate weeks.

Our inaugural IFRS Sustainability Disclosure Standards have gained support from companies and investors around the world, and—crucially—have been endorsed by IOSCO. In July, IOSCO called on its 130 member jurisdictions—capital market authorities that regulate more than 95% of the world’s securities markets—to consider how they might adopt, apply or otherwise be informed by IFRS Sustainability Disclosure Standards within the context of their jurisdictional arrangements to deliver consistent and comparable sustainability-related disclosures worldwide.

Furthermore, the Financial Stability Board announced that the ISSB’s Standards represented the culmination of the work of the Task Force on Climate-Related Financial Disclosures (TCFD), with its climate-related financial disclosures having been integrated into the ISSB’s Standards. This announcement represented further momentum towards a cohesive disclosure landscape.

Supporting adoption and application

With IFRS S1 and IFRS S2 coming into effect in January 2024, our priority is to support application of the Standards.

So far, we have:

- published educational material to help companies apply IFRS S2;
- launched the knowledge hub, bringing together resources to support understanding of the Standards; and
- formed the Transition Implementation Group to act as a public forum for stakeholders to submit implementation-related questions.

We are also developing the IFRS Sustainability Disclosure Taxonomy to enable the digital consumption of information that has been disclosed by companies applying IFRS Sustainability Disclosure Standards. Using the feedback from our 2023 consultation on the proposed Taxonomy, we expect to publish the Taxonomy in 2024.

Emmanuel Faber
Priorities for 2024 and beyond

2024 promises to be another important year for us.

Having consulted on our future priorities to help create a two-year work plan, we will continue to discuss feedback on this consultation with a view to agreeing on the work plan in the first half of 2024.

We will continue to focus on supporting and encouraging adoption of the IFRS Sustainability Disclosure Standards throughout 2024. In the course of this work, we will continue to prioritise discussions about the interoperability of our Standards with the work of others—including with jurisdictional and voluntary initiatives focused on stakeholders beyond investors—and to coordinate our work with that of our sister board, the IASB.

Emmanuel Faber
Chair of the ISSB

The progress made thus far would not have been possible without the support and collaboration of stakeholders globally.

Thank you

We are truly grateful to our stakeholders worldwide for your unwavering support. During 2023 the ISSB met in Frankfurt, Montreal, Beijing and London, and we were grateful for both the warm welcome we received from local stakeholders and the advocacy, insights and constructive feedback provided.

I thank my Vice-Chairs Sue Lloyd and Jingdong Hua for their leadership during the year—and all the board members for constructive discussions and effective collaboration.

As we step into 2024, we reaffirm our dedication to driving better understanding of the risks and opportunities posed by sustainability-related issues.
Report from the Chair of the IFRS Foundation Monitoring Board
Engagement for better disclosure in the public interest

Throughout 2023 the IFRS Foundation addressed important issues to ensure that the information provided to the capital markets through corporate disclosure is relevant and decision-useful for investors.

To this end, in coordination with the Trustees of the IFRS Foundation, the Monitoring Board has overseen the governance and process of standard-setting at the Foundation from the public interest point of view. I would like to take this opportunity to pay tribute to the consistent and proactive endeavours of the Trustees as well as those of the leadership and staff of the IASB and the ISSB.

High-quality standard-setting

The creation of the ISSB in 2021 represented a major change for the Foundation. Accordingly, the Monitoring Board updated the Memorandum of Understanding with the Trustees to reflect the Foundation’s expanded role.

After two years of intensive work, in June 2023 the ISSB issued its first IFRS Sustainability Disclosure Standards, IFRS S1 and IFRS S2, which were later endorsed by IOSCO. Having achieved this important milestone, the next phase for the ISSB is to advance jurisdictional consideration to adopt, apply or otherwise be informed by IFRS Sustainability Disclosure Standards to promote consistent and comparable information for investors.

In May 2023 the ISSB sought feedback on the priorities for its two-year work plan commencing in 2024. As the ISSB considers its future priorities, the Monitoring Board discussed the expectations for moving beyond climate and into other sustainability topics, including other environmental and social topics.

These ISSB initiatives are expected to improve transparency and comparability of information in the global capital markets, thereby meeting the needs of investors. The Monitoring Board continues to collaborate with the Trustees to ensure that the work to support implementation of IFRS S1 and IFRS S2 and the development of the ISSB’s work plan follow the same robust governance and due process as for IFRS Accounting Standards. In this context, it is essential to its success that the ISSB engages proactively with relevant stakeholders, including jurisdictions.

At the same time, the Monitoring Board highlights the continued importance of the work of the IASB, standing side by side with the ISSB under the new structure of the Foundation. The Monitoring Board welcomes the progress made by the IASB in developing IFRS Accounting Standards in a wide range of areas, with projects including Primary Financial Statements and Business Combinations—Disclosures, Goodwill and Impairment. The Monitoring Board also appreciates the collaboration under way between the IASB and the ISSB to facilitate connectivity between financial statements and sustainability-related financial disclosures.

Takashi Nagaoka
The Monitoring Board highlights the importance of the work of the IASB, standing side by side with the ISSB, under the Foundation.

Nominations and due process
Essential to the work of both the IASB and the ISSB is that they have the right people to support them as Trustees as well as to lead the respective boards.

In this context, the Monitoring Board approved the appointments of new Trustees and the reappointments of Trustees who had reached the end of their terms. I would like to thank the Trustees who have completed their mandates for their past contributions, and I look forward to working with the new Trustees. The Monitoring Board supported the reappointment of the ISSB Chair, and reaffirmed the importance of the continuity and stability his reappointment brings to the ISSB at this important juncture.

The Monitoring Board welcomes the ongoing work of the Trustees to update the Due Process Handbook following the formation of the ISSB, and will continue to monitor this work to ensure it proceeds effectively, providing a solid basis for the proper functioning of both boards.

Takashi Nagaoka
Chair of the IFRS Foundation Monitoring Board
How we work—Due process

The IFRS Foundation has a highly regarded, inclusive and transparent due process for developing IFRS Standards. This due process is outlined in our Constitution and in more detail in the Due Process Handbook.

The due process enables our diverse group of stakeholders to inform and scrutinise the standard-setting, helping us ensure that the requirements in IFRS Standards reflect the best thinking worldwide.

Transparency, full and fair consultation, and accountability are the essential principles of our due process. By following these principles our due process builds trust in and global acceptance of IFRS Standards.

The Trustees are responsible for the governance of the IFRS Foundation. As part of this role, they ensure that the IASB, the ISSB and the IFRS Interpretations Committee follow our due process. The Trustees do so via their Due Process Oversight Committee. See page 39.

Our standard-setting process

1. Determine which projects to work on
2. Research possible solutions
3. Ongoing research and broad consultation
4. Support consistent application
5. Check Standard works as intended and maintain it
6. Issue Standard
7. Develop proposals

Determine which projects to work on
Research possible solutions
Ongoing research and broad consultation
Support consistent application
Check Standard works as intended and maintain it
Issue Standard
Develop proposals
Our people

Our staff numbers have grown in 2023, primarily due to the need for further resources to drive sustainability disclosure-related activities.

These activities include supporting regulatory adoption, capacity building and stakeholder engagement, as well as corresponding revenue generation and operations functions, which assist the work of both boards. We will continue to assess and address the resources needed to support the Foundation.

The workforce continued to grow in 2023 but at a slower rate than the previous year when the Foundation almost doubled in size. The expansion in 2022 was due to the formation of the ISSB, the establishment of the multi-location model, and the consolidation with the Climate Disclosure Standards Board and the Value Reporting Foundation.

We have now turned our attention to the tools and processes that will help staff to grow and thrive in their roles. To support the development of our people across all locations, we have recruited for specialist roles in talent acquisition and development, under the leadership of a new Chief People Officer, based in Frankfurt.

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<tr>
<th>Staff As at 31 December 2023</th>
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<th>Function</th>
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<td>Board members</td>
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<td>Implementation¹</td>
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<td>Revenue generation</td>
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<td>Operations</td>
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<th>Length of service</th>
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<td>4–6 years</td>
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<td>7+ years</td>
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1. Implementation includes engagement, adoption and capacity-building functions.
A milestone in 2023 was the launch of our new culture framework. The framework links to the objectives in our Constitution and sets out our culture ambition and the values and behaviours to which we aspire. The launch of the culture framework follows extensive engagement with staff throughout the organisation supported by a culture expert agency. We have an inclusive and collaborative culture, built on trust and committed to serving the global public interest. We strive to ensure that our colleagues are empowered and supported to bring their best and to learn continuously (see ‘Our values’ on page 3).
Our products and services

The IFRS Foundation offers a range of products and services—including education, events, licensing and membership programmes—developed to facilitate global adoption and application of IFRS Standards.

These products and services also generate income to help us deliver on our mission.

Our core IFRS Standards—and a range of educational materials and guidance, including the IFRS Sustainability knowledge hub—are available free of charge to registered users on our website for non-commercial use. A licence is required for all other types of usage, such as reporting software, investment analysis tools, data services and product development. Additional materials are also available to paying subscribers. Jurisdictions wishing to adopt and translate IFRS Standards sign licensing agreements with the Foundation.

### Standards and related materials

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
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<tbody>
<tr>
<td>IFRS® Accounting Standards and the IFRS for SMEs® Accounting Standard</td>
<td>Available in book format (bound volumes) and through subscription to IFRS Digital. Bound volumes of full IFRS Accounting Standards come in ‘issued’, ‘required’ and ‘annotated’ editions. Can be licensed for commercial use.</td>
</tr>
<tr>
<td>IFRS® Sustainability Disclosure Standards</td>
<td>Available in digital format to registered users on our website for non-commercial use and can be licensed for commercial use.</td>
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<tr>
<td>SASB® Standards</td>
<td>Seventy-seven industry-based standards that are free to download for non-commercial use and can be licensed for commercial use.</td>
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<tr>
<td>Integrated Reporting</td>
<td>The Integrated Reporting Framework and the Integrated Thinking Principles are free to download for non-commercial use and can be licensed for commercial use.</td>
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<tr>
<td>IFRS digital taxonomies</td>
<td>The IFRS digital taxonomies consist of a suite of elements used to tag companies’ disclosures, making them more easily accessible to users of digital reports. The IFRS Accounting Taxonomy can be licensed for commercial use. The IFRS Sustainability Disclosure Taxonomy is under development.</td>
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### Education

<table>
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<tr>
<th>Programme</th>
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<tbody>
<tr>
<td>FSA® Credential</td>
<td>Self-study training programme equipping professionals with the knowledge and skills to understand the link between sustainability and a company’s financial performance.</td>
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<tr>
<td>Integrated Reporting Training Partner</td>
<td>Training programme for professionals who want to develop skills and build capacity to support their organisation in implementing integrated reporting.</td>
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### Engagement

<table>
<thead>
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<th>Event</th>
<th>Description</th>
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<tr>
<td>Conferences and events</td>
<td>The Foundation organises several free and chargeable events and conferences, including the IFRS Foundation Conference and the IFRS Sustainability Symposium (see page 36).</td>
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### Membership

<table>
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<tr>
<th>Programme</th>
<th>Description</th>
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<tr>
<td>IFRS Sustainability Alliance</td>
<td>Membership programme providing professionals with knowledge of best practice in sustainability disclosures and integrated reporting, peer-to-peer learning and updates on IFRS Sustainability news and events.</td>
</tr>
<tr>
<td>IFRS Sustainability Consultant Content Programme</td>
<td>Membership programme for corporate sustainability consultants that keeps them informed on trends in the use of IFRS Sustainability resources.</td>
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Our sustainability

The Trustees are keen to ensure that the Foundation manages its sustainability performance credibly and that we meet our stakeholders’ expectations in this regard.

**Laying the foundations**

In 2022 we created a Trustee task force to guide discussions on the Foundation’s approach to our own sustainability performance. The term of the task force has been extended to 31 March 2025 to provide continued support, guidance and governance oversight.

We made good progress in 2023, putting in place an appropriate governance structure and resources to enable us to make further advancements in 2024.

We benchmarked our sustainability performance, created a new sustainability-focused team, updated various policies including our staff travel and expense and procurement policy to include sustainability considerations, and set out a three-year work plan. Among other sustainability initiatives, we are:

- preparing to implement an environmental management system with a view to achieving ISO14001 certification;
- measuring our greenhouse gas emissions to set a 2023 baseline that, once verified, will be used to develop decarbonisation targets for the Foundation;
- developing internal training on sustainability to manage risks and to provide continuing professional development opportunities for staff; and
- reviewing and developing our social sustainability policies.

**2024 outlook**

Our ambition is that in 2024 we will start to embed good practices throughout the Foundation so that ultimately the internal sustainability project becomes business as usual. To ensure transparency on our sustainability journey, we will work with a cross-functional team at the Foundation to finalise a sustainability reporting approach proportionate to the nature and size of the Foundation. The Trustees will continue to provide oversight and support to Foundation staff as we finalise our sustainability strategy and work programme.
Our structure

The IFRS Foundation has a three-tier governance structure.

The IFRS Foundation Trustees oversee the two independent standard-setting boards of experts—the IASB and the ISSB—and are accountable to the IFRS Foundation Monitoring Board.

The IFRS Foundation’s governance structure is designed to keep standard-setting independent of special interests, to maintain a high level of accountability to stakeholders and to provide a formal link to public authorities.

IFRS Foundation Monitoring Board
The Monitoring Board is a group of capital market authorities responsible for setting out the form and content of financial reporting in their jurisdictions. It reinforces the public oversight of the Foundation and the Trustees. The Monitoring Board approves all Trustee appointments. See page 77.

Chair: Takashi Nagaoka

IFRS Foundation Trustees
The Trustees are appointed from varied countries and professional backgrounds. They are responsible for governance and organisational strategy; for maintaining the Foundation’s Constitution and the Due Process Handbook; for appointing members to the IASB, the ISSB, the IFRS Interpretations Committee and various advisory bodies; and for funding. See page 38.

Chair: Erkki Liikanen

International Accounting Standards Board (IASB)
The IASB is an independent accounting standard-setting body of the IFRS Foundation. Its 14 members are appointed from various countries and professional backgrounds, including academia, accountancy, investment, reporting companies, regulation and standard-setting. The IASB issues IFRS Accounting Standards, the IFRS for SMEs Accounting Standard and the IFRS Accounting Taxonomy, which enables digital reporting. See page 23.

Chair: Andreas Barckow

International Sustainability Standards Board (ISSB)
The ISSB is an independent sustainability disclosure standard-setting body of the IFRS Foundation. Its 14 members are appointed from various countries and professional backgrounds, including academia, accountancy, investment, sustainability, market or financial regulation and reporting companies. The ISSB issues IFRS Sustainability Disclosure Standards and the IFRS Sustainability Disclosure Taxonomy, which enables digital reporting. The ISSB also maintains the SASB Standards. See page 24.

Chair: Emmanuel Faber

IFRS Interpretations Committee
The IFRS Interpretations Committee comprises 14 external members and a non-voting chair. The Committee works with the IASB to support consistent application of IFRS Accounting Standards by responding to stakeholders’ application questions. The Committee proposes that the IASB make narrow-scope amendments to the Accounting Standards, develops IFRIC® Interpretations of the Accounting Standards and publishes agenda decisions. See page 78.

Chair: Bruce Mackenzie

Thank you

Thank you to departing Managing Director Lee White
In February 2024 we bid farewell to Lee White, who is departing the IFRS Foundation to take up the role of Chief Executive Officer at the International Federation of Accountants (IFAC).

Lee joined the Foundation in 2018 and during his tenure has worked with the Trustees to effect substantial changes throughout the Foundation. These changes include the transition in leadership of the IASB, the creation of the ISSB, the consolidation with the Climate Disclosure Standards Board and the Value Reporting Foundation, the digital transformation of the Foundation’s activities and the creation of several new offices.

Lee has provided inspirational leadership to the Foundation during a period of significant organisational transformation. The Trustees would like to thank him for his commitment and contribution to the Foundation’s mission and for serving as a trusted partner to the Trustees, the IASB and the ISSB, and as a leader and colleague to all the Foundation’s staff. We wish him well in his new role.

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International Accounting Standards Board

As at 31 December 2023

Andreas Barckow
Chair
From: Germany
Region: At large
First term ends
30 June 2026

Linda Mezon-Hutter
Vice-Chair
From: Canada
Region: Americas
First term ends
31 August 2027

Nick Anderson
From: United Kingdom
Region: Europe
Second term ends
31 August 2025

Patrina Buchanan
From: Ireland
Region: Europe
First term ends
30 November 2027

Tadeu Cendon
From: Brazil
Region: Americas
Second term ends
30 June 2029

Florian Esterer
From: Switzerland
Region: Europe
First term ends
31 March 2028

Zach Gast
From: United States
Region: Americas
First term ends
31 July 2025

Hagit Keren
From: Israel
Region: Asia-Oceania
First term ends
29 February 2028

Jianqiao Lu
From: China
Region: Asia-Oceania
Second term ends
31 August 2025

Bruce Mackenzie
From: South Africa
Region: Africa
First term ends
30 September 2025

Bertrand Perrin
From: France
Region: Europe
First term ends
30 June 2026

Rika Suzuki
From: Japan
Region: Asia-Oceania
Second term ends
30 June 2029

Ann Tarca
From: Australia
Region: Asia-Oceania
Second term ends
30 June 2025

Robert Uhl
From: United States
Region: Americas
First term ends
31 August 2027

The required composition of the IASB is set out in our Constitution.

Member biographies are available at www.ifrs.org/groups/international-accounting-standards-board/.

All IASB members are based in the London office.

1. Tadeu Cendon and Rika Suzuki have been reappointed to serve a second five-year term starting 1 July 2024.
The required composition of the ISSB is set out in our Constitution.

Member biographies are available at www.ifrs.org/groups/international-sustainability-standards-board/.

1. Reappointed to serve a second three-year term starting 1 January 2025.
2. Serves part-time.
Our locations

To facilitate stakeholder engagement and adoption of IFRS Sustainability Disclosure Standards worldwide, it is essential that the ISSB has a global and multi-location presence.

We are grateful to our stakeholders for their valuable support in increasing our global presence, and particularly for the seed funding that has allowed us to open our new offices.

London
The IFRS Foundation’s London office is our longest-serving office. All IASB members are based in the London office together with most of the IASB technical staff and the implementation, revenue generation and operations teams. Some ISSB technical staff members are also located in London.

Beijing
The Beijing office supports the ISSB’s work, leading and executing the ISSB’s strategy for emerging and developing economies. It acts as a hub for stakeholder engagement in Asia, facilitating deeper cooperation and engagement with stakeholders, and capacity building for emerging economies, developing countries and SMEs.

Frankfurt
Frankfurt is the seat of the ISSB, housing the office of the Chair and serving as the hub for the Europe, Middle East and Africa regions. The office serves as a base for ISSB members, and supports key functions of the ISSB and deeper cooperation with regional stakeholders.

Montreal
The Montreal office serves as the hub for the Americas region, focusing on standard-setting and market engagement. The office acts as a base for ISSB members, and supports key functions of the ISSB and deeper cooperation with regional stakeholders.

San Francisco
The San Francisco office provides technical support for the ISSB as well as platforms for market engagement and deeper cooperation with regional stakeholders.

Tokyo
The Tokyo office has historically supported the IFRS Foundation and the IASB’s work. The office is now also the base for some ISSB members and serves as a dedicated regional point of contact and platform for stakeholders in the Asia-Oceania region.
Effective stakeholder engagement is a prerequisite for the IFRS Foundation to achieve its objectives. The Foundation publishes formal consultation documents and engages with a wide range of stakeholder groups, tailoring that engagement to our stakeholders’ needs.

### Stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Their needs</th>
<th>How we respond</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academia</strong></td>
<td>Contribute to standard-setting through research. Access to materials and resources about IFRS Standards, meetings, conferences and events to inform research</td>
<td>Annual academic research forum, tailored engagement, literature reviews as part of the standard-setting work by the boards</td>
</tr>
<tr>
<td><strong>Accounting profession and auditors</strong></td>
<td>Access to materials and resources about IFRS Standards, input into the standard-setting process, conferences and events—and having IFRS Foundation speakers participate at their events to educate professionals</td>
<td>Joint conferences and events, regular meetings, cooperation with the International Federation of Accountants</td>
</tr>
<tr>
<td><strong>Civil society</strong></td>
<td>Have a keen interest in the transparency of financial reporting and sustainability matters</td>
<td>Consultations, events and news (website and social media)</td>
</tr>
<tr>
<td><strong>Companies</strong></td>
<td>Recognised standards that can be applied globally and are trusted by investors around the world</td>
<td>Meetings with the Global Preparers Forum (see page 27), regular educational events, conferences, guidance and explanatory materials</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>Superior products and services</td>
<td>Products, services, licensing material and intellectual property</td>
</tr>
<tr>
<td><strong>Funding providers</strong></td>
<td>Reputable standard-setting projects that will benefit their jurisdictions and clientes</td>
<td>Regular updates and engagements</td>
</tr>
<tr>
<td><strong>Investors</strong></td>
<td>Consistent, comparable and reliable financial and sustainability disclosures that enable them to make informed decisions</td>
<td>Meetings with the Capital Markets Advisory Committee (see page 27) and the ISSB Investor Advisory Group (see page 28), dedicated investor relations team and regular meetings</td>
</tr>
</tbody>
</table>

<table>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Media</strong></td>
<td>New information that engages their audiences, thought leadership</td>
<td>Press office, regular communications and briefings</td>
</tr>
<tr>
<td><strong>Multilateral institutions</strong></td>
<td>Transparency and trust in information disclosures worldwide, particularly to support the global south</td>
<td>Engagements bilaterally and via our Sustainability Consultative Committee</td>
</tr>
<tr>
<td><strong>Policy makers and regulators</strong></td>
<td>Well-regulated capital markets where information flows seamlessly, and investments thrive; globally recognised standards that are applicable to and suitable for their jurisdictions, which they can adopt, endorse and enforce</td>
<td>Events, cooperation and regular meetings with bodies including the Basel Committee on Banking Supervision, IOSCO and jurisdictional regulators and authorities, including the Jurisdictional Working Group¹</td>
</tr>
<tr>
<td><strong>Standard-setters</strong></td>
<td>Involvement in the development of globally accepted standards, represent their stakeholders to the IFRS Foundation and in international debate, share information and ideas with other standard-setters</td>
<td>Annual conference for standard-setters, as well as meetings with the Accounting Standards Advisory Forum, the Emerging Economies Group, the International Forum of Accounting Standard-setters and the Sustainability Standards Advisory Forum, regular engagement with individual standard-setters</td>
</tr>
</tbody>
</table>

1. The Jurisdictional Working Group consists of jurisdictional representatives and representatives from the IFRS Foundation. It was created in 2022 and met throughout 2023 to discuss strategic matters including interoperability between IFRS Sustainability Disclosure Standards and other major sustainability-related regulations that have been developed in parallel.
Our consultative groups

Developing accounting and sustainability-related disclosure standards for the global economy is a collaborative exercise founded on transparency, full and fair consultation, and accountability.

Our Due Process Handbook—the blueprint for the standard-setting process, which ensures that IFRS Standards are developed free from undue influence—requires that the boards consider the perspectives of those affected by IFRS Standards globally. See page 17.

To help us gather those perspectives, we work closely with a network of advisory committees and other bodies representing the many stakeholder groups that have an interest in and are affected by financial reporting.

These groups and bodies enable us to consult efficiently with interested parties from a range of professional backgrounds and geographical regions. Their input is essential for standard-setting.

IFRS Advisory Council
The Advisory Council is the formal strategic advisory body to the Trustees, the IASB and the ISSB, consisting of representatives from a wide range of groups affected by and interested in the Foundation’s work. It is chaired by Bill Coen. www.ifrs.org/groups/ifs-advisory-council

Integrated Reporting and Connectivity Council (IRCC)
The IRCC provides guidance to the Trustees, the IASB and the ISSB on integrating the reporting required by the two standard-setting boards, and applying the principles and concepts from the Integrated Reporting Framework to IASB and ISSB projects. It is chaired by Charles Tilley. www.ifrs.org/groups/integrated-reporting-and-connectivity-council

IFRS Taxonomy Consultative Group (ITCG)
The ITCG is an expert consultative group that advises both the IASB and the ISSB on the development of their digital taxonomies, the IFRS Accounting Taxonomy and the IFRS Sustainability Disclosure Taxonomy, and related activities. It is co-chaired by IASB member Ann Tarca and ISSB member Bing Leng. www.ifrs.org/groups/ifs-taxonomy-consultative-group

Advisory and consultative groups for the IASB
The IASB meets publicly with its advisory bodies, standing consultative groups and transition resource groups. Papers and webcasts from these meetings are available on our website. In addition to project-specific consultative groups, the standing consultative groups are:

Accounting Standards Advisory Forum (ASAF)
The ASAF was established to formalise and streamline our engagement with the global community of national standard-setters and regional bodies to ensure a broad range of national and regional input on major technical issues. www.ifrs.org/groups/accounting-standards-advisory-forum

Capital Markets Advisory Committee (CMAC)
The CMAC was created to provide the IASB with regular views from investors around the world. Investors are important stakeholders because they use financial reports prepared using IFRS Accounting Standards. They provide important information and feedback for standard-setting. www.ifrs.org/groups/capital-markets-advisory-committee

Emerging Economies Group (EEG)
The EEG aims to enhance the participation of emerging economies in the development of IFRS Accounting Standards. The EEG also considers whether, and how, the IASB could provide educational guidance at the right level for interested parties in emerging economies and what the best delivery system for this would be. The secretariat for the EEG is provided by the Chinese Ministry of Finance. www.ifrs.org/groups/emerging-economies-group

Global Preparers Forum (GPF)
The GPF was set up to provide the IASB with regular views from companies that use IFRS Accounting Standards to prepare their financial statements. These preparers provide valuable comments on our consultations and feedback on the practical application of IFRS Accounting Standards. www.ifrs.org/groups/global-preparers-forum
Our consultative groups continued

Islamic Finance Consultative Group (IFCG)
The IFCG was established to focus on potential challenges in applying IFRS Standards to sharia-compliant instruments and transactions, highlighting matters that might warrant consideration by the IASB and/or the IFRS Interpretations Committee.
www.ifrs.org/groups/islamic-finance-consultative-group

SME Implementation Group (SMEIG)
The SMEIG considers questions about applying the IFRS for SMEs Accounting Standard and determines which questions can be addressed with published educational materials (Q&As) and which questions point to a need to amend the Standard.
www.ifrs.org/groups/sme-implementation-group

The IASB also has project-specific consultative groups.

Advisory and consultative groups for the ISSB
The ISSB also draws on external expertise through advisory bodies and consultative groups. These groups include:

ISSB Investor Advisory Group (IIAG)
The IIAG is a group of asset owners and asset managers in various markets who are committed to improving the quality and comparability of sustainability-related financial disclosures. The IIAG provides strategic guidance on the development of IFRS Sustainability Disclosure Standards and helps to ensure that the investor perspective is clearly articulated and considered in the standard-setting.
www.ifrs.org/groups/issb-investor-advisory-group

ISSB Technical Reference Group (TRG)
The TRG was a group of subject matter experts from the former Climate Disclosure Standards Board and Value Reporting Foundation and external working groups who provided technical support to ISSB members and technical staff for the development of IFRS S1 and IFRS S2. The group was retired on 31 December 2023. It will be succeeded by a new IFRS Sustainability Reference Group.
www.ifrs.org/groups/issb-technical-reference-group

Sustainability Consultative Committee (SCC)
The SCC provides advice to the ISSB on priority sustainability matters and related technical protocols. Members include the International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, the World Bank and additional experts drawn from public, private and non-governmental organisations.
www.ifrs.org/groups/sustainability-consultative-committee

Sustainability Standards Advisory Forum (SSAF)
The SSAF provides a mechanism for formal engagement between the ISSB and jurisdictional representatives. It contributes technical advice to the ISSB on the development of IFRS Sustainability Disclosure Standards.
www.ifrs.org/groups/ifrs-sustainability-standards-advisory-forum

Transition Implementation Group on IFRS S1 and IFRS S2 (TIG)
The TIG discusses, in a public forum, implementation questions that arise when companies implement the two IFRS Sustainability Disclosure Standards.
www.ifrs.org/groups/tig-ifrs-s1-and-ifrs-s2

Staff profile
Matthias Schueler
IASB
Technical Staff
From: Germany
Location: London
Joined: September 2020
I am a member of the IASB technical team working in the Financial Instruments team.
My main projects are Power Purchase Agreements and Dynamic Risk Management, as part of which we often look at complex accounting challenges.
Collaboration is an important part of my role because we are only able to propose standard-setting solutions to challenges raised if we work together as a team both within the organisation and with our stakeholders.
As a result, we spend a large amount of our time working with all stakeholders to understand the issues fully and come up with a solution together.
2023 review and 2024 priorities—IFRS Accounting Standards

The IASB develops and maintains IFRS Accounting Standards—including the IFRS for SMEs Accounting Standard—supports their consistent application and responds to new developments and trends that affect financial reporting globally.

2023 review

Developing IFRS Accounting Standards

We advanced our standard-setting agenda in 2023 by:

- publishing the Exposure Draft Financial Instruments with Characteristics of Equity—Proposed amendments to IAS 32, IFRS 7 and IAS 1, which clarifies how a company should distinguish debt instruments from the equity instruments if issues;
- completing our deliberations on the Primary Financial Statements and Subsidiaries without Public Accountability projects, with a plan to issue two new IFRS Accounting Standards in 2024; and
- completing our deliberations on the Business Combinations—Disclosures, Goodwill and Impairment project, with an exposure draft published in 2024.

We also continued our deliberations on the Dynamic Risk Management, Equity Method, Management Commentary, Rate-regulated Activities and Second Comprehensive Review of the IFRS for SMEs Accounting Standard projects.

To complete our Targeted Standards-level Review of Disclosures project, we published Guidance for Developing and Drafting Disclosure Requirements in IFRS Accounting Standards and a project summary and feedback statement was also published.

Not all our research projects result in standard-setting. In 2023 we stopped work on two projects on our work plan, Business Combinations under Common Control and

Extractive Activities, based on an assessment of research and feedback indicating that the costs of proceeding outweighed the benefits. A project summary on Extractive Activities was published to complete that project and a project summary on Business Combinations under Common Control is planned for publication in 2024.

As part of our due process, a few years after an Accounting Standard has come into effect, we carry out a Post-implementation Review (PIR). PIRs assess the effects of applying requirements in IFRS Accounting Standards on investors, companies, auditors and regulators. In 2023 we:

- published requests for information for the PIR of IFRS 15 Revenue from Contracts with Customers and the PIR of impairment requirements in IFRS 9 Financial Instruments;
- started discussing stakeholders’ views on impairment requirements in IFRS 9 in response to the request for information in the PIR for those requirements; and
- decided to start the PIR of IFRS 16 Leases in 2024 and to defer the PIR of hedge accounting requirements in IFRS 9 until we conclude our work on the accounting for power purchase agreements.

Maintenance and supporting consistent application

In 2023 the IFRS Interpretations Committee, which helps companies to apply our Accounting Standards consistently, published four agenda decisions and four tentative agenda decisions, most including explanatory material. These agenda decisions focused on a wide range of topics, from Definition of a Lease—Substitution Rights (IFRS 16 Leases) to Climate-related Commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets).

The Committee referred two narrow-scope standard-setting projects to the IASB for consideration and we decided to add these to our work plan—Power Purchase Agreements and Use of a Hyperinflationary Presentation Currency by a Non-hyperinflationary Entity. The Committee also provided input to several projects on our work plan.

Progress on our maintenance projects included:

- fast-tracking the issue of International Tax Reform—Pillar Two Model Rules, which amended IAS 12 Income Taxes—publishing an Exposure Draft in January and issuing the final amendment in May. We issued similar amendments to the IFRS for SMEs Accounting Standard. The amendments provide companies temporary relief from accounting for deferred taxes arising from the implementation of the Organisation for Economic Co-operation and Development’s (OECD) Pillar Two model rules.
- issuing amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures in the Supplier Finance Arrangements project and to IAS 21 The Effects of Changes in Foreign Exchange Rates in the Lack of Exchangeability project.
- publishing the Exposure Draft Annual Improvements to IFRS Accounting Standards—Volume 11, which seeks to clarify the wording in IFRS Accounting Standards or to correct relatively minor unintended consequences, oversights or conflicts related to requirements in the Accounting Standards.
- publishing an exposure draft on the Amendments to Classification and Measurement of Financial Instruments project, in which we decided to make narrow-scope amendments to IFRS 9 and IFRS 7 to respond to some of the findings from the PIR of classification and measurement requirements in IFRS 9.
- deliberating on the Provisions—Targeted Improvements project.

To help our stakeholders understand and use IFRS Accounting Standards, we publish various materials including podcasts, webcasts and educational materials, and provide translations. For example, in 2023 we published updated educational materials on the effects of climate-related matters on financial statements, translated into Chinese, French and Japanese. We also started a series of webcasts providing insights into one of the forthcoming IFRS Accounting Standards, IFRS 19 Subsidiaries without Public Accountability: Disclosures.

Other developments and trends

Working with the ISSB

Now that the ISSB is fully operational, we have the opportunity to collaborate with the Foundation’s newest standard-setter on matters, such as climate change, that can affect a company’s financial prospects. See page 33. One example of a connection between the IASB and the ISSB is our narrow-scope project on Climate-related and Other Uncertainties in the Financial Statements. This project complements the work of the ISSB, connecting IFRS Accounting Standards with IFRS Sustainability Disclosure Standards.
2023 review and 2024 priorities—IFRS Accounting continued

Digital reporting
Digital financial information is increasingly important to capital markets and we assist companies in reporting digitally by developing and maintaining the IFRS Accounting Taxonomy. In 2023 we amended the IFRS Accounting Taxonomy to reflect new or amended presentation and disclosure requirements arising from narrow-scope amendments to IFRS 16 and IAS 1 Presentation of Financial Statements (issued in 2022). We also made amendments to reflect common reporting practices of companies that apply IFRS Accounting Standards and to improve the Taxonomy.

We’ve also proposed changes to the IFRS Accounting Taxonomy to reflect amendments to IFRS Accounting Standards that have been issued in 2023 (specifically IAS 12, IAS 21, IAS 7 and IFRS 7). Furthermore, we’ve proposed changes to the IFRS Accounting Taxonomy to reflect common reporting practices relating to the presentation of financial instruments in digital financial statements prepared by financial institutions and other improvements.

This cycle of improvement and maintenance ensures the IFRS Accounting Taxonomy remains up to date; it also facilitates the use of digital information in financial reporting.

Horizon scanning
We regularly scan the financial reporting ecosystem to identify any developments or trends that warrant consideration. Our stakeholders play an important role in helping us to decide what to focus on and stakeholder engagement is therefore of paramount importance in this area.

The project on the OECD’s Pillar Two model rules (see the section on ‘Maintenance and supporting consistent application’) is a good example of our response to one such development.

2024 priorities

Developing IFRS Accounting Standards
In 2024 we will advance our standard-setting agenda by:

- issuing IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures;
- completing discussions related to the Third edition of the IFRS for SMEs Accounting Standard;
- completing the Business Combinations under Common Control project through the publication of a summary of our findings;
- consulting with stakeholders on the Business Combinations—Disclosures, Goodwill and Impairment and Equity Method projects via exposure drafts;
- completing our deliberations on the Rate-regulated Activities project, continuing deliberations on the Dynamic Risk Management project and exploring how to improve reporting on climate-related and other uncertainties in the financial statements;
- discussing the feedback on the Exposure Draft Financial Instruments with Characteristics of Equity—Proposed Amendments to IAS 32, IFRS 7 and IAS 1; and
- deciding on the direction of the Management Commentary project.

We also expect that in 2024 we will complete PIRs of IFRS 15 and of the impairment requirements in IFRS 9, and start the PIR of IFRS 16.

We will also start our pipeline projects on intangible assets and on the statement of cash flows in 2024.

Maintenance and supporting consistent application
As well as continuing our work with the Committee, in 2024 we expect to issue narrow-scope amendments to the classification and measurement of financial instruments (IFRS 9) and narrow-scope amendments arising from the latest volume of annual improvements to IFRS Accounting Standards.

We also plan to publish exposure drafts on:

- amending the IFRS for SMEs Accounting Standard to accommodate recent amendments to the full IFRS Accounting Standards for supplier finance arrangements and lack of exchangeability;
- power purchase agreements;
- use of a hyperinflationary foreign currency by a non-hyperinflationary entity;
- provisions—targeted improvements; and
- amending IFRS 19 for new or amended disclosure requirements added or amended in other IFRS Accounting Standards after 28 February 2021.

We will also support the implementation and consistent application of the new Accounting Standards we plan to issue in 2024, including through education sessions, webcasts, outreach and dedicated webpages of resources. We will monitor implementation and develop resources to meet stakeholders’ needs.
2023 review and 2024 priorities—IFRS Sustainability

In June 2023, following extensive engagement and consultation with stakeholders globally, the ISSB issued its inaugural standards—IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

2023 review

Developing standards
We developed IFRS S1 and IFRS S2 in response to:

- the demand of investors and other market participants for rigorous, reliable and comparable information from companies about sustainability-related risks and opportunities; and
- the identification by global policy making and regulatory bodies, such as the G7, the G20, IOSCO and the Financial Stability Board, of high-quality sustainability information as essential to the proper functioning of capital markets, building trust, resilience, efficiency, transparency and accountability.

IFRS S1 and IFRS S2 aim to facilitate the transition from fragmented voluntary sustainability-related disclosures—which are costly, complex and add risk for both companies and investors—to a regime in which companies disclose sustainability-related information to meet the needs of capital markets in accordance with globally accepted standards operating within a regulatory framework.

As demonstrated by IFRS Accounting Standards, globally accepted standards improve access to capital for companies and facilitate foreign direct investment. By applying globally accepted standards, companies could also avoid increased risk premiums arising from global investors’ potential lack of understanding of local standards or variations or adaptations of international standards.

In June 2023 we also issued amendments to the SASB Standards to align their climate-related disclosure topics and metrics with IFRS S2, in line with our remit to maintain and improve the SASB Standards.

Supporting application

International applicability of the SASB Standards
In December 2023 we issued amendments to the SASB Standards to support companies in implementing IFRS S1. The SASB Standards are an important source of guidance for companies, helping them to provide relevant and comparable information when applying IFRS S1 in the absence of specific disclosure requirements in an IFRS Sustainability Disclosure Standard. The project on the International Applicability of the SASB Standards sought to improve the international applicability of the non-climate-related metrics in the SASB Standards by identifying and revising jurisdiction-specific terms of reference that might limit their suitability in other jurisdictions.

Companies are required to refer to the amended SASB Standards when applying IFRS S1. In doing so, these companies should be able to use the relevant metrics regardless of the jurisdiction in which they operate or the generally accepted accounting principles or practices they use in preparing their financial statements. The amendments preserve the metrics’ decision-usefulness for users of general purpose financial reports and their cost-effectiveness for new and current users of the SASB Standards.

Knowledge hub
In December we launched the knowledge hub, which hosts content developed by the IFRS Foundation and more than 100 resources developed by third-party organisations. Materials will be added over time in response to market needs and emerging practices. Although the hub has been designed primarily to help companies prepare their disclosures applying IFRS Sustainability Disclosure Standards, it will also be a useful repository for auditors, investors, regulators and other stakeholders seeking to advance their understanding of the IFRS Sustainability Disclosure Standards.

Educational materials
Educational materials we published in 2023 included a comparison of the requirements in IFRS S2 with the TCFD recommendations and examples of how a company might apply requirements in IFRS S2 to disclose information about nature and social aspects of climate-related risks and opportunities.

The amendments were based on the Exposure Draft Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates, published in May 2023, and built on the work undertaken when finalising the climate-related SASB Standards content used to develop the industry-specific guidance in IFRS S2.

IFRS Sustainability Disclosure Taxonomy
We consulted on the Proposed IFRS Sustainability Disclosure Taxonomy. The IFRS Sustainability Disclosure Taxonomy would facilitate structured digital reporting and effective ways to extract and analyse sustainability-related financial information when IFRS S1 and IFRS S2 are applied. It aims to improve global accessibility and comparability and to facilitate connections between companies’ financial information and their sustainability-related risks and opportunities.

We will issue the IFRS Sustainability Disclosure Taxonomy after considering the feedback on the Proposed IFRS Sustainability Disclosure Taxonomy.

Educational materials
Educational materials we published in 2023 included a comparison of the requirements in IFRS S2 with the TCFD recommendations and examples of how a company might apply requirements in IFRS S2 to disclose information about nature and social aspects of climate-related risks and opportunities.
2023 review and 2024 priorities—IFRS Sustainability continued

Facilitating adoption
The IFRS Foundation and the ISSB acknowledge that the adoption of IFRS S1 and IFRS S2 might pose an initial challenge for some jurisdictions and we are committed to supporting jurisdictions in their efforts to adopt IFRS Sustainability Disclosure Standards consistently and without delay. So far, we have:

- introduced proportionality and scalability mechanisms in IFRS S1 and IFRS S2;
- provided transition reliefs from some disclosure requirements in IFRS S1 and IFRS S2 for the first annual reporting period in which a company applies them;
- liaised with regulators to help them prepare for the adoption of IFRS S1 and IFRS S2, enabling the application of their requirements to be phased in and scaled appropriately at a jurisdictional level; and
- provided additional support, including training and capacity-building programmes for companies and regulators.

Work plan development
Between May and September 2023, via a Request for Information, we consulted stakeholders on our priorities, considering the strategic direction and balance of our activities and the criteria for adding projects to the work plan.

We also sought feedback on four possible research projects—biodiversity, ecosystems and ecosystem services, human capital, human rights and integration in reporting—to explore how to integrate information in financial reporting beyond the requirements related to connected information in IFRS S1 and IFRS S2.

We received more than 400 responses to the consultation and met with more than 2,700 stakeholders. We also discussed the Request for Information with our advisory bodies. We will continue discussing the consultation feedback in the first half of 2024, including in a first joint meeting with the IASB in January 2024.

2024 priorities

Support application of IFRS S1 and IFRS S2
We will continue to develop and provide resources to help companies apply IFRS S1 and IFRS S2, including:

- the Transition Implementation Group—the group, formed in September 2023, provides a public forum for stakeholders to submit implementation questions; the resulting discussions inform the ISSB in determining whether and how to address those questions;
- educational materials—such as webinars and case studies; and
- the IFRS Sustainability Disclosure Taxonomy—the Taxonomy enables digital reporting of the information required by IFRS S1 and IFRS S2.

We will also continue our work to ensure that IFRS S1 and IFRS S2 are interoperable with other standards; for example, by:

- mapping emissions requirements in Global Reporting Initiative (GRI) Standards and IFRS Sustainability Disclosure Standards; and
- explaining the alignment and interoperability between European Sustainability Reporting Standards and IFRS Sustainability Disclosure Standards, including the choices a company needs to make to improve alignment in its disclosures and how it can avoid duplicative reporting.

Connections
We continue to coordinate the work of the ISSB with that of the IASB to ensure connections in processes and products that can lead to better general purpose financial reporting (see page 33).

Collaborate with other standard-setters
We will continue to collaborate with other standard-setters, including:

- with GRI to align work programmes and standard-setting activities—as per the March 2022 Memorandum of Understanding between the IFRS Foundation and GRI. Our joint initiatives include capacity building via the Sustainability Innovation Lab, and continued technical exchange to make reporting consistent globally and to simplify the process for companies that report on a multi-stakeholder basis.
- the International Public Sector Accounting Standards Board, which is working to advance public sector sustainability reporting.
- the Basel Committee on Banking Supervision and the International Association of Insurance Supervisors, who are working on climate-related disclosure frameworks for banks and insurers.
- the International Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants, who are working to enhance standards to support the assurance of sustainability-related information.

Define future work plan
We expect to publish our two-year work plan in the first half of 2024, once we have finished discussing the consultation feedback.
Connecting IFRS Accounting and IFRS Sustainability

Investors need both financial statements and sustainability-related financial disclosures to make informed decisions.

Connected information for capital markets

The IASB and the ISSB are committed to developing IFRS Standards that enable companies to prepare general purpose financial reports that tell investors a holistic, comprehensive and coherent story. Our stakeholders have consistently emphasised the importance of connected information for capital markets.

2023 highlights:

- The ISSB’s inaugural Standards, IFRS S1 and IFRS S2, set out requirements for companies to provide connected information and to disclose the current and anticipated financial effects of sustainability-related risks and opportunities on their performance.

2023 highlights:

- The IASB initiated a project on Climate-related risks and Other Uncertainties in the Financial Statements, which is exploring ways to improve connections in general purpose financial reports.

Connected products

To meet stakeholder demand for connected information, we work to ensure connections in our products, IFRS Accounting Standards and IFRS Sustainability Disclosure Standards, as well as in our digital taxonomies. To connect our products, we use consistent language and compatible concepts, and avoid conflicts, inconsistencies, gaps and unintended overlaps. Our goal is to ensure that, although IFRS Accounting Standards and IFRS Sustainability Disclosure Standards can be applied separately, the two sets of Standards work well as a package.

2023 highlights:

- IFRS S1 and IFRS S2 build on the concepts in IFRS Accounting Standards and use language that is consistent with those Standards.

Overall, consistent with the IFRS Accounting Taxonomy, the IFRS Sustainability Disclosure Taxonomy builds on best taxonomy design practice, which allows the taxonomies to work well together.

Connected working

To deliver connected products, we have processes in place to ensure that we work independently but in a connected manner. Connected working is at the heart of everything we do and is firmly embedded in our culture. Examples of connected working include information and knowledge sharing between the boards and their technical staff, sharing technical staff and coordinated stakeholder engagement.

2023 highlights:

- Senior IASB and ISSB technical staff were designated to be responsible for ensuring connections in our work and our products.
- IASB technical staff members were involved in the development of IFRS S1.
- ISSB technical staff members are involved in the IASB’s project on Climate and Other Uncertainties in the Financial Statements.
- IASB and ISSB technical staff worked together to analyse feedback on the ISSB’s Request for Information Consultation on Agenda Priorities in preparation for the inaugural joint IASB—ISSB meeting in January 2024.
2023 review and 2024 priorities—Implementation

Implementation, which includes engagement, adoption and capacity-building functions, supports the ISSB in:
• developing and maintaining strategic relationships; and
• promoting and maintaining the use, understanding and rigorous application of IFRS Sustainability Disclosure Standards.

2023 review

Notable successes in 2023 included:
• IOSCO’s endorsement of IFRS S1 and IFRS S2, which is a resounding validation of the ISSB’s work to develop robust, proportionate IFRS Sustainability Disclosure Standards fit for capital market use globally. The publication of *The jurisdictional journey towards implementing IFRS S1 and IFRS S2—Adoption Guide overview* was an important contributor to securing this endorsement.
• the Financial Stability Board’s announcement that the IFRS Sustainability Disclosure Standards represent the culmination of the TCFD’s work, with the IFRS Foundation to be fully responsible for monitoring companies’ progress on their climate-related disclosures from 2024.
• the launch of the knowledge hub and development of training in conjunction with the United Nations Sustainable Stock Exchanges Initiative (SSE).

2024 priorities

In 2024 we will focus on strategies to assist the activities of both the IASB and the ISSB by:
• engaging with and supporting regulators and other relevant authorities in adopting IFRS Sustainability Disclosure Standards, in coordination with IOSCO and the Financial Stability Board; and
• supporting companies, investors and other capital market stakeholders in their use of IFRS Standards.

• the development and launch of the Sustainability Innovation Lab in Singapore in conjunction with GRI.
• the delivery of a programme of events and speaking engagements as part of COP28 and Climate Week in New York, London, Africa, Latin America and the Caribbean, and Ireland, to raise awareness of the IFRS Sustainability Disclosure Standards and our work.
• engagement with and securing support from multilateral development banks and the World Economic Forum’s Preparers Group.
• responding to market interest in sustainability education by thoroughly overhauling the FSA Credential based on IFRS S1 and IFRS S2 with hundreds of candidates from more than 30 jurisdictions registering in the first month.

From: China
Location: China
Joined: November 2022
My background is in accounting and finance. Before joining the IFRS Foundation, I served as the Director-General at the Ministry of Finance of China.

Thanks to great collaboration with various Chinese government agencies, we opened our Beijing office on 19 June 2023, following an efficient registration process.

I oversee the ISSB’s stakeholder engagement in China and the wider region. Working with our many partners and stakeholders, we launched our online ISSB Introductory Programme in China in the second half of 2023, garnering more than five million views.

We also launched a Partners for Early Awareness of Sustainability Standards Today programme with more than 300 participants.

I work with colleagues globally to deliver on the Beijing office’s remit to build capacity for emerging and developing economies.
2023 review and 2024 priorities—Revenue generation and operations

The organisation is supported by teams covering revenue generation and operational functions including finance, governance, human resources, legal, office support, technology, and communications and external affairs.

2023 review

Revenue generation
Our aim is to build a revenue base providing stable and sustainable funding to support the IASB and the ISSB’s long-term success.

For this purpose, the Trustees created a new Funding Committee, supported by a funding team. The funding team explored new funding initiatives such as our Corporate Champions Network, possible support from philanthropic organisations and developing future funding streams.

Operations
We developed and improved operational functions and processes by:

- supporting the Trustees in the appointment of an Executive Operations Director.
- opening an office in Beijing in June 2023, further enhancing the IFRS Foundation’s global reach. The Foundation now has offices in Beijing, Frankfurt, London, Montreal, San Francisco and Tokyo.
- creating an internal audit function, appointing a Director of Internal Audit and developing an internal audit strategy and proposed delivery model, which will include working with an external partner.
- appointing a Chief People Officer and other senior HR specialists to support our strategic focus on people.
- creating an internal sustainability team to support our focus on the Foundation’s own sustainability.
- globalising the finance function and implementing a new organisation-wide finance system.
- strengthening compliance, due diligence and procurement processes—for example, establishing a compliance function.
- exploring how artificial intelligence (AI) could benefit and challenge the Foundation.

2024 priorities

In 2024 we will:

- continue to increase our presence in the jurisdictions where we have offices, and to develop the way these offices operate;
- develop and embed the culture framework in all aspects of our people strategy; and
- focus on developing a broad funding base.
- creating an internal audit function, appointing a Director of Internal Audit and developing an internal audit strategy and proposed delivery model, which will include working with an external partner.
- appointing a Chief People Officer and other senior HR specialists to support our strategic focus on people.
- creating an internal sustainability team to support our focus on the Foundation’s own sustainability.
- globalising the finance function and implementing a new organisation-wide finance system.
- strengthening compliance, due diligence and procurement processes—for example, establishing a compliance function.
- exploring how artificial intelligence (AI) could benefit and challenge the Foundation.

Staff profile

Angela Grenham
HR Manager

From: UK
Location: London
Joined: February 2011

In my role as an HR Manager in London I work alongside colleagues throughout the organisation, supporting them in their roles and responsibilities.

Having the opportunity to collaborate with others is a highlight of my job, as well as being an effective way to deliver vital business-as-usual services such as an accurate payroll, recruiting new people to join our teams and onboarding them successfully.

I also get involved in cross-functional projects—a good example being the collaborative approach we took when creating our wellbeing toolkit in 2023.

Another aspect of my job is to build productive working relationships with external partner organisations; for example, to ensure that we have in place the required specialist support for our range of benefits and insurances.
Our conferences and speaking engagements

Organising and participating in conferences are important ways for the IFRS Foundation to engage with our many stakeholders around the world in support of advancing our mission.

Trustees, members of the IASB and the ISSB, and staff regularly deliver keynote speeches, presentations and training sessions at online and in-person conferences. In 2023 we participated in approximately 500 external events around the world to raise awareness of IFRS Standards, to increase understanding of our requirements and to encourage stakeholders’ involvement in our work.

In addition to participating in conferences organised by third parties, in 2023 we invited our stakeholders to attend several IFRS Foundation conferences:

**IFRS Sustainability Symposium**
- February 2023
- Montreal, Canada

The inaugural IFRS Sustainability Symposium built on the success of Value Reporting Foundation and SASB symposiums in previous years. More than 1,000 global businesses, investors and policy makers from 45 countries came together in person and online to discuss progress towards a global baseline of sustainability disclosures to inform investment decisions. Mark Carney, UN Special Envoy for Climate Action and Finance and Co-Chair for the Glasgow Finance Alliance for Net Zero, was the keynote speaker.

**IFRS Integrated Thinking & Reporting Conference**
- June 2023
- Frankfurt, Germany

More than 300 people from 18 countries attended in person or online to learn about integrated thinking and reporting, and how they are informing the work of the IASB and the ISSB. Takashi Nagaoka, Deputy Commissioner of the Financial Services Agency of Japan and Chair of the IFRS Foundation Monitoring Board, gave the keynote address.

**IFRS Foundation Conference**
- June 2023
- London, UK

Five hundred people—the majority responsible for companies’ reporting—attended the hybrid event to learn about important developments at the IFRS Foundation, highlighting the work of both the IASB and the ISSB. IASB Chair Andreas Barckow spoke about the role of financial reporting in uncertain times and how the IASB is supporting companies and investors. ISSB Chair Emmanuel Faber officially launched the inaugural IFRS Sustainability Disclosure Standards, IFRS S1 and IFRS S2.
Our conferences and speaking engagements continued

World Standard-setters Conference
- September 2023
- London, UK

This 22nd annual conference brought together delegates from standard-setting organisations in 70 jurisdictions to hear from a range of experts in accounting and sustainability reporting. Conference sessions were also broadcast on LinkedIn and via the IFRS Foundation website, attracting around 10,000 views.

IASB Research Forum
- November 2023
- Paris, France

The 2023 Research Forum was held at the IÉSEG School of Management and was organised in partnership with the European Accounting Association and its journals Accounting in Europe and European Accounting Review. The Research Forum gives academics, practitioners and standard-setters a platform for discussing academic papers with relevance to standard-setting, which helps to ensure the IASB’s work is informed by academic research.

In addition to these conferences, we worked with partners to support and host several events, including:

The International Conference on Sustainability Disclosure
- March 2023
- Tokyo, Japan

Co-hosted with the Financial Services Agency of Japan, the conference brought together companies, investors, stock exchanges, audit firms, standard-setters, regulators and policy makers to exchange views on jurisdictional approaches and the progress towards a global baseline of sustainability disclosures. Prime Minister of Japan Fumio Kishida gave the opening remarks.

Beijing International Sustainability Conference
- November 2023
- Beijing, China

Organised in conjunction with the ISSB’s first meeting in Beijing following the opening of the Beijing office in June 2023, the conference was attended by 300 guests who received updates on the ISSB’s work from the ISSB leadership. Invited speakers and delegates also discussed the importance of high-quality sustainability information and how such information can be achieved through adoption of the IFRS Sustainability Disclosure Standards.

In addition to these conferences, we worked with partners to support and host several events, including:

The International Conference on Sustainability Disclosure
- March 2023
- Tokyo, Japan

Co-hosted with the Financial Services Agency of Japan, the conference brought together companies, investors, stock exchanges, audit firms, standard-setters, regulators and policy makers to exchange views on jurisdictional approaches and the progress towards a global baseline of sustainability disclosures. Prime Minister of Japan Fumio Kishida gave the opening remarks.

Through these events, I have had the pleasure of working with colleagues both within and outside the Connectivity and Integrated Reporting team, as well as colleagues from various continents.

Our conferences and speaking engagements continued

Staff profile
Norie Takahashi
Integrated Thinking Fellow

From: Japan
Location: Tokyo
Joined: Seconded to the former International Integrated Reporting Council from 2016 and to the IFRS Foundation from August 2022 (following the consolidation with the VRF)

As an Integrated Reporting Fellow in the Asia-Oceania office, I have organised several events in the Asia-Oceania region, including the IFRS Sustainability Alliance event in Tokyo, the IR Communities event to discuss the ISSB’s Agenda Consultation and regional integrated reporting events.

Through these events, I have had the pleasure of working with colleagues both within and outside the Connectivity and Integrated Reporting team, as well as colleagues from various continents.
As at 31 December 2023

Erkki Liikanen
(Europe) Chair
From: Finland
Former Governor of the Bank of Finland
Second term ends 31 December 2024
Attendance 2023: 3/3

Teresa Ko
(Asia-Oceania) Vice-Chair
From: Hong Kong
China Chair and Senior Partner, Freshfields
Bruckhaus Deringer
Third term ends 31 December 2024
Attendance 2023: 3/3

Larry Leva
(Americas) Vice-Chair
From: USA
Former Global Vice Chairman—Quality, Risk and Regulatory
for KPMG International
Second term ended 31 December 2023
Attendance 2023: 3/3

Sarah J. Al Suhaime (at large)
From: Saudi Arabia
Chair of Tadawul (the Saudi Stock Exchange), member of the Board of Directors of the Saudi Cultural Development Fund and the Board of Directors of Saudi Second term ended 31 December 2024
Attendance 2023: 3/3

Colette Bowe (Europe)
From: UK
Member of the Board of England’s Financial Policy Committee and former Chair of the UK Banking Standards Board
Second term ended 31 December 2023
Attendance 2023: 2/3

Koushik Chatterjee (Asia-Oceania)
From: India
Executive Director and Chief Financial Officer, Tata Steel Ltd
First term ended 31 December 2025
Attendance 2023: 1/3

Jorge Familiar (Americas)
From: Mexico
Vice President and Treasurer of the World Bank
First term ended 31 December 2024
Attendance 2023: 3/3

Suresh P. Kana (Africa)
From: South Africa
Former Chair of the Financial Reporting Standards Council of South Africa
Second term ended 31 December 2024
Attendance 2023: 3/3

Masamichi Kono (at large)
From: Japan
Member of Global Advisory Board, Mitsubishi UFJ Financial Group Bank, Former Deputy Secretary General of the Organisation for Economic Co-operation and Development
Second term ended 31 December 2026
Attendance 2023: 3/3

Sukjoon Lee (Asia-Oceania)
From: South Korea
Chairman and Chief Executive Officer, NongHyup Financial Group Inc.
First term ended 31 December 2025
Attendance 2023: 3/3

Michel Madelain (at large)
From: France
Former Vice-Chair and President of Moody’s Investors Service
Second term ended 31 December 2023
Attendance 2023: 3/3

Steven Maijoor (Europe)
From: The Netherlands
Executive Board Member, De Nederlandsche Bank
First term ended 31 December 2025
Attendance 2023: 3/3

Ross McInnes (Europe)
From: France
Chair, Sahran
Second term ended 31 December 2023
Attendance 2023: 2/3

Robert Pozen (Americas)
From: USA
Senior lecturer, MIT Sloan School of Management
Second term ended 31 December 2026
Attendance 2023: 3/3

Vinod Rai (Asia-Oceania)
From: India
Former Comptroller and Auditor General of India
Second term ended 31 December 2023
Attendance 2023: 3/3

Lucrezia Reichlin (Europe)
From: Italy
Professor of Economics, London Business School
Second term ended 31 December 2023
Attendance 2023: 2/3

Ken Robinson (Americas)
From: USA
Board of Directors, Abercrombie and Fitch, Paylocity Corporation, Board of Directors, Morgan Stanley US Banks, Board of Directors, Occidental
Second term ended 31 December 2026
Attendance 2023: 3/3

Isabel Saint Malo (Americas)
From: Panama
Advisor to the Administrator of the UN Development Programme, Member of the Advisory Council of the SEK International Institution
First term ended 31 December 2025
Attendance 2023: 3/3

Erhard Schipperleit (Europe)
From: Germany
Former Chief Financial Officer and Chairman of VARTA
Second term ended 31 December 2026
Attendance 2023: 3/3

Keiko Tashiro (Asia-Oceania)
From: Japan
Deputy President, Daiwa Securities Group Inc.
First term ended 31 December 2024
Attendance 2023: 3/3

Maria Theofilaktidis (at large)
From: Canada
Executive Vice President and Chief Auditor, Bank of Nova Scotia
Second term ended 31 December 2025
Attendance 2023: 2/3

Wencai Zhang (Asia-Oceania)
From: China
Vice President, Export-Import Bank of China
First term ended 31 December 2025
Attendance 2023: 2/3

Trustees who stepped down on 31 December 2023
Larry Leva (Vice-Chair), Colette Bowe, Michel Madelain, Ross McInnes, Vinod Rai and Lucrezia Reichlin

New Trustees appointed to serve from 1 January 2024
Bertrand Badré, Rudolf Bless, Morgan Despré, Chong-Tee Ong and Richard Sexton

For more information on Trustees, see www.ifrs.org/groups/trustees-of-the-ifrs-foundation/#members.
The Trustees meet several times a year and operate through committees. These committees met in 2023.

### Audit, Finance and Risk Committee

**Chair:** Larry Leva  
**Members:** Colette Bowe, Jorge Familiar, Sukjoon Lee, Erhard Schipporeit, Maria Theofiliaktidis, Wencai Zhang  
**Meetings in 2023:** Five

**Activities and decisions:**  
- reviewed the Foundation’s annual budget, accounts and related forecasts  
- advised the Trustees on whether the financial statements are fair, balanced and reasonable  
- reviewed the Foundation’s risk reports and monitored the integrity, adequacy and effectiveness of the Foundation’s system of risk management and internal controls  
- oversaw the management of the Foundation’s multi-class asset investment portfolio by Barclays Wealth  
- reviewed and formally established a policy that outlines the structured procedure required for evaluating and accepting offers of donations received by the Foundation  
- appointed a Director of Internal Audit and endorsed the plan and delivery model for the Foundation’s new internal audit function

### Digital Technology Oversight Committee

**Chair:** Suresh Kana  
**Members:** Vinod Rai, Lucrezia Reichlin, Ken Robinson, Erhard Schipporeit  
**Meetings in 2023:** Three

**Activities and decisions:**  
- received regular updates on the ongoing progress, investment and implementation of digital and technology strategies  
- received regular updates on key developments such as:  
  - consolidation of data, updating of hardware throughout the organisation, and progress on important system consolidations like the Customer Relationship Management and e-commerce platforms  
  - provision of technical solutions for publishing the ISSB’s inaugural IFRS Sustainability Disclosure Standards, creating the IFRS Sustainability Standards Navigator and revising the SASB Standards  
  - collaboration with the capacity-building and communications team to deliver the knowledge hub  
  - technology planning for the Montreal and Beijing office launch efforts  
  - AI-related pilots carried out with the aim of rolling out new capabilities to the entire Foundation  
- reviewed an independent cybersecurity assessment and received updates on related actions  
- received regular updates on the Foundation’s strategy for the digital consumption of information

### Due Process Oversight Committee

**Chair:** Teresa Ko  
**Members:** Koushik Chatterjee, Masanichi Kono, Larry Leva, Michel Madelain, Steven Maijoor, Ross McInnes, Robert Pozen, Vinod Rai  
**Meetings in 2023:** Six

**Activities and decisions:**  
- reviewed the due process applied in developing IFRS S1, IFRS S2 and IFRS 18 following completion of the boards’ technical discussions  
- reviewed and approved requests for shortened comment periods for consultations on:  
  - the international applicability of SASB Standards  
  - OECD tax reform-related amendments to the IFRS for SMEs Accounting Standard  
- considered the staff’s annual reviews of the IFRS Foundation’s consultative groups, due process for the educational materials published by the Foundation to support the consistent application of IFRS Accounting Standards, and various reporting matters relating to comment letters, board papers and dialogue with regulators  
- reviewed the composition of the IFRS Taxonomy Consultative Group and the TIG on IFRS S1 and IFRS S2  
- approved the due process to be applied to developing materials to support the interoperability of the IFRS Sustainability Disclosure Standards with other relevant standards  
- considered materials to enhance communications about the ISSB’s due process  
- considered plans to update the Due Process Handbook to reflect the creation of the ISSB
Trustee committees continued

**Ethics Committee**

*Chair:* Vinod Rai  
*Members:* Larry Leva, Maria Theofilaktidis  
*Meetings in 2023:* Six

**Activities and decisions:**
The committee met on an ad hoc basis to review and provide confidential advice to the Trustees on ethical questions, as and when they arose.

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**Funding Committee**

*Chair:* Isabel Saint Malo  
*Members:* Koushik Chatterjee, Jorge Familiar, Sukjooon Lee, Erkki Liikanen, Michel Madelain, Ross McInnes, Keiko Tashiro  
*Meetings in 2023:* Nine

**Activities and decisions:**
- proposed and approved the ISSB funding model  
- monitored fundraising efforts in target jurisdictions and identified additional actions to advance progress  
- received updates on fundraising initiatives, including the Corporate Champions Network and the IFRS Sustainability Alliance  
- received regular updates on the ISSB’s contributed revenue position  
- reviewed and commented on a policy setting out the process to be followed for assessing and accepting offers of donations received by the Foundation or either of its boards  
- discussed general elements for a future endowment fund  
- reviewed and commented on the philanthropic fundraising efforts  
- discussed the need to strengthen the fundraising capacity of the IFRS Foundation  
- participated in fundraising activities, notably Climate Week in New York City and Council of the Americas annual meetings  
- participated in bilateral meetings between the Trustees and potential donors in various jurisdictions

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**Human Capital Committee**

*Chair:* Colette Bowe  
*Members:* Sarah Al Suhaimi, Jorge Familiar, Robert Pozen, Keiko Tashiro, Wencai Zhang  
*Meetings in 2023:* Five

**Activities and decisions:**
- discussed and made decisions on the annual review of remuneration in association with the Audit, Finance and Risk Committee  
- received updates and made suggestions for further work on the project to create an appropriate organisational culture throughout the consolidated organisation and recommended the approval of the project’s next phase and related third-party supplier costs  
- considered resource and recruitment plans for the IASB and ISSB technical staff  
- received updates and made suggestions for further actions in response to the staff engagement survey conducted in 2022  
- reviewed board members’ annual effectiveness self-evaluation process and procedure

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**Nominating Committee**

*Chair:* Michel Madelain  
*Members:* Colette Bowe, Suresh Kana, Masamichi Kono, Teresa Ko, Ken Robinson  
*Meetings in 2023:* Eight

**Activities and decisions:**
- recommended the appointment or reappointment of 10 Trustees  
- recommended the reappointment of the Chair of the ISSB  
- recommended the reappointment of two IASB members  
- recommended the reappointment of seven IFRS Interpretations Committee members  
- recommended the appointment or reappointment of 15 organisations and representatives of the IFRS Advisory Council  
- began work with a global executive search firm to identify a successor to our departing Managing Director, Lee White
## Organisational risks and mitigation

The IFRS Foundation’s Executive Risk Committee has the responsibility for identifying, managing and mitigating risks faced by the Foundation that may affect the achievement of its operational and strategic objectives.

The Committee has a robust process in place to assess the impact of risk on the Foundation and to set the appropriate risk appetite for the Foundation’s activities. The Committee comprises senior executives representing all parts of the Foundation. The Committee meets bi-monthly and identifies, assesses and monitors key risks for the Foundation and appropriate mitigating actions. Identification and assessment of individual risks are embedded in management and operational processes throughout the Foundation.

The Trustees’ Audit, Finance and Risk Committee provides oversight of the Foundation’s risk management processes and systems and reports to the full board of the Foundation’s Trustees, who bear the ultimate responsibility for monitoring risk.

The corporate risk register records the cross-cutting risks and uncertainties that the Committee believes the IFRS Foundation faces. The main risk areas identified by the Committee, and the actions taken to mitigate them, are set out in the table.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Key mitigations</th>
</tr>
</thead>
</table>
| **People** | Failure:  
• to attract and retain high-calibre people  
• to develop a One Foundation-appropriate organisational culture under the multi-location model | • Dedicated budget allocated to staff training and development  
• Leadership and managers focus on staff wellbeing and development  
• Staff engagement survey carried out bi-annually  
• IFRS Foundation culture framework launched to encourage the organisational values and behaviours to which we aspire  
• Created Director of Talent and Director of Talent Acquisition roles to oversee staff development and recruitment |
| **Funding** | Insufficient funding to maintain the IFRS Foundation’s operations | • Trustees’ Funding Committee created to develop a medium- to long-term funding model  
• Alternative sources of funding being explored  
• New commercial strategy being developed to increase earned revenue |
| **Technology** | Failure to develop appropriate systems and policies that support effective operations and protect the IFRS Foundation from cyber attacks | • Business continuity plans developed to be followed in the event of a cyber attack  
• IFRS Foundation and legacy organisation systems have been consolidated  
• Dedicated budget allocated to maintaining and updating systems |
| **Support** | Loss of policy-level support for the IFRS Foundation | • Important policy-level contacts mapped and monitored throughout the organisation  
• Relationship owners identified for important policy-level contacts  
• Ongoing communication of the case for global accounting and sustainability disclosure standards  
• IFRS Foundation Trustees continue to engage with all important stakeholders to promote a single set of global accounting and sustainability disclosure standards |
| **Adoption** | Uneven pace of adoption of IFRS Sustainability Disclosure Standards by jurisdictions | • Sustainability Standards Advisory Forum created  
• IFRS Sustainability Disclosure Standards have been endorsed by IOSCO, the FSB, G7 and G20  
• Adoption strategy for IFRS Sustainability Disclosure Standards being developed  
• Monitoring of jurisdictional consultations with regard to regulatory adoption of IFRS S1 and IFRS S2 being advanced  
• Proactive engagement with stakeholders to explain the differences between a regulatory adoption proposal and IFRS S1 and IFRS S2 |

1. The Committee was split into two, effective 1 January 2024: the Audit and Risk Committee and the Budget and Finance Committee.
Summary of financial results 2023

The results for the financial year 2023 cover the operations of the IFRS Foundation including its subsidiaries (Foundation) as constituted on 31 December 2023. The Foundation’s structure did not substantively change in 2023. During 2022 the Foundation consolidated with the Climate Disclosure Standards Board (CDSB) and the Value Reporting Foundation (VRF). The consolidated financial statements for 2022 included the results of the newly consolidated operations and entities for the period from 1 August 2022.

The Foundation is reporting income before tax of £1.2 million for 2023 (2022: £8.5 million). The year-on-year decrease of £7.3 million is mainly attributable to the gain of £7.8 million recognised in 2022 on consolidating with the VRF.

Total revenue increased year on year from £48.5 million to £68.4 million, an increase of 41%. The growth in revenue was partly due to the recognition of income for the newly consolidated operations being included for the full 12-month period in 2023 (compared to five months in 2022), along with the benefits of the Foundation’s revenue growth initiative.

Contributed revenue includes ongoing jurisdictional funding for both the IASB and the ISSB. It also includes £18.4 million in annual seed funding for the formation of the ISSB and support of its offices in Frankfurt, Montreal, Tokyo and Beijing. Earned revenue includes revenue from subscriptions, memberships, licensing and publications. Total revenue comprised:

- contributed revenue: £42.2 million (2022: £32.5 million ▲30%); and
- earned revenue: £26.2 million (2022: £16.0 million ▲64%).

Total operating expenses increased from £48.0 million to £67.5 million year on year, an increase of 41%. This substantial rise was primarily due to:

- the recognition of expenses for the consolidated operations over the full 12-month period (compared to five months in the prior year);
- increases in staffing and other capacity to deliver on the Foundation’s expanded objectives;
- the expenses incurred in creating enhanced technology, finance, risk and compliance processes commensurate with the expanded scale of the organisation; and
- legal and professional fees related to the operationalisation of the ISSB and the multi-location model.

Extensive engagement with stakeholders contributed to the increase in travel and meeting costs. Inflation also contributed to the overall increase in operating costs.

The net gain from financing activities, including exchange gains and losses, amounted to £279,000 (2022: £104,000). The net exchange losses of £743,000 (2022: gain of £652,000) mainly resulted from foreign exchange revaluations on yen and Canadian dollar cash balances. Fair value gains on investments of £416,000 (2022: losses of £671,000) reflect appreciation of our diversified investment fund and the increase in value of government bond prices due to falling interest rates.

Tax charges of £357,000 (2022: £406,000) brought our income for the year after tax to £834,000 (2022: £8.1 million).

After accounting for exchange differences arising from translating foreign operations (a loss of £374,000 against a gain of £163,000 in 2022), the Foundation reported comprehensive income for 2023 of £460,000 (2022: £8.3 million).

Net assets have increased year on year from £49.0 million to £49.5 million due to the operating surplus recognised during the year.
**2023 review**

**Bedding in the ISSB and the multi-location model**
In 2022 the Foundation completed the key steps to establish the global presence of the ISSB—consolidating with the CDSB and the VRF; opening new offices in several locations; and appointing ISSB members and staff.

During 2023 the Foundation further expanded its global presence by opening an office in China, and now operates from offices in Beijing, Frankfurt, London, Montreal, San Francisco and Tokyo. Following the publication of the first IFRS Sustainability Disclosure Standards in June 2023, the Foundation expanded its activities to support adoption and implementation of the new Sustainability Disclosure Standards. The Foundation also maintained focus and support for the IASB as it progressed towards the release of two new Accounting Standards in 2024.

At an operational level, a major focus in 2023 was creating the support infrastructure for the combined operations and for the multi-location model. This work included building a suitably scaled control and operating environment for the expanded activities.

The ISSB members and technical staff are mostly based in the new offices. The IASB members and technical staff are mostly based in the London office, with a small number based in Tokyo. The number of staff employed by the Foundation increased from 298 to 353 as a result of the consolidation, the associated support infrastructure and the increased adoption and implementation activities.

**Revenue**
Total revenue increased year on year from £48.5 million to £68.4 million, an increase of 41%, reflecting the first full year of income from the consolidated activities and the benefits of the Foundation’s revenue growth initiatives. The Foundation aims to create a reliable and diversified revenue base to ensure financial stability and continuity for the Foundation’s long-term operations. That revenue base should provide:

- revenue diversified by geography, source and type;
- multi-year, flexible funding for changing circumstances;
- unrestricted funds that allow the Foundation to fully fund operating costs and prevent cash-flow issues; and
- a balanced combination of contributed revenue and earned revenue.

In 2023 the Foundation received 62% of revenue from contributed revenue and 38% from earned revenue. Contributed revenue includes contributions from jurisdictions (32%); seed funding for the ISSB from Canada, China, Germany and Japan (47%); philanthropic grants (8%); and individual contributions from corporates (13%). Earned revenue was generated from publications and subscriptions services (10%); licensing of intellectual property (75%); membership fees for the IFRS Sustainability Alliance (9%); education programmes (3%); and conferences (3%). This revenue base represents a major and positive step towards creating a diversified, reliable and sustainable revenue base. Efforts are ongoing at both Trustee and operational levels to enhance this base further.

Conferences in 2023 generated income of £734,000, significantly more than the prior year, aligning with expectations following a planned expansion of in-person events. Looking ahead, the Foundation anticipates a more moderate increase in income from conferences in 2024, given similar planned events for the upcoming year.

**Other income**
Other income in 2022 included the non-recurring initial gain of £7.8 million on consolidating with the VRF.

**Operating expenses**
In 2023 annual expenditure rose significantly compared to 2022 due to the full-year effect of the prior year’s consolidation and the build-out of the multi-location model. The increase was largely in staff costs from the increased headcount associated with setting up the multi-location model, expanding technical activities and implementing enhanced controls, infrastructure and systems.
Annual expenditure breaks down into three main categories—staff costs, office costs and travel and engagement costs.

Staff salaries and related costs remain the most significant cost for the Foundation and at £49.5 million (2022: £32.3 million) represent 73% of the Foundation’s total costs. The year-on-year increase of £17.2 million is mainly attributable to the first full-year inclusion of the new ISSB members and technical staff, staff onboarded as part of the 2022 consolidation and the additional staff recruited during the year, along with annual pay rises.

Other costs increased overall by £1.7 million, which is mostly due to:

- the first full-year inclusion of operating costs from the consolidated entities and operations; and
- costs related to setting up the multi-location model.

Expenses related to earned revenue activities increased by £2.5 million year on year due to the full-year inclusion of the newly consolidated activities and inflation-related increases in publication costs and overheads.

**Investments**

The Foundation invests the majority of its surplus funds in fixed-interest, highly liquid investments, all of which are of short duration (two to five years) and high credit quality. In June 2022 the Foundation invested £2.5 million into the Barclays Medium-Low Risk Multi Asset Class Sustainable Portfolio. The portfolio broadens the Foundation’s investment range by introducing new assets, including equities, commodities and real estate. Since its inception in the prior year it has appreciated in value by £276,000.

Fair value gains on investments in bonds amounted to £164,000 in 2023—an improvement from the loss of £695,000 in 2022. This gain reflects the increase in value of government bond prices following the decrease in interest rates towards the end of 2023.

**Reserves policy**

The Foundation operates a balanced budget policy. The objective of the Foundation’s reserves policy is to hold an appropriate level of accessible funds. The Foundation holds reserves to provide cover for unexpected changes in income and expenditure, allowing the Foundation to continue its activities in the event of any unforeseen costs or shortfall in income. The Trustees may allow the reserve fund to be used for one-time, non-recurring expenses to build long-term capacity, such as staff development, research and development or investment in infrastructure. The Trustees may also allow the reserve fund to be used for opportunities that further the mission of the organisation. Consistent with the balanced budget policy, reserve funds are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

Net assets have increased year on year from £49.0 million to £49.5 million due to the operating surplus achieved during the year.

**2024 outlook**

The Foundation appreciates the continuing support from the funding providers listed on pages 69 to 76. The Foundation remains committed to managing its operating expenditure prudently and effectively, and is pursuing further initiatives to enhance the organisation’s operational stability and efficiency.

The Foundation’s 2024 budget, as approved by the Trustees, estimates that in 2024 contributed and earned revenue will increase by 10% to £75 million. Operating expenses in 2024 are also expected to increase reflecting inflation, the continuing integration of Foundation operations and the inclusion of the full-year costs of systems and processes implemented during 2023. Costs will also be affected by initiatives to promote wider adoption and implementation of the IFRS Sustainability Disclosure Standards.

In 2023 the Foundation created a Trustee task force that is working closely with staff to develop and finalise a sustainability strategy and approach proportionate to the nature and size of the Foundation.
The Trustees are responsible for preparing the annual financial statements in accordance with applicable law and regulations.

The Trustees have prepared financial statements that give a true and fair view of the state of affairs and profit or loss of the Foundation for that period in accordance with IFRS Accounting Standards. In preparing these financial statements, the Trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- applied IFRS Accounting Standards with no material departures; and
- prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation’s transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with applicable laws and regulations. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation’s website.

**Going concern**

The Trustees have reviewed the Foundation’s financial performance and the general reserves position for 2023. The Foundation’s planning process for 2024 has taken into consideration the current and forecasted economic climate and its potential impact on the Foundation’s various sources of income and planned expenditure.

The Foundation is focused on building the medium- to long-term funding strategy for both contributed and earned revenue.

There continues to be strong global support for the Foundation and the work of both the IASB and the ISSB. To support the ISSB and its new offices, the Foundation has secured five-year seed-funding commitments from Canada, Germany, Japan and China, along with other multi-year funding commitments from Korea, New Zealand and the United Kingdom.

The Foundation has reviewed the financial cash flow projections for the 18 months after the end of the reporting period and has performed stress testing on these cash flows. The Foundation has a reasonable expectation that it will be able to continue to operate and meet its liabilities as they fall due for the 18 months after the end of the reporting period (see the detailed information on pages 54–55 of the financial statements).

Having regard to all relevant circumstances and the substantial reserve funds held by the Foundation, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

**Trustee approval**

These financial statements cover the year ended 31 December 2023. They have been prepared in compliance with the IFRS Accounting Standards.

The financial statements were approved and authorised for issue by the Trustees of the Foundation on 22 April 2024. At that date there had been no events since 31 December 2023 that required an adjustment to the financial statements.

**Erkki Liikanen**

Chair of the IFRS Foundation Trustees
Independent auditor’s report to the Trustees of IFRS Foundation

Opinion

Our opinion on the group financial statements is unmodified

We have audited the group financial statements of the IFRS Foundation (‘Foundation’) and its subsidiaries (the ‘group’) for the year ended 31 December 2023, which comprise the consolidated statement of comprehensive income, consolidated statement of changes in retained surplus, consolidated statement of financial position, consolidated statement of cash flows and notes to the consolidated financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

In our opinion, the group financial statements give a true and fair view of the state of the group’s affairs as at 31 December 2023 and of the group’s income for the year then ended in accordance with IFRS Accounting Standards as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the group financial statements’ section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the group financial statements in the UK, including the Financial Reporting Council’s (FRC) Ethical Standard, 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustees’ 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 group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor’s opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group to cease to continue as a going concern.

Our evaluation of the Trustees’ assessment of the group’s ability to continue to adopt the going concern basis of accounting included assessing management’s cash flow forecasts for a period of at least 12 months from the expected date of approval of the financial statements together with balance sheets at relevant dates within the forecasts, reviewing key assumptions and sensitivities as stated by management, reviewing the reverse stress test produced by management and reviewing the paper setting out the Trustees’ conclusions.

In our evaluation of the Trustees’ conclusions, we considered the inherent risks associated with the group’s business model including effects arising from macroeconomic uncertainties such as increases in the cost of living, higher inflation rates and other macroeconomic circumstances relevant to the group. We assessed and challenged the reasonableness of estimates made by the Trustees and the related disclosures and analysed how those risks might affect the group’s financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the Trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group’s ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.
Our approach to the audit

Overview of our audit approach

Overall materiality: Group: £1.7m, which represents 2.5% of the group’s total income at the fieldwork stage of audit.

One key audit matter was identified:
- contributions received after the reporting date (equivalent to the previous year’s ‘unpaid contributions’).

Our auditor’s report for the year ended 31 December 2022 included one key audit matter that has not been reported as a key audit matter in our current year’s report. This matter relates to the fair value of assets and liabilities acquired upon merger with the Value Reporting Foundation (VRF). This merger occurred during the previous year, and therefore the key audit matter is not relevant for the year ended 31 December 2023.

The engagement team evaluated the scoping and significance of each component of the group. The year ended 31 December 2023 is the first full year of consolidated operations of the Foundation, which is a key change from the prior year. No mergers took place during fiscal year 2023, which is another change in the scope of the audit from the prior year.

Key audit matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
Key audit matter

Contributions received after the reporting date

We identified contributions received after the reporting date (unpaid contributions) as a significant risk, which was one of the most significant assessed risks of material misstatement due to fraud and error.

A significant proportion of income relates to voluntary contributions, with the largest contribution relating to the European Union grant. They are recognised as income on a receipts basis, exceptions being those received post year end, which have been designated by the contributor as relating to the previous year.

As at year end £3.2m (2022: £4.2m) is included within contributions receivable. Unpaid contributions were considered a significant risk due to the significant judgements made by management in determining whether they were recognised correctly in the current year.

Relevant disclosures in the annual report

The group’s accounting policy on contributed revenue is shown in Note 3 to the financial statements and related disclosures are included in this note.

How our scope addressed the matter

In responding to the key audit matter, we performed the following audit procedures:

- selected a sample of unpaid contributions and obtained evidence of subsequent receipt. If the contributor has not paid after year end, the engagement team has liaised directly with the contributor;
- inspected correspondence with the donor to determine whether they had provided a firm commitment to the group to pay the funds due and whether the contribution related to the correct financial year;
- performed a non-substantive analytical review of contributions income year on year by contributor and jurisdiction and identified any unusual movements in balances; and
- checked post-year-end bank statements and identified whether a sample of unpaid contributions have been received post year end.

Our results

Based on our audit work, we did not identify any material misstatements concerning contributions received after the reporting date.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor’s report.

Materiality was determined as follows:

<table>
<thead>
<tr>
<th>Materiality measure</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materiality for financial statements as a whole</td>
<td>£1.7m (2022: £1m), which is 2.5% of total income.</td>
</tr>
<tr>
<td>Materiality threshold</td>
<td>£1.2m (2022: £0.74m), which is 75% of financial statement materiality.</td>
</tr>
</tbody>
</table>

In determining materiality, we made the significant judgement that 2.5% of income is the most appropriate benchmark because the group is not a profit-oriented organisation.

Materiality for the current year is higher than the level we determined for the year ended 31 December 2022 to reflect an entire fiscal year of consolidated income earned from the group’s subsidiaries. Prior-year materiality was set at 2% of total income.

We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

| Performance materiality threshold | £1.2m (2022: £0.74m), which is 75% of financial statement materiality. |

In determining performance materiality, we made significant judgements based on

- our understanding of the group during the performance of risk assessment procedures; and
- our experience with auditing the financial statements of the group in the prior year.

These judgements are that the group has stable business activities and a stable control environment. Limited adjustments were identified during the previous years’ audit engagements and limited control findings were identified in previous audit engagements. Additionally, the group did not enter into similarly complex transactions as in the prior year with the assets and liabilities acquired upon merger with the VRF. These factors have led us to our judgements of determining a higher performance materiality than for the prior year.
### Independent auditor’s report to the Trustees of IFRS Foundation continued

#### Materiality measure

<table>
<thead>
<tr>
<th>Group</th>
<th>Specific materiality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.</td>
</tr>
<tr>
<td></td>
<td>We determine a lower level of specific materiality for: • fees payable to the external auditor—audit services; • fees payable to the external auditor—non-audit services; and • related party transactions.</td>
</tr>
</tbody>
</table>

#### Communication of misstatements to the audit committee

| Threshold for communication | £0.08m (2022: £0.05m), which represents 5% of the financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds. |

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.

### Overall materiality—Group

- Total income, £68m
- FSM, £1.7m, 2.5%
- PM, £1.2m, 75% of FSM
- TfC, £0.08m, 5% of FSM

FMS, financial statement materiality; PM, performance materiality; TfC, threshold for communication to the audit committee.

### An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group’s business and in particular matters related to:

#### Understanding the group, its components and their environments, including group-wide controls

- The engagement team obtained an understanding of the group and its environment, including group-wide controls, and assessed the risks of material misstatement at the group level.

- The engagement team also gained an understanding of the group organisational structure and group financial reporting system.

#### Identifying significant components

- The Foundation was subject to audit of its components’ financial information using the UK approach to component materiality.

- Having assessed the significance of the group’s components by reference to total income for the year, no other components were assessed as being individually significant to the group.

- The group audit team evaluated each of the components’ total income to assess its significance and our planned audit response based on a measure of materiality. Significance was determined as a percentage of the group’s total income and the group audit team considered any qualitative factors such as the nature of the component.

#### Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matter)

- The engagement team performed a full-scope audit of the Foundation (parent) and identified specific-scope audit and analytical procedures required for other components. The audit of the Foundation and its subsidiaries included the procedures described earlier for the key audit matter of contributions received after the reporting.

- Based on the group significance and assessment of audit risk, the engagement team performed:  – an audit of the financial information of the components using component materiality (full-scope audit);  – an audit of one or more account balances, classes of transactions or disclosures of the components (specific-scope audit); and  – analytical procedures at group level (analytical procedures).
Independent auditor's report to the Trustees of IFRS Foundation continued

Performance of our audit

- We performed a full-scope audit for one component, the IFRS Foundation (parent), which amounted to 93% of total income for the group and 96% of total assets. We performed a specific-scope audit for one component, the IFRS (ISSB) Foundation Montreal, which amounted to 5% of total income for the group.

- The engagement team visited one location. Most of the Foundation's subsidiaries are dormant and therefore do not have a physical location. The visited location represents 93% of the income for the group and the engagement team visited this location to perform the audit work.

<table>
<thead>
<tr>
<th>Audit approach</th>
<th>No. of components</th>
<th>% coverage income</th>
<th>% coverage total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-scope audit</td>
<td>1 (2022: 1)</td>
<td>93% (2022: 99%)</td>
<td>96% (2022: 99%)</td>
</tr>
<tr>
<td>Specific-scope audit</td>
<td>1 (2022: 2)</td>
<td>5% (2022: 1%)</td>
<td>2% (2022: 1%)</td>
</tr>
<tr>
<td>Analytical procedures</td>
<td>8 (2022: 0)</td>
<td>2% (2022: 0%)</td>
<td>2% (2022: 0%)</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Changes in approach from previous period

- The year ended 31 December 2023 is the group’s first full year of consolidated operations, which is a key change from the prior year. No mergers occurred during fiscal year 2023 among the group, which is another change in scope from the audit of the prior year.

- No business combinations occurred during the year ended 31 December 2023. Therefore, it was not deemed necessary for the engagement team to engage component auditors to perform specific-scope audit procedures.

- Further subsidiaries were incorporated into the group during the year, all but one of which were non-trading during the year. Therefore, we performed analytical procedures at a component level for these newly created subsidiaries.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the Trustees’ responsibilities statement set out on page 45, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 group financial statements, the Trustees are responsible for assessing the group’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 the Trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the group financial statements

Our objectives are to obtain reasonable assurance about whether the group 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 (UK) 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 group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- The group is subject to many laws and regulations for which the consequences of non-compliance could have a material effect on amounts or disclosures in the group financial statements. The significant laws and regulations we have identified as the most likely to have a material effect if non-compliance were to occur are financial reporting legislation, tax legislation, anti-bribery legislation and employment law;

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Trustees, and from inspection of the group’s board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustees;

- Based on the results of our risk assessment we designed further audit procedures to identify non-compliance with such laws and regulations. These procedures were performed for all components of the group. Our procedures also involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business; enquiries of legal counsel and management; and consideration of the volume and nature of complaints received through whistleblowing during the year;
Independent auditor’s report to the Trustees of IFRS Foundation continued

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely it is that we would become aware of it;

- The engagement partner’s assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team’s:
  - understanding of and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates;
  - understanding of the legal and regulatory requirements specific to the group including:
    - the provisions of the applicable legislation;
    - the regulator’s rules and related guidance, including guidance issued by relevant authorities that interprets those rules; and
    - the applicable statutory provisions.

- No matters of non-compliance with laws and regulations were communicated to the engagement team and no matters of fraud were communicated to the engagement team. Team communication in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through the manipulation of contributions received after the reporting date. This is also reported as a key audit matter in the key audit matter section of our report where the matter and the specific procedures we performed in response to the key audit matter are described in more detail. We communicated relevant laws and communications and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the FRC website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report
This report is made solely to the Foundation’s Trustees, as a body, in accordance with our letter of engagement dated 16 October 2023. 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 Foundation’s Trustees as a body, for our audit work, for this report or for the opinions we have formed.

Grant Thornton UK LLP
London
22 April 2024
Consolidated statement of comprehensive income

Year ended 31 December 2023

<table>
<thead>
<tr>
<th>Note</th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
</table>

Income
- Contributed revenue 3 42,174 32,499
- Earned revenue 4 26,168 15,972
- Other income 24 213

Gain on consolidation of Value Reporting Foundation 2 – 7,752

Operating expenses
- Technical and operational activities
  - Board members and staff costs 5 (46,587) (30,679)
  - Other technical and operating costs 5 (11,169) (10,486)
  - IFRS Advisory Council, IFRS Interpretations Committee and other advisory bodies 5 (512) (281)
- Earned revenue activities 4 (5,304) (2,827)
- Trustee oversight 6 (1,135) (1,128)
- Premises, occupancy and related expenses 7 (2,747) (2,606)

Net operating income 912 8,429

Finance and net foreign exchange income 12 1,182 961
Finance and net foreign exchange costs 12 (903) (857)

Income before tax 1,191 8,533
Income tax charge 9 (357) (406)

Income for the year after tax 834 8,127

Other comprehensive income—items that may be reclassified subsequently to profit or loss
- Exchange differences on translating foreign operations (374) 163

Total comprehensive income for the year 460 8,290

The notes on pages 54–68 form part of these financial statements.

Consolidated statement of financial position

As at 31 December 2023

<table>
<thead>
<tr>
<th>Note</th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
</table>

Assets
- Current assets
  - Cash and cash equivalents 37,663 35,958
  - Contributions receivable 3 3,156 4,218
  - Trade and other receivables 4 4,030 3,772
  - Prepaid expenses 2,055 1,316
- Inventories 41 320
- Bonds at amortised cost, including accrued interest 11 561 –
- Bonds at fair value, including accrued interest 11 4,990 6,920

Non-current assets
- Bonds at amortised cost, including accrued interest 11 4,375 –
- Bonds at fair value, including accrued interest 11 2,948 7,721
- Investment portfolio 11 2,776 1,850
- Leasehold improvements, furniture and equipment 7 1,830 1,850
- Right-of-use assets 8 4,368 4,488
- Intangible assets 5 698 1,000

Total assets 69,491 70,087

Liabilities
- Current liabilities
  - Trade and other payables 1,803 2,000
  - Payroll taxes payable 959 1,383
  - Accrued expenses 3,607 4,336
  - Revenue received in advance 5,524 5,239
- Contributions received in advance 3 1,770 2,515

Net assets / retained surplus 49,484 49,024
Consolidated statement of changes in retained surplus
Year ended 31 December 2023

<table>
<thead>
<tr>
<th>Retained surplus</th>
<th>Translation reserve</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Balance at 1 January 2023</td>
<td>48,861</td>
<td>163</td>
</tr>
<tr>
<td>Income for the year after tax</td>
<td>834</td>
<td>–</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>(374)</td>
</tr>
<tr>
<td>Balance at 31 December 2023</td>
<td>49,695</td>
<td>(211)</td>
</tr>
</tbody>
</table>

Balance at 1 January 2022
40,734
Income for the year after tax
8,127
Other comprehensive income
Exchange differences on translating foreign operations
– | 163 | 163 |
Balance at 31 December 2022
48,861
163
49,024

Operating activities
Contributions
Cash received
Earned revenue
Cash inflow from Value Reporting Foundation business combination
Interest
Other receipts
Net cash from operating activities
1,691
17,957
Investing activities
Matured bonds receipts
Purchase of investments
Purchase of leasehold improvements, furniture and equipment
Purchase of intangible assets
Net cash from investing activities
1,484
3,136
Financing activities
Payments of principal on lease liabilities
Payments of interest on lease liabilities
Net cash used in financing activities
(390)
(1,219)
Effects of exchange rate changes on cash and cash equivalents
(1,080)
809
Net increase in cash and cash equivalents
1,705
20,683
Cash and cash equivalents at the beginning of the year
35,958
15,275
Cash and cash equivalents at the end of the year
37,663
35,958
Notes to the consolidated financial statements
Year ended 31 December 2023

Basis of accounting, significant accounting policies, and judgements and estimates

General information
The IFRS Foundation is a not-for-profit corporation under the General Corporation Law of the State of Delaware, US and operates in England and Wales as an overseas company (Company number: FC023235) with its principal office at Columbus Building, 7 Westferry Circus, Canary Wharf, London, E14 4HD.

The Foundation was incorporated on 6 February 2001. The objectives and governance arrangements of the Foundation and its independent standard-setting bodies, the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), are set out in the IFRS Foundation’s Constitution.

The Climate Disclosure Standards Board (CDSB) was consolidated with the IFRS Foundation with effect from 1 February 2022. As part of the consolidation, CDSB staff were transferred to the Foundation, with intellectual property and technical assets to support the ISSB.

The Value Reporting Foundation (VRF) (including its Integrated Reporting Framework and SASB Standards) was consolidated with the Foundation and the separate existence of the VRF ceased with effect from 1 August 2022. The VRF (incorporated under the California Nonprofit Public Benefit Corporation Law) was a global not-for-profit organisation whose mission was to establish and improve industry-specific disclosure standards across financially material environmental, social and governance topics. The VRF included three affiliated entities incorporated in England and Wales—Value Reporting Foundation UK, Value Reporting Charity UK and the International Integrated Reporting Council (VRF UK Structure). As part of the consolidation, the VRF’s ownership of the VRF UK Structure was transferred to the IFRS Foundation.

The consolidation of the Foundation and VRF from a legal perspective was structured as a merger with the Foundation being the successor and sole surviving corporation. The effect of the merger is that, from and after 1 August 2022, the Foundation succeeded to all the assets, rights, privileges, powers and franchises and all of the liabilities, restrictions, disabilities and duties of the VRF.

Basis of preparation
The consolidated financial statements are presented in British pound sterling (GBP), which is the functional currency of the parent company.

Foreign currency transactions are translated into the functional currency of the respective reporting entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from settling such transactions and from remeasuring monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at the period end; they are measured at historical cost (translated using the exchange rates at the transaction date).

The Foundation has prepared the consolidated financial statements in accordance with IFRS Accounting Standards, as issued by the IASB. The consolidated financial statements are based on the historical cost principle, with the exception of financial assets and financial liabilities measured at fair value.

Assets acquired and liabilities assumed as part of a business combination are measured at their acquisition fair values.

As disclosed in Note 14, there have been no events since 31 December 2023 that required an adjustment to the financial statements.

Going concern
The Trustees are responsible for overseeing the Foundation’s financial reporting and for assessing the Foundation’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The ability of the Foundation to continue to operate as a going concern depends on its ability to generate sufficient cash flows from its contributions and publications and related activities to meet its liabilities. The Foundation produces annual budgets and forecasts that take into account the Foundation’s activities, operations and known cash requirements.

The Foundation has reviewed its financial performance and the general reserves position for 2023. The Foundation’s planning process has taken into consideration the current and forecasted economic climate and its potential impact on the Foundation’s various sources of income and planned expenditure. The Foundation has reviewed the financial cash flow projections for the 18 months after the end of the reporting period and has performed stress testing on these cash flows. The Foundation has a reasonable expectation that it will be able to continue in operation and meet its liabilities as they fall due for the 18 months after the end of the reporting period.

There continues to be strong global support for the Foundation and the work of the IASB and the ISSB. To support the ISSB and its new offices, the Foundation secured five-year seed funding commitments from Canada, Germany and Japan in 2022, which have another three years to run at £11.3 million a year. In December 2022 the Foundation signed a Memorandum of Understanding with China to provide multi-year funding. Other multi-year funding commitments have been secured from Korea, New Zealand and the United Kingdom.

The Foundation has reviewed cash flow projections for the 18 months after the end of the reporting period.
Notes to the consolidated financial statements continued

Year ended 31 December 2023

Cash flow projections for the 12 months to 31 December 2024 are based on the Foundation’s formal and approved budgeting process:

- cash inflows for contributed income are based on agreed and expected amounts.
- cash inflows for earned revenue are based on historical patterns of recognition for both the Foundation and the consolidated entities. Earned revenue follows the pattern of effective dates of standards and is therefore seasonal.
- cash outflows include committed and uncommitted expected payments including capital expenditure.

For the period beyond 31 December 2024, the Foundation carries out a roll-forward exercise adjusting for known and expected variances in the business model and economic conditions. For the 2025 cash flow roll forward, it was assumed that interest rates and inflation would remain similar to current period rates.

The Foundation also performed a stress test on these cash flows.

For the purposes of the stress test, the Foundation assumed that expenditure levels would remain consistent with that assumed in the base level. No management action in mitigation was assumed. The stress test assumes that the Foundation would use its existing liquidity reserves, and focuses on revenue receipts because this variable is considered to be partly outside the Foundation’s control. It considers three scenarios:

- reduction of all revenue by 10%;
- reduction of all revenue by 25%; and
- reduction of non-agreed contributed revenues to zero.

In all the scenarios selected and using existing reserves, the Foundation remains solvent over the full 18-month period.

The Foundation therefore has a reasonable expectation that it will be able to continue to operate and meet its liabilities as they fall due for the 18 months after the end of the reporting period.

The Foundation also applied a reverse stress scenario to determine the level of revenue at which it would run out of liquidity at the end of 18 months. This scenario assumed the Foundation would:

- take no management action to reduce its cost base or otherwise supplement income;
- pay the remaining long-term liabilities (those with a term beyond 30 June 2025) at 30 June 2025; and
- receive no value for any of its assets other than financial instruments.

Applying these assumptions, the scenario concluded that a 45% reduction in revenue would reduce liquidity to zero by 30 June 2025. The Foundation considers this scenario implausible, given its business model and previously contracted and committed revenues. The Foundation also notes that it continually and actively monitors revenue flows, and that it would take management action in response to any early indications of negative variances.

Having regard to all relevant circumstances and the substantial reserve funds held by the Foundation, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Current period and future changes to the accounting policies

The Foundation has concluded that no issued but as yet unapplied IFRS Accounting Standards or IFRIC Interpretations will have a material effect on the financial statements.

Cash flow statements

The cash flow statement shows cash flows grouped according to source and use. The cash flows are presented as operating activities, investment activities or funding activities. Cash and cash equivalents are defined as cash and deposits with central banks. The cash flow statement has been prepared in accordance with the direct method.

Inventories

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.

Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument.

Financial assets include trade receivables and investments. All financial assets are initially measured at fair value. Financial assets are classified into either amortised cost or fair value through profit or loss based on the characteristics of the asset and the business model applied. The Foundation assesses the characteristics of the asset and the applicable business model at initial recognition of a financial asset based on the evidence available at the time. The Foundation reassesses the business model of existing asset portfolios at each reporting date. Existing portfolios would be reclassified only if the business model changes. A significant change in the Foundation’s operations that is observable to external parties would be evidence of a change in the business model.

Financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value and then held at amortised cost.

Other accounting policies

Other significant accounting policies are included in the note to which they relate.
Judgements and estimates
When preparing the consolidated financial statements, management makes estimates, judgements and assumptions about the recognition and measurement of assets, liabilities, revenues and expenses.

The key judgements made by management in applying the accounting policies of the organisation that have the most material effect on these financial statements relate to:

i. the capitalisation and/or impairment of intangible assets (software development)—to distinguish the research and development phases, including configuration or customisation of software development and to determine whether the recognition requirements for the capitalisation of software development costs meet the criteria of IAS 38 Intangible Assets and SIC-32 Intangible Assets—Web Site Costs. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

ii. the consolidation of the VRF in 2022 (Note 2)—to determine the appropriate accounting for the transaction and to reach the conclusion that:
   a. no goodwill arises on the transaction;
   b. no intangible assets were acquired of material value;
   c. the gain on consolidation does not meet the definition of a gain on bargain purchase; and
   d. the gain on consolidation should be accounted for as income.

There are no other significant judgements or estimates that require separate disclosures.

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, adoption and application of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards), how it funds that activity and how it manages its financial risk. Each section presents the financial information and any significant accounting policies that are relevant to understanding the activities of the Foundation.

1. Consolidation
The consolidated financial statements for the Foundation include the IFRS Foundation and its subsidiaries. The accounting principles are applied consistently for the IFRS Foundation and its subsidiaries and are based on the same accounting periods.

Subsidiaries are defined as entities over which the IFRS Foundation, directly or indirectly, has control. Control over an entity is evidenced by the Foundation’s ability to exercise its power to affect any variable returns that the Foundation is exposed to through its involvement with the entity.

When preparing the consolidated financial statements, intra-group transactions and balances, along with gains and losses on transactions between Foundation entities, are eliminated.

In the consolidated financial statements, all assets, liabilities and transactions of the Foundation’s foreign operations with a functional currency other than GBP are translated into GBP upon consolidation. The functional currencies of the Foundation’s foreign operations have remained unchanged during the reporting period. Assets and liabilities in foreign operations have been translated into GBP at the closing rate at the reporting date. Income and expenses in foreign operations have been translated into GBP at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity.

Composition of the Foundation
The VRF was consolidated with the Foundation and the separate existence of the VRF ceased with effect from 1 August 2022. The VRF included three affiliated entities incorporated in England and Wales—Value Reporting Foundation UK, Value Reporting Charity UK and the International Integrated Reporting Council (VRF UK Structure). As part of the consolidation, the VRF’s ownership of the VRF UK Structure was transferred to the IFRS Foundation.

On 13 July 2022 the IFRS Foundation (ISSB) Montreal was incorporated in Quebec, Canada.

On 15 November 2022 the IFRS Foundation (ISSB) Frankfurt was incorporated in Frankfurt, Germany.

On 20 September 2022 the International Integrated Reporting Council was dissolved.

On 2 May 2023 the IFRS Foundation Asia-Oceania Ippan Shadan Hojin was formally established in Tokyo, Japan. Subsequently, on 31 August 2023 the operations, assets and liabilities of the Foundation’s Tokyo branch were transferred to this newly incorporated entity.

On 12 June 2023 the International Financial Reporting Standards Foundation (USA) Beijing Office was established in Beijing, China.

All subsidiaries are owned 100% directly by the Foundation:
Notes to the consolidated financial statements continued

Year ended 31 December 2023

1. Consolidation—continued

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Country of incorporation</th>
<th>Date of incorporation</th>
<th>Principal activity</th>
<th>Status at 31 December 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Reporting Foundation UK</td>
<td>UK</td>
<td>2011</td>
<td>Integrated Reporting</td>
<td>Active</td>
</tr>
<tr>
<td>Value Reporting Charity UK</td>
<td>UK</td>
<td>2015</td>
<td>Integrated Reporting</td>
<td>Active</td>
</tr>
<tr>
<td>IFRS Foundation (ISSB) Frankfurt</td>
<td>Germany</td>
<td>2022</td>
<td>Standard-setting</td>
<td>Active</td>
</tr>
<tr>
<td>IFRS Foundation (ISSB) Montreal</td>
<td>Canada</td>
<td>2022</td>
<td>Standard-setting</td>
<td>Active</td>
</tr>
<tr>
<td>International Financial Reporting Standards Foundation LLC</td>
<td>USA</td>
<td>2022</td>
<td>Standard-setting</td>
<td>Dormant</td>
</tr>
<tr>
<td>IFRS UK Ltd</td>
<td>UK</td>
<td>2022</td>
<td>Standard-setting</td>
<td>Dormant</td>
</tr>
<tr>
<td>IFRS Foundation Asia-Oceania</td>
<td>Japan</td>
<td>2023</td>
<td>Standard-setting</td>
<td>Active</td>
</tr>
<tr>
<td>International Financial Reporting Standards Foundation (Branch Office in the UK)</td>
<td>UK</td>
<td>2001</td>
<td>Standard-setting</td>
<td>Active</td>
</tr>
<tr>
<td>International Financial Reporting Standards Foundation (USA) Beijing Office</td>
<td>China</td>
<td>2023</td>
<td>Standard-setting</td>
<td>Active</td>
</tr>
</tbody>
</table>

The annual reporting date of each of the subsidiaries is 31 December. The Canadian and German entities started transacting on 1 January 2023.

2. Business combinations

2023 business combinations

There have been no acquisitions or disposals of businesses in 2023.

2022 business combinations

The consolidation of the CDSB and the Foundation was completed in February 2022. No material assets or liabilities were received as part of this business combination. Costs related to the transaction of £165,000 were recognised as an expense in the consolidated statement of comprehensive income in 2022.

The consolidation of the VRF and the Foundation was completed in July 2022. The acquisition method was applied in accounting for the business combination. The assets and liabilities of the VRF were transferred into the control of the Foundation for no consideration. Costs related to the transaction of £181,000 were recognised as an expense in other technical and operating costs in the consolidated statement of comprehensive income in 2022.

Right-of-use assets and lease liabilities have been measured applying IFRS 16 Leases, and employee benefit liabilities have been measured applying IAS 19 Employee Benefits on acquisition date and measured subsequently applying the Foundation’s accounting policies. All other identifiable assets and liabilities assumed in the VRF business combination have been measured at their fair values on acquisition date and measured subsequently applying the Foundation’s accounting policies. The value of the assets received at acquisition date exceeded the value of the liabilities assumed at acquisition date by £7.8 million.

The VRF assets and liabilities with a net fair value of £7.8 million were transferred into the control of the Foundation for no consideration, resulting in a gain of £7.8 million.

3. Contributed revenue

Contributions to the Foundation are voluntary and are recognised as income in the year designated by the funding provider. Contributions that have been received but are designated for use after the reporting date are deferred and recognised as contributions received in advance. At the year end £1.8 million (2022: £2.5 million) of contributions received are deferred.

Contributions received after the reporting date but designated for use in the reporting period are recognised as income and as contributions receivable. At the year end £3.2 million (2022: £4.2 million) is included within contributions receivable.

When the Trustees considered creating a new board focused on sustainability disclosure standards, they set out several carefully defined success factors. Among them were achieving the level of separate funding required to establish the ISSB and the capacity to obtain financial support. During 2022 the Foundation signed Memoranda of Understanding (MoUs) with partners in Germany, Canada and China, and in 2023 a MoU was signed with a partner in Japan.

The MoU with the German public and private sector institutions formalised the partnerships and seed funding arrangements to support the establishment and presence of the ISSB in Frankfurt for five years. Funding from the German public institutions is supported by a £1.8 million enforceable grant (£2.0 million).

The MoU with the Canadian and Quebec governments and the private sector formalised the partnerships and seed funding arrangements to support the establishment and presence of the ISSB in Montreal for five years.

The MoU with the Chinese Ministry of Finance formalised the partnership to support the establishment and presence of the ISSB in Beijing for three years.

The MoU with the Financial Accounting Standards Foundation, Japan, replaced a previous MoU and confirmed ongoing funding support for the Foundation and its Tokyo office, which supports its activities in Asia and Oceania, for five years.
Notes to the consolidated financial statements continued
Year ended 31 December 2023

3. Contributed revenue—continued
The Foundation secured new multi-year grants for ISSB-related activities in 2023. A total of £3.2 million has been recognised as contributed revenue in 2023 from these grants (2022: £580,000).

Included in contributed revenue for the year is £28,000 from a Trustee representing the waiving of the Trustee’s fee (2022: £nil).

A full list of funding providers can be found on page 69.

Contributions by board

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>IASB-related activities</td>
<td>16,207</td>
<td>17,055</td>
</tr>
<tr>
<td>ISSB-related activities</td>
<td>25,967</td>
<td>15,444</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>42,174</strong></td>
<td><strong>32,499</strong></td>
</tr>
</tbody>
</table>

Contributions by region

<table>
<thead>
<tr>
<th>Region</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>14,227</td>
<td>8,625</td>
</tr>
<tr>
<td>Asia-Oceania</td>
<td>10,466</td>
<td>8,976</td>
</tr>
<tr>
<td>Europe</td>
<td>11,178</td>
<td>10,362</td>
</tr>
<tr>
<td>UK</td>
<td>5,767</td>
<td>4,300</td>
</tr>
<tr>
<td>Other</td>
<td>536</td>
<td>236</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>42,174</strong></td>
<td><strong>32,499</strong></td>
</tr>
</tbody>
</table>

Contributions by currency

<table>
<thead>
<tr>
<th>Currency</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBP</td>
<td>5,725</td>
<td>4,467</td>
</tr>
<tr>
<td>Canadian dollars</td>
<td>10,723</td>
<td>6,465</td>
</tr>
<tr>
<td>Euro</td>
<td>9,172</td>
<td>9,243</td>
</tr>
<tr>
<td>US dollars</td>
<td>11,246</td>
<td>7,695</td>
</tr>
<tr>
<td>Other</td>
<td>5,308</td>
<td>4,629</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>42,174</strong></td>
<td><strong>32,499</strong></td>
</tr>
</tbody>
</table>

4. Earned revenue
Earned revenue was generated from publications and subscriptions services, licensing of intellectual property, membership fees for the IFRS Sustainability Alliance, education programmes and conferences.

The table presents the components of the net income generated by all earned revenue activities.

<table>
<thead>
<tr>
<th>Description</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from contracts with customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licensing</td>
<td>19,525</td>
<td>11,356</td>
</tr>
<tr>
<td>Publications</td>
<td>1,275</td>
<td>1,296</td>
</tr>
<tr>
<td>Subscription services</td>
<td>1,459</td>
<td>1,554</td>
</tr>
<tr>
<td>Membership services</td>
<td>2,376</td>
<td>1,285</td>
</tr>
<tr>
<td>Education services</td>
<td>799</td>
<td>328</td>
</tr>
<tr>
<td>Conferences and speaking engagements</td>
<td>734</td>
<td>153</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26,168</strong></td>
<td><strong>15,972</strong></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff salaries and related costs</td>
<td>2,952</td>
<td>1,399</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>1,436</td>
<td>733</td>
</tr>
<tr>
<td>Depreciation</td>
<td>168</td>
<td>167</td>
</tr>
<tr>
<td>Occupancy</td>
<td>125</td>
<td>197</td>
</tr>
<tr>
<td>Communication and technology</td>
<td>285</td>
<td>212</td>
</tr>
<tr>
<td>Other costs</td>
<td>338</td>
<td>119</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,304</strong></td>
<td><strong>2,827</strong></td>
</tr>
<tr>
<td>Net income from earned revenue activities</td>
<td><strong>20,864</strong></td>
<td><strong>13,145</strong></td>
</tr>
</tbody>
</table>

The Foundation enters into non-exclusive licensing contracts granting intellectual property rights to customers who wish to use it in their commercial offerings or commercial practices. The arrangements are governed by contracts that establish the fees and term. Consideration for these contracts is in the form of fixed fees. 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. 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. Customers are entitled to refunds or returns in accordance with statutory requirements, but, based on experience, such occurrences are expected to be infrequent and immaterial.
4. Earned revenue—continued
Revenue from subscription and membership services is recognised over the subscription or membership period on a time-apportioned basis. Subscriptions and memberships are generally paid for in advance. Some subscriptions and memberships renew automatically on an annual basis. Where payment is not received within a defined time, the subscription is cancelled and any revenue recognised is reversed.

Revenue from education services is recognised when the relevant exam is taken by the customer.

Revenue from conferences and speaking engagements is recognised on conclusion of the event.

Revenue received in advance arises from revenue received (for licensing, memberships, subscriptions, conferences and education services) in advance of the period in which the Foundation provides the services. The balance at the beginning of the year of £5.2 million has been recognised as revenue during the year. The balance at the end of the year of £5.5 million is expected to be recognised as revenue in 2024.

5. Technical and operational activities
(a) Staff salaries and related costs
The main costs associated with developing IFRS Accounting Standards and IFRS Sustainability Disclosure Standards are the salaries and related costs of the IASB and ISSB members and staff. The number of staff employed by the Foundation has increased from 298 to 353 during 2023. Of these, 28 are board members, 120 are technical staff, 68 work on implementation activities (including adoption and capacity building), 30 work on revenue-generating activities and 107 are operations staff.

The Trustees review, benchmark and approve salary and benefit levels.

The Foundation offers its US employees the opportunity to participate in a salary reduction retirement plan (Plan), qualified under Internal Revenue Code Section 401(k). The Plan provides employees with the opportunity to defer a portion of their salary subject to statutory limitations. Employees must meet certain age and work requirements to be eligible to participate in the Plan. The Plan provides for discretionary employer contributions, which are subject to a vesting schedule in accordance with the IRS regulations. This is a defined-contribution scheme.

For UK staff, the Foundation pays monthly contributions, at rates between 8% and 10% of gross salary, into a defined-contribution group personal pension scheme on behalf of staff. Under defined-contribution pension schemes, the Foundation does not commit itself to paying specified future pension benefits but makes monthly or annual contributions to the employees' pension savings. After paying contributions, the Foundation has no further commitments linked to employees’ pension performance.

In the year £2.0 million of expenses for the defined-contribution pension schemes have been recognised in operating expenses (2022: £1.4 million).

Staff salaries and related costs are analysed as follows:

<table>
<thead>
<tr>
<th>2023</th>
<th>£'000</th>
<th>2022</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical and operational activities</td>
<td>46,587</td>
<td>30,679</td>
<td></td>
</tr>
<tr>
<td>Earned revenue activities (Note 4)</td>
<td>2,952</td>
<td>1,399</td>
<td></td>
</tr>
<tr>
<td>Other technical and operating costs—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Processes and Technology Programme (Note 5(b))</td>
<td>–</td>
<td>191</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49,539</strong></td>
<td><strong>32,269</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2023</th>
<th>£'000</th>
<th>2022</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>IASB member salaries and related costs</td>
<td>8,166</td>
<td>6,373</td>
<td></td>
</tr>
<tr>
<td>ISSB member salaries and related costs</td>
<td>6,671</td>
<td>3,510</td>
<td></td>
</tr>
<tr>
<td>Other staff salaries and related costs</td>
<td>34,702</td>
<td>22,386</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49,539</strong></td>
<td><strong>32,269</strong></td>
<td></td>
</tr>
</tbody>
</table>

Staff salaries and related costs by region were as follows:

<table>
<thead>
<tr>
<th>2023 £'000</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UK and other</td>
<td>Asia-Oceania</td>
</tr>
<tr>
<td>Board</td>
<td>8,100</td>
</tr>
<tr>
<td>Technical and operational</td>
<td>22,113</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30,213</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2022 £'000</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UK and other</td>
<td>Asia-Oceania</td>
</tr>
<tr>
<td>Board</td>
<td>6,373</td>
</tr>
<tr>
<td>Technical and operational</td>
<td>17,957</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24,330</strong></td>
</tr>
</tbody>
</table>

The IASB had its full complement of 14 members at the end of the year (2022: 12 members). During the year no members left and two members joined.

The full complement of 14 members of the ISSB took up their positions in 2022.
5. Technical and operational activities—continued

Remuneration for board members is either:

- an annual allowance where members can choose how this balance is received in salary, pension contributions and other benefits; or
- a gross salary plus pension contributions and other benefits.

ISSB member salaries are paid in a range of currencies.

Gross remuneration covering all compensation and benefits for the Chairs and Vice-Chairs of the boards is shown under key management personnel in the table below.

The average annual gross salary (based on a full year) covering all compensation and benefits for other IASB and ISSB members is £526,000 (2022: £513,000).

### Key management personnel

Key management personnel include the Chairs and Vice-Chairs of the boards, and the Managing Director. The total annual allowance including all compensation, pension contributions and benefits of these key personnel are as follows:

<table>
<thead>
<tr>
<th>Key Personnel</th>
<th>2023 £'000</th>
<th>2022 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary received as annual allowance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andreas Barckow</td>
<td>731</td>
<td>4</td>
</tr>
<tr>
<td>IASB Chair</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emmanuel Faber</td>
<td>735</td>
<td>–</td>
</tr>
<tr>
<td>ISSB Chair (from January 2022)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sue Lloyd</td>
<td>614</td>
<td>22</td>
</tr>
<tr>
<td>IASB Vice-Chair (until February 2022)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linda Mezon-Hutter</td>
<td>630</td>
<td>6</td>
</tr>
<tr>
<td>IASB Vice-Chair (from March 2022)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Salary received as gross salary plus pension and other benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jingdong Hua</td>
<td>447</td>
<td>–</td>
</tr>
<tr>
<td>ISSB Vice-Chair (from October 2022)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lee White</td>
<td>378</td>
<td>39</td>
</tr>
<tr>
<td>Managing Director</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Outstanding amounts owed to the above key management personnel at the year end totalled £3,000 (2022: £nil). Information related to the remuneration of the trustees is provided in Note 6.

### (b) Other technical and operating costs

Operating expenses, which include other technical and operating costs, are recognised upon utilisation of the service or as incurred:

<table>
<thead>
<tr>
<th>Costs</th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees payable to the external auditor—audit services</td>
<td>101</td>
<td>117</td>
</tr>
<tr>
<td>Fees payable to the external auditor—non-audit services</td>
<td>23</td>
<td>41</td>
</tr>
<tr>
<td>Fees payable for the audit of subsidiary accounts</td>
<td>57</td>
<td>19</td>
</tr>
<tr>
<td>Other professional services</td>
<td>310</td>
<td>116</td>
</tr>
<tr>
<td>Communication and technology</td>
<td>2,290</td>
<td>1,478</td>
</tr>
<tr>
<td>Business Processes and Technology Programme—staff costs (Note 5(a))</td>
<td>–</td>
<td>191</td>
</tr>
<tr>
<td>Business Processes and Technology Programme—amortisation (Note 5(c))</td>
<td>302</td>
<td>748</td>
</tr>
<tr>
<td>Other technology programmes</td>
<td>–</td>
<td>568</td>
</tr>
<tr>
<td>Establishment of ISSB</td>
<td>2,751</td>
<td>2,694</td>
</tr>
<tr>
<td>External relations</td>
<td>494</td>
<td>249</td>
</tr>
<tr>
<td>Human resource and recruitment activities</td>
<td>926</td>
<td>1,892</td>
</tr>
<tr>
<td>Meeting video conferencing</td>
<td>200</td>
<td>184</td>
</tr>
<tr>
<td>Other office-related costs</td>
<td>825</td>
<td>349</td>
</tr>
<tr>
<td>Technical research library</td>
<td>231</td>
<td>128</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td>2,659</td>
<td>1,712</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,169</strong></td>
<td><strong>10,486</strong></td>
</tr>
</tbody>
</table>

- Communication and technology costs include the additional costs resulting from the consolidation of the VRF and expanded operations.
- Technology programme costs in 2022 included expenditure for the development of new IT infrastructure and the purchase of computer software licences (Note 5(a)). The Business Processes and Technology Programme concluded in March 2022.
- Human resource and recruitment activities in 2022 included the recruitment and vetting fees for the new ISSB members and staff in 2022.
- Establishment of ISSB costs in 2023 relate to finalising and implementing the multi-location model and the necessary enhancement and integration of technology systems; in 2022 these costs were mainly legal fees related to the consolidation with the VRF and the set-up of the new offices, and included fees for tax, compliance and employment-related advice.
5. Technical and operational activities—continued

(c) Intangible assets
The Foundation’s technology programmes include expenditure for the development of new IT infrastructure. Expenditure on computer software licences, research activities and project management costs are not recognised as intangible assets.

The Foundation’s most important intangible asset is the intellectual property embodied in IFRS Standards and related content. The Foundation does not recognise its intellectual property as an intangible asset because the cost of the asset cannot be measured reliably. Expenditure related to the development of IFRS Standards and related content is recognised as an expense in the year in which it is incurred.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Development expenditure is not amortised until such time as the asset is available for use. Otherwise, amortisation is charged on a straight-line basis over the estimated life of the asset, which is typically five years or less. The asset lives are reviewed on an annual basis considering the degree of evolution of the asset and what plans, if any, are being made for its replacement.

Other intangible assets include software development expenditure. Expenditure that is directly attributable to the development of new software is recognised as intangible assets provided that:
• the development costs can be measured reliably;
• the technical, financial and other resources to complete the development are available;
• it is probable that the software development will generate future economic benefits; and
• the Foundation has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.

Development costs of £257,000 (2022: £568,000) not meeting these criteria for capitalisation have been recognised as an expense as the costs were incurred.

In April 2021 the IFRS Interpretations Committee published its final agenda decision on accounting for configuration and customisation costs in a Software as a Solution (SaaS) arrangement. Based on this decision the Foundation determined that expenditure for the development of new software related to the customer relationship management (CRM) and finance systems does not meet the recognition criteria for an intangible asset and derecognised these intangible assets in 2022.

An amortisation charge of £302,000 has been expensed in 2023 and is included in other technical and operating costs (Note 5(b)).

<table>
<thead>
<tr>
<th>2023 £’000</th>
<th>Modern web platform</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 January</td>
<td>1,202</td>
<td>324</td>
<td>1,526</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>31 December</td>
<td>1,202</td>
<td>324</td>
<td>1,526</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 January</td>
<td>420</td>
<td>106</td>
<td>526</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>240</td>
<td>62</td>
<td>302</td>
</tr>
<tr>
<td>31 December</td>
<td>660</td>
<td>168</td>
<td>828</td>
</tr>
<tr>
<td>Carrying amount</td>
<td>542</td>
<td>156</td>
<td>698</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2022 £’000</th>
<th>CRM system</th>
<th>Modern web platform</th>
<th>Finance system</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 January</td>
<td>334</td>
<td>1,202</td>
<td>164</td>
<td>290</td>
<td>1,990</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Derecognition of CRM / finance systems</td>
<td>(334)</td>
<td>–</td>
<td>(164)</td>
<td>–</td>
<td>(498)</td>
</tr>
<tr>
<td>31 December</td>
<td>–</td>
<td>1,202</td>
<td>–</td>
<td>324</td>
<td>1,526</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 January</td>
<td>49</td>
<td>180</td>
<td>–</td>
<td>47</td>
<td>276</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>265</td>
<td>240</td>
<td>164</td>
<td>59</td>
<td>748</td>
</tr>
<tr>
<td>Derecognition of CRM / finance systems</td>
<td>(334)</td>
<td>–</td>
<td>(164)</td>
<td>–</td>
<td>(498)</td>
</tr>
<tr>
<td>31 December</td>
<td>–</td>
<td>420</td>
<td>–</td>
<td>106</td>
<td>526</td>
</tr>
<tr>
<td>Carrying amount</td>
<td>–</td>
<td>782</td>
<td>–</td>
<td>218</td>
<td>1,000</td>
</tr>
</tbody>
</table>
5. Technical and operational activities—continued
(d) The IFRS Advisory Council, IFRS Interpretations Committee and other advisory bodies

The annual remuneration for the Chair of the IFRS Advisory Council was £50,000 in 2023 (2022: £48,000). The Foundation also reimburses the Chair’s travel and accommodation costs. Other members of the IFRS Advisory Council do not receive remuneration and meet their own costs for attending meetings. Members of the IFRS Interpretations Committee and members of the Capital Markets Advisory Committee are not remunerated, but they are reimbursed for their travel and accommodation costs for attending meetings. Members of the boards’ other advisory bodies meet their own costs for attending meetings and are not remunerated by the Foundation. The increase in travel and meeting costs in 2023 reflects the gradual increase in travel post-covid-19 and the return to physical meetings that began in 2022.

Costs associated with these committees and advisory bodies are:

<table>
<thead>
<tr>
<th></th>
<th>2023 £'000</th>
<th>2022 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration costs</td>
<td>50</td>
<td>48</td>
</tr>
<tr>
<td>Travel and meeting costs</td>
<td>462</td>
<td>233</td>
</tr>
<tr>
<td></td>
<td>512</td>
<td>281</td>
</tr>
</tbody>
</table>

6. Trustee oversight

The Foundation’s management and governance is overseen by the Trustees of the Foundation. There were 22 Trustees throughout the year (2022: 22). The Trustees met three times during the year, all in person (2022: six; three in person). The Chair of the Trustees receives £200,000 per year and other Trustees receive an annual fee of £20,000. There were seven active Trustee committees in 2023; committee chairs receive an additional £7,000 per year. All Trustees are reimbursed for their travel relating to Foundation business. Amounts owed to Trustees for expenses reimbursements at the year end totalled £3,000 (2022: £nil).

Costs associated with Trustee activities are:

<table>
<thead>
<tr>
<th></th>
<th>2023 £'000</th>
<th>2022 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration costs</td>
<td>677</td>
<td>673</td>
</tr>
<tr>
<td>Travel and meeting costs</td>
<td>458</td>
<td>455</td>
</tr>
<tr>
<td></td>
<td>1,135</td>
<td>1,128</td>
</tr>
</tbody>
</table>

7. Premises, occupancy and related expenses
(a) Components of premises, occupancy and related expenses

<table>
<thead>
<tr>
<th></th>
<th>2023 £'000</th>
<th>2022 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes, insurance and energy</td>
<td>425</td>
<td>979</td>
</tr>
<tr>
<td>Rent—short-term leases (Note 8)</td>
<td>490</td>
<td>187</td>
</tr>
<tr>
<td>Service charges</td>
<td>412</td>
<td>382</td>
</tr>
<tr>
<td>Depreciation—fixed assets (Note 7(b))</td>
<td>556</td>
<td>551</td>
</tr>
<tr>
<td>Depreciation—right-of use asset (Note 8)</td>
<td>982</td>
<td>841</td>
</tr>
<tr>
<td>Other costs</td>
<td>175</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>3,040</td>
<td>2,970</td>
</tr>
</tbody>
</table>

In 2023 we benefitted from a property tax rebate.

Lease reinstatement provision of £517,000 (2022: £539,000) is the estimated cost of returning leasehold property to its original state at the end of the lease in accordance with the lease term. The provision is released on termination of the lease (Note 8).

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 2023</td>
<td>539</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
</tr>
<tr>
<td>Net exchange differences</td>
<td>(22)</td>
</tr>
<tr>
<td>Amounts used</td>
<td>–</td>
</tr>
<tr>
<td>31 December 2023</td>
<td>517</td>
</tr>
</tbody>
</table>

(b) Leasehold improvements, furniture and equipment

Leasehold improvements, furniture and equipment and other fixed assets are initially measured at cost, and then depreciated on a straight-line basis from the date on which the asset is available for use. Leasehold improvements are depreciated over the remaining periods of the related leases or their useful lives, whichever is shorter. Furniture and equipment are depreciated over three or five years.
7. Premises, occupancy and related expenses—continued

Leasehold improvements at the year end include an amount of £228,000 relating to assets for which no depreciation has yet been charged as they are not yet available to use.

<table>
<thead>
<tr>
<th>2023 £'000</th>
<th>Leasehold improvements</th>
<th>Furniture and equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 January</td>
<td>3,120</td>
<td>1,484</td>
<td>4,604</td>
</tr>
<tr>
<td>Additions</td>
<td>228</td>
<td>308</td>
<td>536</td>
</tr>
<tr>
<td>Disposals</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net exchange differences</td>
<td>(69)</td>
<td>(35)</td>
<td>(104)</td>
</tr>
<tr>
<td>31 December</td>
<td>3,279</td>
<td>1,757</td>
<td>5,036</td>
</tr>
</tbody>
</table>

Accumulated depreciation / amortisation

<table>
<thead>
<tr>
<th>2023 £'000</th>
<th>Leasehold improvements</th>
<th>Furniture and equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 January</td>
<td>1,599</td>
<td>1,155</td>
<td>2,754</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>304</td>
<td>252</td>
<td>556</td>
</tr>
<tr>
<td>Disposals</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net exchange differences</td>
<td>(68)</td>
<td>(36)</td>
<td>(104)</td>
</tr>
<tr>
<td>31 December</td>
<td>1,835</td>
<td>1,371</td>
<td>3,206</td>
</tr>
</tbody>
</table>

Carrying amount

<table>
<thead>
<tr>
<th>2023 £'000</th>
<th>Leasehold improvements</th>
<th>Furniture and equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount</td>
<td>1,444</td>
<td>386</td>
<td>1,830</td>
</tr>
</tbody>
</table>

8. Leases

The Foundation makes use of leasing arrangements principally for the provision of office space. The Foundation also has leases for some IT and office equipment. With the exception of short-term leases and leases of low value, each lease is reflected in the statement of financial position as a right-of-use asset and a lease liability.

Right-of-use assets are recognised at cost and comprise the amount of the initial measurement of the lease liability less accumulated depreciation. The Foundation depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

Lease liabilities are recognised at the present value of lease payments not yet paid discounted using the Foundation’s incremental borrowing rate at the date of the lease inception—where the interest rate implicit in each lease cannot be readily determined because the fair value of the underlying asset is not known. The incremental borrowing rate used ranged from 3% to 7.69%—this range is due to the increase in interest rates from the time of our oldest lease to the newest. Interest expense on the lease liability is included in finance costs (see Note 12).

The Foundation has elected not to recognise a right-of-use asset or lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low-value assets. Payments for such leases are expensed on a straight-line basis over the lease term.

(a) Short-term leases and leases of low-value assets

The Foundation has short-term leases for office premises in Frankfurt, Montreal and Beijing, and leases of low value for some IT and office equipment. The expense relating to payments not included in the measurement of the lease liability is as follows:

<table>
<thead>
<tr>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term premises leases</td>
<td>490</td>
</tr>
<tr>
<td>Office equipment</td>
<td>11</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>501</strong></td>
</tr>
</tbody>
</table>

(b) Long-term leases (expected term of more than 12 months)

The Foundation has long-term leases for the office premises in London, San Francisco, Montreal and Tokyo.

The ten-year London office-premises lease commenced in January 2018. The lease includes a five-year termination clause and incentives in the form of rent-free periods both initially and in year six. In 2022 the Foundation made the decision not to exercise the termination clause and benefitted from a one-year rent-free period in 2023 (amortisation was still charged to profit or loss). The lease term has not been modified or changed.
8. Leases—continued
The ten-year Tokyo office-premises lease, which commenced in October 2012, ended in September 2022. A new five-year lease commenced on 1 October 2022.

As part of the consolidation with the VRF, the Foundation obtained a lease for office premises in San Francisco, which was scheduled to expire on 31 May 2023. In November 2022 the lease was extended for 26 months to 31 July 2025.

A Montreal office-premises lease commenced in September 2023. This includes a rent-free period for installing leasehold improvements up to 1 May 2024, during which the premises will be unoccupied, followed by a ten-year rental period. The lease includes a five-year termination clause and incentives in the form of a rent-free period and a contribution towards leasehold improvements. We have concluded that it is reasonably certain that the termination clause will not be exercised, particularly as there will be an economic incentive to remain due to the investment on leasehold improvements. No amortisation has been charged during the year as the premises was not yet available for use.

Expected useful lives for the right-of-use assets are determined by reference to the lease term.

Right-of-use assets recognised for leases are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right-of-use assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>at 1 January</td>
<td>4,488</td>
<td>4,105</td>
</tr>
<tr>
<td>Additions</td>
<td>992</td>
<td>1,043</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>(982)</td>
<td>(841)</td>
</tr>
<tr>
<td>Net exchange</td>
<td>(130)</td>
<td>2</td>
</tr>
<tr>
<td>differences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount</td>
<td>4,368</td>
<td>4,488</td>
</tr>
<tr>
<td>of right-of-use assets at 31 December</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Future undiscounted lease commitments under the premises leases are:

<table>
<thead>
<tr>
<th></th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>1,095</td>
<td>313</td>
</tr>
<tr>
<td>In two to five years</td>
<td>4,176</td>
<td>4,829</td>
</tr>
<tr>
<td>More than five years</td>
<td>964</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>6,235</td>
<td>5,142</td>
</tr>
<tr>
<td>Effect of discounting</td>
<td>(818)</td>
<td>(395)</td>
</tr>
<tr>
<td>Lease liability at 31 December</td>
<td>5,417</td>
<td>4,747</td>
</tr>
<tr>
<td>Current</td>
<td>887</td>
<td>398</td>
</tr>
<tr>
<td>Non-current</td>
<td>4,530</td>
<td>4,349</td>
</tr>
</tbody>
</table>

Carrying amount of right-of-use assets at 31 December: 4,368 £’000 (2022: 4,488 £’000)

9. Taxation
The IFRS Foundation was incorporated in February 2001 and is registered in the US as a not-for-profit corporation known as a Section 501(c)(03) tax-exempt organisation. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that the IFRS Foundation continues to satisfy all federal and state statutes to continue to qualify for continued tax exemption status. Corporations in the US are registered in the individual states; the Foundation is registered in the State of Delaware. The Foundation is required to register in any state where charitable funds have been raised.

In the US, the IFRS Foundation is required to file information tax returns with the federal and state authorities. The federal tax return, known as Form 990, provides extensive financial, governance and compliance information. The state returns are brief in comparison, but all require that Form 990 is attached to the state filings. The actual business trading activities of the Foundation surrounding its UK and US earned revenue activities do not present any US tax filing requirements.

In relation to UK operations, the IFRS Foundation registered in 2001 in the UK as an Overseas Company. Registration of an overseas company is required when there is some degree of physical presence in the UK such as a place of business or branch through which it carries on business. The IFRS Foundation, like most overseas companies, is required to send accounting and governance-related documents to Companies House.

The Foundation submits annual tax returns to the UK authorities regarding its corporate tax position in the UK.

(a) Current tax charge
In 2023 the Foundation has income before tax of £1,191,000 (2022: £8,533,000). The current tax liability is £278,000 (2022: £149,000). The tax charge of £357,000 (2022: £406,000) comprises:

<table>
<thead>
<tr>
<th></th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax charge</td>
<td>380</td>
<td>134</td>
</tr>
<tr>
<td>Deferred tax (credit) charge</td>
<td>(23)</td>
<td>272</td>
</tr>
<tr>
<td>Total tax charge</td>
<td>357</td>
<td>406</td>
</tr>
</tbody>
</table>
9. Taxation—continued

The tax assessed for the period is analysed in the table below using the average corporation tax rate in the UK as a base rate. The 2023 average rate was 23.52% (2022: 19%). This reflects the increase to the main rate of UK corporation tax from 19% to 25% effective from 1 April 2023.

<table>
<thead>
<tr>
<th></th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before tax</td>
<td>1,191</td>
<td>8,533</td>
</tr>
<tr>
<td>Applicable tax rate</td>
<td>23.52%</td>
<td>19%</td>
</tr>
<tr>
<td>Tax at the applicable tax rate</td>
<td>280</td>
<td>1,621</td>
</tr>
</tbody>
</table>

Effects of:

- expenses net of income not subject to UK tax | 1,288      | 1,174      |
- allocated expenses deductible for UK tax purposes | (1,305)   | (944)      |
- gain on consolidation with VRF not subject to UK tax | –          | (1,473)    |
- expenses not deductible for UK tax purposes | 18         | 2          |
- deferred tax asset not recognised, utilised in the current period | (20)       | (11)       |
- remeasurement of deferred tax for changes in tax rate | –          | 37         |
- adjustment differences in prior years | 96         | –          |
| Tax charge | 357        | 406        |

‘Expenses net of income not subject to tax’ mainly represents voluntary contributions, US earned revenue and related expenses, and expenses that are not deductible for trading purposes.

(b) Deferred tax

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which to use the asset. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As at 31 December 2023 the Foundation has recognised a deferred tax liability of £132,000 related to temporary differences (2022: £155,000).

In 2023 the Foundation had carried forward non-trade losses of £94,000 (2022: £157,000), all of which were utilised in the year (2022: £64,000). The deferred tax assets relating to these losses were not recognised in the prior year.

Deferred taxes recognised at the balance sheet date are determined using the anticipated future tax rate. With the current enacted UK corporation tax rate of 25% expected to remain stable, deferred tax balances are calculated using this rate (2022: 25%).

Deferred taxes arising from temporary differences and unused tax losses are summarised as:

<table>
<thead>
<tr>
<th></th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax (liability) / asset at 1 January</td>
<td>(155)</td>
<td>117</td>
</tr>
<tr>
<td>Deferred tax credit / (charge) for the year</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Deferred tax (liability) / asset at 31 December</td>
<td>(132)</td>
<td>(132)</td>
</tr>
</tbody>
</table>

10. Risk management

The Trustees have overall responsibility for the establishment and oversight of the Foundation’s risk management framework. The Foundation’s risk management policies are established to identify and analyse the risks faced by the Foundation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Foundation has a conservative approach to financial risk, and the principal purpose of its treasury management policy is to maintain liquidity and to safeguard the Foundation’s reserves. The Trustees oversee how management monitors compliance with financial risk management policies and procedures and reviews the adequacy of the risk management framework in relation to those risks. Risk management policies and systems are reviewed regularly.

As at 31 December 2023 the Foundation has not identified significant risks induced by climate changes that could negatively affect the 2023 consolidated financial statements.
10. Risk management—continued

**Liquidity risk**
Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation’s approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Foundation’s reputation. The Foundation has no borrowings.

The contractual maturity analysis for lease liabilities is presented in Note 8. All other financial liabilities comprising trade and other payables are due within six months.

The Foundation holds reserves in different currencies to provide cover for unexpected changes in income and expenditure, allowing the Foundation to continue activities in the event of any shortfall in revenue (particularly from the voluntary elements of its funding), as well as unforeseen costs.

Cash is held either in current accounts, as short-term overnight deposits at floating rates of interest or in fixed rate deposits of short or medium-term duration. Cash at bank is held in GBP, Canadian dollar, euro, US dollar and yen accounts to meet expenditure obligations.

Surplus funds are invested in short-duration investments, all of which are of high credit quality.

**Credit risk**
Credit risk is the risk of financial loss to the Foundation if a counterparty or customer to a financial instrument fails to meet its contractual obligations. The Foundation is exposed to credit risk in relation to its fixed-interest investments and its financial assets measured at amortised cost comprising cash and cash equivalents, contributions receivable and earned revenue 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 has a history of very low credit losses, which is not expected to change in the foreseeable future.

The Foundation is mainly exposed to credit risk from its anticipated contributions receivable and earned revenue receivables.

As at 31 December 2023 the Foundation had £3.2 million contributions receivable (2022: £4.2 million), of which £1.6 million related to two funding providers (2022: £3.5 million from four funders). Both funding providers have a high credit rating and stable outlook.

The Foundation has determined these receivables have low credit risk.

Exposure to credit risk arising from earned revenue 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 immaterial.

The credit risk on fixed-interest investments is limited because the Foundation only invests in highly liquid investments, all of which are of high credit quality, and are held to maturity.

Credit risk also arises from cash and cash equivalents and deposits held with banks and financial institutions. For banks and financial institutions, only independently rated parties with high credit ratings are accepted. Counterparty credit ratings are reviewed regularly.

The carrying amount of the Foundation’s financial assets represents the maximum credit exposure.

**Market risk**
Market risk is the risk that changes in market prices will affect the Foundation’s income or the value of its holdings of financial instruments. The Foundation is exposed to risks from movements in interest rates, asset prices and foreign currency exchange rates that affect its assets and forecasted transactions. To manage market risk, the Foundation employs various strategies. These strategies include diversifying investments across different asset classes and regions, actively monitoring market conditions and conducting regular reviews of cash flows. Stress testing is also used to assess potential impacts of extreme events, and investment policies are regularly reviewed and adjusted to align with risk tolerance and objectives.

**Interest rate risk**
Interest rate risk is the risk that the fixed-income bonds will lose value due to an increase in interest rates. To mitigate this risk, the Foundation’s objective is to hold sufficient cash reserves to meet its liabilities as they fall due so that it can hold bonds to maturity. The Foundation only invests in short-duration bonds, all of which are of high credit quality. The sensitivity analysis for bond prices is shown within the section on ‘Price risk’.

**Foreign currency management**
The Foundation receives contributions and other inflows in a variety of currencies—mainly GBP, US dollar, Canadian dollar, euro and yen. Because foreign exchange rates fluctuate, the Foundation is exposed to some variability of its cash flows available in each currency to meet future staff costs, office costs and other services. To mitigate this risk the Foundation ensures that it holds sufficient cash in each currency to meet related future expenditure needs. Since 2019, the Foundation has not entered into new foreign exchange contracts due to the perceived sufficiency of its current surplus reserves to absorb foreign exchange risk. However, the implementation of the new multi-location model has significantly increased the number of cash flows in various currencies, increasing the risk of potential effects on the sufficiency of reserves. In 2023 the Trustees thoroughly reviewed its treasury and hedging policies, affirming the appropriateness of the current strategy. The Trustees will continue to monitor the Foundation’s foreign exchange risk vigilantly on at least an annual basis.
10. Risk management—continued

**Exposure**
The Foundation’s net exposure to foreign exchange risk as at 31 December is disclosed below. The exposure on translating the financial statements of overseas operations into the presentation currency is excluded from this analysis. The amounts shown are translated into GBP at the closing rate.

<table>
<thead>
<tr>
<th></th>
<th>2023 £’000</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Canadian</td>
<td>Euro</td>
<td>Yen</td>
<td>US dollar</td>
</tr>
<tr>
<td>Financial assets</td>
<td>5,789</td>
<td>5,966</td>
<td>4,418</td>
<td>4,316</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>(29)</td>
<td>(27)</td>
<td>(6)</td>
<td>(4)</td>
</tr>
<tr>
<td>Total exposure</td>
<td>5,760</td>
<td>5,939</td>
<td>4,412</td>
<td>4,312</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2022 £’000</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Canadian</td>
<td>Euro</td>
<td>Yen</td>
<td>US dollar</td>
</tr>
<tr>
<td>Financial assets</td>
<td>5,291</td>
<td>7,549</td>
<td>2,664</td>
<td>3,012</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>(301)</td>
<td>(373)</td>
<td>–</td>
<td>(84)</td>
</tr>
<tr>
<td>Total exposure</td>
<td>4,990</td>
<td>7,176</td>
<td>2,664</td>
<td>2,928</td>
</tr>
</tbody>
</table>

**Sensitivity**
The effect of a fluctuation in exchange rates on the Foundation’s financial assets and financial liabilities carried at the reporting date, all other variables held constant, is shown in the table below. The effect of a 10% strengthening of the Canadian dollar, euro, yen and US dollar against GBP would have increased income after tax by £2.0 million (2022: £1.8 million). A 10% weakening in the exchange rates on the same basis would have decreased income after tax by the same amount.

<table>
<thead>
<tr>
<th></th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td>2,042</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>1,776</td>
</tr>
</tbody>
</table>

**Price risk**
The Foundation is exposed to other price risk in respect of its listed bond securities and investment portfolio, which are held at fair value through profit or loss (Note 11). The investment portfolio includes equities, commodities and real estate. The strategy of the portfolio is low to medium risk and is globally diversified.

**IFRS Foundation Annual Report 2023**
11. Investments—continued

The bond portfolio at amortised cost includes publicly traded bonds with fixed interest rates between 4.0% and 5.5%. The bonds mature between 2024 and 2026. The carrying amounts (measured at amortised cost), fair value and face value of these bonds are presented in this table:

<table>
<thead>
<tr>
<th>Bond portfolio at amortised cost</th>
<th>2023 £’000</th>
<th>2022 £’000</th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current, including accrued interest</td>
<td>561</td>
<td>566</td>
<td>450</td>
<td>–</td>
</tr>
<tr>
<td>Non-current, including accrued interest</td>
<td>4,375</td>
<td>4,380</td>
<td>4,379</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>4,936</td>
<td>4,946</td>
<td>4,829</td>
<td>–</td>
</tr>
</tbody>
</table>

In June 2022 the Foundation invested £2.5 million of its funds into the Barclays Medium-Low Risk Multi Asset Class Sustainable Portfolio (investment portfolio). The investment portfolio expands the asset class range that the Foundation has historically invested in by introducing assets such as equities, commodities and real estate. The portfolio strategy emphasises global diversification.

The investment portfolio is recognised at fair value and subsequently measured at fair value through profit or loss.

The investment portfolio valuation is quoted on active markets, described as Level 1 in IFRS 13.

The fair value of and amount invested in the investment portfolio are presented in this table:

<table>
<thead>
<tr>
<th>Investment portfolio</th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair value</td>
<td>Investment cost</td>
</tr>
<tr>
<td>Non-current, including accrued interest</td>
<td>2,776</td>
<td>2,500</td>
</tr>
</tbody>
</table>

12. Finance income and finance costs

<table>
<thead>
<tr>
<th></th>
<th>2023 £’000</th>
<th>2022 £’000</th>
<th>2023 £’000</th>
<th>2022 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>766</td>
<td>285</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value gains on bonds</td>
<td>164</td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value gains on investment portfolio</td>
<td>252</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net exchange gains on monetary assets and liabilities</td>
<td>–</td>
<td>652</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,182</td>
<td>961</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Finance costs            |             |             |             |             |
| Interest on lease liabilities | (160)     | (128)      |             |             |
| Fair value losses on forward foreign exchange contracts | – | (34) |             |             |
| Fair value losses on bonds | –           | (695)      |             |             |
| Net exchange losses on monetary assets and liabilities | (743) | – |             |             |
|                          | (903)       | (857)       |             |             |

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

13. Fair value of financial instruments

The fair values of investments are disclosed in Note 12. All other financial instruments are initially measured at fair value and subsequently measured at amortised cost. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value. Included in financial liabilities are lease obligations with a total carrying amount of £5.4 million (2022: £4.7 million). The fair value of these obligations is £5.0 million (2022: £4.5 million).

14. Events after the reporting period

There have been no events since 31 December 2023 that required an adjustment to the financial statements, nor any material non-adjusting events.
### Funding providers

**Amounts converted into sterling on date received**

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Australia</strong></td>
<td><strong>£572,600</strong></td>
</tr>
<tr>
<td><strong>Brazil</strong></td>
<td><strong>£114,348</strong></td>
</tr>
<tr>
<td></td>
<td><strong>£25,000+</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Less than £25,000</strong></td>
</tr>
<tr>
<td><strong>Canada</strong></td>
<td><strong>£10,735,711</strong></td>
</tr>
<tr>
<td></td>
<td><strong>£1,000,000+</strong></td>
</tr>
<tr>
<td></td>
<td><strong>£500,000+</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Less than £25,000</strong></td>
</tr>
<tr>
<td></td>
<td><strong>£250,000+</strong></td>
</tr>
<tr>
<td><strong>Through the Coalition of Canadian Champions (individual contributions not disclosed)</strong></td>
<td>CIBC CPP Investments Ontario Teachers’ Pension Plan Sun Life</td>
</tr>
</tbody>
</table>
### Funding providers continued

#### Amounts converted into sterling on date received

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chinese Taipei</strong></td>
<td></td>
</tr>
<tr>
<td>£65,100</td>
<td>less than £25,000 Accounting Research and Development Foundation</td>
</tr>
<tr>
<td></td>
<td>Taipei Exchange</td>
</tr>
<tr>
<td></td>
<td>Taiwan Depository &amp; Clearing Corporation</td>
</tr>
<tr>
<td></td>
<td>Taiwan Futures Exchange</td>
</tr>
<tr>
<td></td>
<td>Taiwan Stock Exchange Corporation</td>
</tr>
<tr>
<td><strong>EU</strong></td>
<td></td>
</tr>
<tr>
<td>£3,023,127</td>
<td></td>
</tr>
<tr>
<td></td>
<td>£1,000,000+ European Commission</td>
</tr>
<tr>
<td></td>
<td>£100,000+ European Climate Foundation</td>
</tr>
<tr>
<td><strong>Finland</strong></td>
<td></td>
</tr>
<tr>
<td>£78,039</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Confederation of Finnish Industries</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Voluntary levy through the Ministry of the Economy, Finance and Industrial and Digital Sovereignty. The Foundation would like to thank the individual companies and accounting firms that contribute to the voluntary levy.</td>
</tr>
<tr>
<td>£857,803</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ministry of the Economy, Finance and Industrial and Digital Sovereignty</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td></td>
</tr>
<tr>
<td>£4,131,892</td>
<td></td>
</tr>
<tr>
<td></td>
<td>£1,000,000+ Hessisches Ministerium für Wirtschaft, Energie, Verkehr und Wohnen</td>
</tr>
<tr>
<td></td>
<td>£50,000+ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ)</td>
</tr>
<tr>
<td></td>
<td>less than £25,000 EnBW Energie Baden-Württemberg AG</td>
</tr>
<tr>
<td></td>
<td>Voluntary contribution through the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)</td>
</tr>
<tr>
<td></td>
<td>£100,000+ Deloitte GmbH</td>
</tr>
<tr>
<td></td>
<td>Ernst &amp; Young GmbH</td>
</tr>
<tr>
<td></td>
<td>KPMS AG</td>
</tr>
<tr>
<td></td>
<td>PricewaterhouseCoopers GmbH</td>
</tr>
<tr>
<td></td>
<td>£25,000+ BDO AG</td>
</tr>
</tbody>
</table>
### Funding providers continued

#### Amounts converted into sterling on date received

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Germany continued</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Less than £25,000**
- Baker Tilly GmbH & Co. KG
- Ebner Stolz GmbH & Co. KG
- ETAG
- Genossenschaftsverband—Verband der Regionen e.V.
- Grant Thornton AG

**£100,000+**
- German Investment Funds Association (BVI)

**£50,000+**
- Allianz SE
- BASF SE
- Bayer AG
- BMW AG
- Deutsche Bank AG
- Deutsche Post AG
- Deutsche Telekom AG
- Henkel AG & Co. KGaA
- Interessensgemeinschaft Frankfurter Kreditinstitute GmbH
- Mercedes Benz Group (Daimler AG)
- Merck KGaA
- RWE AG
- Siemens AG
- Siemens Healthineers AG

**£25,000+**
- Continental AG
- Deutsche Börse
- DZ Bank AG
- Fresenius Medical Care AG & Co. KGaA
- Helaba Landesbank Hessen-Thüringen Girozentrale
- Infineon Technologies AG
- Münchener Rückversicherungs-Gesellschaft
- Siemens Energy AG

**Less than £25,000**
- Aareal Bank AG
- adesso SE
- Adidas AG
- AXA Konzern AG
- B. Metzler seel. Sohn & Co. AG
- BayWa AG
- Billinger SE
- Geconomy AG
- Commerzbank AG
- Covestro AG
- DekaBank
- Deutsche Bahn AG
- Deutsche Beteiligungs AG
- Dürr AG
- EnBW Energie Baden-Württemberg AG
- Evonik Industries AG
- Feilmann AG
- GDV Gesamtverband der Deutschen Versicherungswirtschaft eV
- GEA Group AG
- Generali Deutschland AG
- Hannover Rück
- Hapag-Lloyd AG
- Heidelberg Druckmaschinen AG
- Hensoldt AG
- Hornbach Holding AG & Co. KGaA
- Instone Real Estate Group SE
- KfW Bankengruppe
- Klöckner & Co. SE
- Krones AG
- Lanxess AG
- Metro AG
- MTU Aero Engines AG
- ODDO BHF AG
- Patrizia SE
- Robert Bosch GmbH
- Sartorius AG
- Schaeffler AG
- SGL Carbon SE
- Sitronic AG
- SIXT SE
- Softing AG
- Südicker AG
- Symrise AG
- Talanx
- thyssenkrupp AG
- UBS Europe SE
- UniCredit Bank AG
- Uniper SE
- Villeroy & Boch AG
- Vitesco Technologies Group AG
- Vonovia SE
- Wacker Chemie AG
- Wintershall Dea AG
- Zürich Beteiligungs AG
### Funding providers continued

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hong Kong SAR</strong></td>
<td></td>
</tr>
<tr>
<td>£262,268</td>
<td></td>
</tr>
<tr>
<td>£50,000+</td>
<td>AIA Company Limited</td>
</tr>
<tr>
<td></td>
<td>The Securities and Futures Commission of Hong Kong</td>
</tr>
<tr>
<td>£25,000+</td>
<td>CLP Holdings Limited</td>
</tr>
<tr>
<td></td>
<td>Link Asset Management Limited</td>
</tr>
<tr>
<td>Less than £25,000</td>
<td>Hong Kong Monetary Authority</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td></td>
</tr>
<tr>
<td>£80,196</td>
<td>Tata Steel Limited</td>
</tr>
<tr>
<td><strong>Indonesia</strong></td>
<td></td>
</tr>
<tr>
<td>£71,400</td>
<td></td>
</tr>
<tr>
<td>£25,000+</td>
<td>Financial Services Authority (OJK)</td>
</tr>
<tr>
<td></td>
<td>Indonesia Stock Exchange</td>
</tr>
<tr>
<td><strong>International</strong></td>
<td></td>
</tr>
<tr>
<td>£15,833</td>
<td>Bank for International Settlements</td>
</tr>
<tr>
<td><strong>Ireland</strong></td>
<td></td>
</tr>
<tr>
<td>£8,363</td>
<td>Central Bank of Ireland</td>
</tr>
<tr>
<td><strong>Israel</strong></td>
<td></td>
</tr>
<tr>
<td>£17,850</td>
<td>Israel Securities Authority</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td></td>
</tr>
<tr>
<td>£649,362</td>
<td>Organismo Italiano di Contabilità</td>
</tr>
</tbody>
</table>

Amounts converted into sterling on date received.
### Funding providers continued

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td></td>
</tr>
<tr>
<td>£3,961,178</td>
<td></td>
</tr>
<tr>
<td>£1,000,000+</td>
<td>Financial Accounting Standards Foundation</td>
</tr>
<tr>
<td>£500,000+</td>
<td>Financial Services Agency of Japan</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td></td>
</tr>
<tr>
<td>£8,684</td>
<td>National Bank of Kazakhstan</td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
</tr>
<tr>
<td>£68,250</td>
<td>Malaysian Accounting Standards Board</td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
</tr>
<tr>
<td>£39,291</td>
<td>Cemex S.A.B. de C.V.</td>
</tr>
<tr>
<td>Netherlands</td>
<td></td>
</tr>
<tr>
<td>£1,832,178</td>
<td></td>
</tr>
<tr>
<td>£1,000,000+</td>
<td>Stichting IKEA Foundation</td>
</tr>
<tr>
<td>£250,000+</td>
<td>Ministry of Finance Porticus</td>
</tr>
<tr>
<td>Less than £25,000</td>
<td>De Nederlandsche Bank</td>
</tr>
<tr>
<td>New Zealand</td>
<td></td>
</tr>
<tr>
<td>£274,654</td>
<td>External Reporting Board</td>
</tr>
<tr>
<td>Panama</td>
<td></td>
</tr>
<tr>
<td>£3,943</td>
<td>Banco General, S.A.</td>
</tr>
</tbody>
</table>
### Funding providers continued

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>People’s Republic of China</td>
<td>£4,130,202</td>
</tr>
</tbody>
</table>

  - **£1,000,000+**
    - Ministry of Finance of the People’s Republic of China
  - **£500,000+**
    - Chinese Institute of Certified Public Accountants
    - Shanghai Stock Exchange
    - Shenzhen Stock Exchange
  - **£50,000+**
    - Agricultural Bank of China
    - Bank of China
    - China Construction Bank Corporation
    - China Development Bank
    - China Investment Corporation
    - China Petroleum & Chemical Corporation
    - CNOOC Limited
    - Industrial and Commercial Bank of China
    - PetroChina Company Limited
  - **£25,000+**
    - Bank of Communications Co., Ltd.
    - China CITIC Bank Corporation Limited
    - China Communications Construction Company Ltd
    - China Merchants Bank Co., Ltd
    - China Mobile Communication Co., Ltd
    - China Paciﬁc Insurance (Group) Co., Ltd.
    - China Telecom Corporation Limited
    - China United Network Communications Corporation Limited
  - Less than £25,000
    - Huaneng Power International, Inc.
    - PICC Property and Casualty Company Limited
    - Other
    - Alibaba (China) Co., Ltd.

| Portugal | £20,568 |

  - Banco de Portugal

<table>
<thead>
<tr>
<th>Republic of Korea</th>
<th>£1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>£100,000+</td>
<td>Korea Accounting Institute (KAI)</td>
</tr>
<tr>
<td></td>
<td>KPMG Samjong Accounting Corporation</td>
</tr>
<tr>
<td></td>
<td>Samil PricewaterhouseCoopers</td>
</tr>
<tr>
<td></td>
<td>Shinhan Financial Group Co., Ltd</td>
</tr>
<tr>
<td></td>
<td>Woori Financial Group Inc</td>
</tr>
<tr>
<td>£50,000+</td>
<td>Deloitte Anjin LLC</td>
</tr>
<tr>
<td></td>
<td>Ernst &amp; Young Han Young</td>
</tr>
<tr>
<td></td>
<td>Financial Supervisory Service</td>
</tr>
<tr>
<td></td>
<td>KB Financial Group Inc</td>
</tr>
<tr>
<td></td>
<td>KB Kookmin Bank</td>
</tr>
<tr>
<td></td>
<td>NongHyup Financial Group Inc</td>
</tr>
<tr>
<td>Less than £25,000</td>
<td>Celltrion, Inc.</td>
</tr>
<tr>
<td></td>
<td>Hyosung Corporation</td>
</tr>
</tbody>
</table>
### Funding providers continued

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Organisation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>Saudi Organization for Certified Public Accountants (SOCPA)</td>
<td>£149,716</td>
</tr>
<tr>
<td>Singapore</td>
<td>Ministry of Finance</td>
<td>£73,500</td>
</tr>
<tr>
<td>South Africa</td>
<td>Department of Trade, Industry and Competition (Republic of South Africa)</td>
<td>£100,000+</td>
</tr>
<tr>
<td></td>
<td>Johannesburg Stock Exchange</td>
<td>Less than £25,000</td>
</tr>
<tr>
<td>Switzerland</td>
<td>SwissHoldings</td>
<td>£100,753</td>
</tr>
<tr>
<td></td>
<td>Holcim Technology Ltd</td>
<td>£50,000+</td>
</tr>
<tr>
<td>Thailand</td>
<td>Federation of Accounting Professions (TFAC)</td>
<td>£85,314</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Department for Business, Energy &amp; Industrial Strategy</td>
<td>£3,819,907</td>
</tr>
<tr>
<td></td>
<td>Levy system organised by Financial Reporting Council</td>
<td>£1,000,000+</td>
</tr>
<tr>
<td></td>
<td>London Stock Exchange Group</td>
<td>£500,000+</td>
</tr>
<tr>
<td></td>
<td>Unilever PLC</td>
<td>£250,000+</td>
</tr>
<tr>
<td></td>
<td>Association of Chartered Certified Accountants (ACCA)</td>
<td>£100,000+</td>
</tr>
<tr>
<td></td>
<td>The Children’s Investment Fund Foundation</td>
<td>£50,000+</td>
</tr>
</tbody>
</table>

*Amounts converted into sterling on date received*
## Funding providers continued

### Amounts converted into sterling on date received

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United States of America</strong></td>
<td></td>
</tr>
<tr>
<td>£2,005,062</td>
<td></td>
</tr>
<tr>
<td>£250,000+</td>
<td>Bank of America Corporation</td>
</tr>
<tr>
<td></td>
<td>Ford Foundation</td>
</tr>
<tr>
<td>£100,000+</td>
<td>CFA Institute</td>
</tr>
<tr>
<td></td>
<td>Heising-Simons Foundation</td>
</tr>
<tr>
<td></td>
<td>Pfizer Inc.</td>
</tr>
<tr>
<td></td>
<td>S&amp;P Global Inc.</td>
</tr>
<tr>
<td></td>
<td>Zegar Family Foundation</td>
</tr>
<tr>
<td>£50,000+</td>
<td>AICPA</td>
</tr>
<tr>
<td></td>
<td>Cisco Systems, Inc.</td>
</tr>
<tr>
<td></td>
<td>Global Accounting Alliance (GAA)</td>
</tr>
<tr>
<td>£25,000+</td>
<td>ClimateWorks Foundation</td>
</tr>
<tr>
<td></td>
<td>Salesforce, Inc.</td>
</tr>
<tr>
<td>Less than £25,000</td>
<td>Board of Governors of the US Federal Reserve System</td>
</tr>
<tr>
<td></td>
<td>Morgan Stanley</td>
</tr>
<tr>
<td></td>
<td>PepsiCo, Inc.</td>
</tr>
<tr>
<td></td>
<td>UN Global Compact</td>
</tr>
<tr>
<td><strong>International accounting firms</strong></td>
<td></td>
</tr>
<tr>
<td>£3,752,142</td>
<td></td>
</tr>
<tr>
<td>(US$1,327,500)</td>
<td>KPMG</td>
</tr>
<tr>
<td>(US$849,335 each)</td>
<td>Deloitte</td>
</tr>
<tr>
<td></td>
<td>EY</td>
</tr>
<tr>
<td></td>
<td>PwC</td>
</tr>
<tr>
<td>£250,000+</td>
<td>BDO (Brussels Worldwide Services BVBA) (US$315,000)</td>
</tr>
<tr>
<td></td>
<td>Grant Thornton (US$315,000)</td>
</tr>
<tr>
<td>£100,000+</td>
<td>Mazars (US$210,000)</td>
</tr>
<tr>
<td><strong>Trustee</strong></td>
<td></td>
</tr>
<tr>
<td>£28,333</td>
<td>One Trustee waived their fee, which has been accounted for as a contribution</td>
</tr>
</tbody>
</table>

1. Deloitte, EY, KPMG and PwC have licensing agreements with the Foundation, for which annual fees are received in addition to their voluntary contributions. The firms contribute equally to the Foundation, though the allocation between licensing fees and voluntary contributions may vary. Variances in reported funding in any period may also result from differences in the timing of receipts.
## IFRS Foundation Monitoring Board

As at 31 December 2023

<table>
<thead>
<tr>
<th>Public authority</th>
<th>Member</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chair</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan Financial Services Agency</td>
<td>Takashi Nagaoka</td>
<td>Deputy Commissioner for International Affairs</td>
</tr>
<tr>
<td><strong>Members</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil Securities and Exchange Commission <em>(Comissão de Valores Mobiliários)</em></td>
<td>João Pedro Barroso do Nascimento</td>
<td>Chair</td>
</tr>
<tr>
<td>European Commission</td>
<td>Mairead McGuinness</td>
<td>Commissioner for Financial Stability, Financial Services and Capital Markets Union</td>
</tr>
<tr>
<td>IOSCO</td>
<td>Jean-Paul Servais</td>
<td>Chairman of the Financial Services and Markets Authority, Belgium</td>
</tr>
<tr>
<td>IOSCO Growth and Emerging Markets Committee</td>
<td>Yusuf Kaya</td>
<td>Board Member of the Capital Markets Board of Türkiye</td>
</tr>
<tr>
<td>People’s Republic of China Ministry of Finance</td>
<td>Zhu Zhongming</td>
<td>Vice Minister</td>
</tr>
<tr>
<td>South Korea Financial Services Commission</td>
<td>Jeong Kag Kim</td>
<td>Standing Commissioner</td>
</tr>
<tr>
<td>United Kingdom Financial Conduct Authority</td>
<td>Nikhil Rathi</td>
<td>Chief Executive</td>
</tr>
<tr>
<td>United States Securities and Exchange Commission</td>
<td>Gary Gensler</td>
<td>Chair</td>
</tr>
<tr>
<td><strong>Observers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basel Committee on Banking Supervision</td>
<td>Katherine Tilghman Hill</td>
<td>Chair of the Accounting Experts Group</td>
</tr>
</tbody>
</table>
## IFRS Interpretations Committee

**As at 31 December 2023**

### Non-voting Chair: Bruce Mackenzie, Member of the International Accounting Standards Board

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organisation</th>
<th>Current term ends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renata Bandeira</td>
<td>Controllership and Tax Director, Brazil</td>
<td>Azul Airlines</td>
<td>30 June 2026</td>
</tr>
<tr>
<td>Andre Besson¹</td>
<td>Head of Financial Reporting Guidelines</td>
<td>Nestlé SA</td>
<td>30 June 2024</td>
</tr>
<tr>
<td>Lisa Bomba</td>
<td>Head of Group Reporting–Financials</td>
<td>Deutsche Bank</td>
<td>30 June 2025</td>
</tr>
<tr>
<td>Jens Freiberg</td>
<td>Head of Capital Markets</td>
<td>BDO</td>
<td>30 June 2025</td>
</tr>
<tr>
<td>Karsten Ganssauge</td>
<td>Partner, Global Corporate Reporting Services</td>
<td>PwC</td>
<td>30 June 2025</td>
</tr>
<tr>
<td>Karen Higgins¹</td>
<td>Audit and Assurance Partner</td>
<td>Deloitte</td>
<td>30 June 2024</td>
</tr>
<tr>
<td>Guy Jones</td>
<td>Partner, Professional Practice Group, Canada</td>
<td>EY</td>
<td>30 June 2024</td>
</tr>
<tr>
<td>M P Vijay Kumar¹</td>
<td>Executive Director and Group Chief Financial Officer</td>
<td>Sify Technologies Limited</td>
<td>30 June 2024</td>
</tr>
<tr>
<td>Yanli Liu</td>
<td>Executive Vice President and Chief Financial Officer</td>
<td>State Grid International Development Company Limited</td>
<td>30 June 2025</td>
</tr>
<tr>
<td>Sophie Massol</td>
<td>Head of Group Accounting Policies, France</td>
<td>AXA</td>
<td>30 June 2026</td>
</tr>
<tr>
<td>Jon Nelson</td>
<td>Senior Vice President, Vehicle Economics</td>
<td>Stellantis NV</td>
<td>30 June 2026</td>
</tr>
<tr>
<td>Brian O'Donovan</td>
<td>Partner, Global IFRS and Corporate Reporting Leader</td>
<td>KPMG</td>
<td>30 June 2025</td>
</tr>
<tr>
<td>Donné Sephton</td>
<td>Head of Advisory Services</td>
<td>FirstRand Limited</td>
<td>30 June 2026</td>
</tr>
</tbody>
</table>

1. Reappointed to serve a second two-year term starting 1 July 2024.

### Observer organisations

- Basel Committee on Banking Supervision
- European Commission
- IOSCO

More information about the IFRS Foundation Interpretations Committee, including member biographies, can be found at [www.ifrs.org/groups/ifrs-interpretations-committee](http://www.ifrs.org/groups/ifrs-interpretations-committee).
# IFRS Advisory Council

As at 1 December 2023

**Chair:** Bill Coen, former Secretary General of the Basel Committee on Banking Supervision

<table>
<thead>
<tr>
<th>Represented body</th>
<th>Represented by</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFEP (French Association of Large Companies)</td>
<td>Le Quang Tran Van</td>
<td>Director for Financial Affairs</td>
</tr>
<tr>
<td>AIA Group</td>
<td>Garth Jones</td>
<td>Group Chief Financial Officer</td>
</tr>
<tr>
<td>Asian Development Bank (ADB)</td>
<td>Steven Beck</td>
<td>Head, Trade and Supply Chain Finance</td>
</tr>
<tr>
<td>Banco Bilbao Vizcaya Argentaria</td>
<td>María Ángeles Pelaez Moron</td>
<td>Head of Global Financial Accounting</td>
</tr>
<tr>
<td>Basel Committee on Banking Supervision</td>
<td>Neil Esho</td>
<td>Secretary General</td>
</tr>
<tr>
<td>Bayer</td>
<td>Martin Schloemer</td>
<td>Head of Global Accounting/ Senior Vice President, Chief Accounting Officer</td>
</tr>
<tr>
<td>BDO</td>
<td>Ehud (Udi) Greenberg</td>
<td>Professional Practice Partner at BDO Israel and at BDO Global IFRS Advisory Group</td>
</tr>
<tr>
<td>BusinessEurope</td>
<td>Kristian Koktvedgaard</td>
<td>Head of VAT, accounting and auditing for the Confederation of Danish Industry</td>
</tr>
<tr>
<td>Capital Markets Board of Türkiye</td>
<td>Sibel Ulusoy Tokgöz</td>
<td>Deputy Head of the Accounting Standards Department</td>
</tr>
<tr>
<td>CFA Institute</td>
<td>Sandra Peters</td>
<td>Senior Head, Global Advocacy</td>
</tr>
<tr>
<td>Chinese Ministry of Finance</td>
<td>Xianzhong Li</td>
<td>Director General of the Accounting Regulatory Department</td>
</tr>
<tr>
<td>Corporate Reporting Users’ Forum</td>
<td>Greig Paterson</td>
<td>Managing Director of UK Insurance Research at Keefe, Bruyette &amp; Woods</td>
</tr>
<tr>
<td>Council of Institutional Investors</td>
<td>James Andrus</td>
<td>Investment Manager of Sustainable Investments at the California Public Employees’ Retirement System</td>
</tr>
<tr>
<td>Deloitte</td>
<td>Trevor Derwin</td>
<td>Partner at Deloitte Africa</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Represented body</th>
<th>Represented by</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eumedion</td>
<td>Martijn Bos</td>
<td>Policy Advisor on Reporting and Audit</td>
</tr>
<tr>
<td>European Accounting Association</td>
<td>Thorsten Sellhorn</td>
<td>EAA President; Professor of Accounting and Director of the Institute for Accounting, Auditing and Analysis at Ludwig-Maximilian University Munich’s School of Management</td>
</tr>
<tr>
<td>European Central Bank</td>
<td>David Grünberger</td>
<td>Heads the Prudential Regulation and Accounting Section</td>
</tr>
<tr>
<td>European Financial Reporting Advisory Group</td>
<td>Saskia Slomp</td>
<td>CEO</td>
</tr>
<tr>
<td>European Securities and Markets Authority (ESMA)</td>
<td>Isabelle Grauer-Gaynor</td>
<td>Head of Corporate Finance and Reporting Unit</td>
</tr>
<tr>
<td>External Reporting (XRB), New Zealand</td>
<td>Ken Warren</td>
<td>Chief Accounting Advisor for the New Zealand Treasury</td>
</tr>
<tr>
<td>EY</td>
<td>Michiel van der Lof</td>
<td>Partner, EMEA IFRS Leader</td>
</tr>
<tr>
<td>Financial Executives International</td>
<td>Ron Edmonds</td>
<td>Controller and Vice President of Controllers and Tax for Dow</td>
</tr>
<tr>
<td>Grant Thornton</td>
<td>Fergus Condon</td>
<td>Partner—Financial Accounting Advisory Services</td>
</tr>
<tr>
<td>Individual (University of São Paulo—School of Accounting and Actuarial Science)</td>
<td>Eduardo Flores</td>
<td>Assistant Professor in the Accounting and Actuarial Science Department</td>
</tr>
<tr>
<td>Individual (Johannesburg Stock Exchange)</td>
<td>Tania Wimberley</td>
<td>Head of Financial Reporting Issuer Regulation Division</td>
</tr>
<tr>
<td>Institute of Certified Public Accountants of Kenya</td>
<td>Cliff Nyandoro Magara</td>
<td>Head of Standards and Technical Services</td>
</tr>
</tbody>
</table>
## IFRS Advisory Council continued

**As at 31 December 2023**

<table>
<thead>
<tr>
<th>Represented body</th>
<th>Represented by</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Europe (European Insurance and Reinsurance Federation)</td>
<td>Anna Vidal Tuneu</td>
<td>Vice-Chair of the Financial Reporting Working Group (FRWG); Director of Group Accounting Policies and Regulation at CaixaBank Group</td>
</tr>
<tr>
<td>International Actuarial Association</td>
<td>Andrew Chamberlain</td>
<td>Chair of the Actuarial Standards Committee</td>
</tr>
<tr>
<td>International Association for Accounting Education and Research (IAAER)</td>
<td>Leslie Hodder</td>
<td>Representative and Conrad Prebys Endowed Professor of Accounting at Indiana University’s Kelley School of Business</td>
</tr>
<tr>
<td>International Association of Insurance Supervisors (IAIS)</td>
<td>Romain Paserot</td>
<td>Deputy Secretary General</td>
</tr>
<tr>
<td>International Co-operative Alliance</td>
<td>Emmanuelle Revolon</td>
<td>CFO</td>
</tr>
<tr>
<td>International Corporate Governance Network</td>
<td>Ian Burger</td>
<td>Head of Responsible Investment</td>
</tr>
<tr>
<td>International Federation of Accountants</td>
<td>Kevin Dancey</td>
<td>CEO</td>
</tr>
<tr>
<td>International Monetary Fund</td>
<td>Ellen Gaston</td>
<td>Senior Financial Sector Expert in the Financial Supervision and Regulation Division of the Monetary and Capital Markets Department</td>
</tr>
<tr>
<td>International Organization of Securities Commissions</td>
<td>Marie Seiller</td>
<td>Member of IOSCO Committee on Issuer Accounting, Audit and Disclosures; Chief Accountant at the French Autorité des marchés financiers (AMF)</td>
</tr>
<tr>
<td>Investment Association</td>
<td>Emma Millar</td>
<td>Director EMEA Accounting Policy Blackrock</td>
</tr>
<tr>
<td>Investment Company Institute</td>
<td>Alan Trotter</td>
<td>Chief Financial Officer: Europe, Middle East &amp; Africa at Invesco</td>
</tr>
<tr>
<td>Japanese Institute of Certified Public Accountants (JICPA)</td>
<td>Aiko Sekine</td>
<td>Advisor</td>
</tr>
<tr>
<td>KPMG</td>
<td>Melissa Taylor</td>
<td>Partner</td>
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<tr>
<td>Lukoil</td>
<td>Sergey Epifanov</td>
<td>Head of the International Financial Reporting Department</td>
</tr>
<tr>
<td>Malaysian Accounting Standards Board (MASB)</td>
<td>Bee Leng Tan</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Organisation for Economic Co-operation and Development (OECD)</td>
<td>Carmine Di Noia</td>
<td>Director for Financial and Enterprise Affairs</td>
</tr>
<tr>
<td>Organismo Italiano di Contabilità</td>
<td>Alberto Giussani</td>
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<tr>
<td>PricewaterhouseCoopers</td>
<td>Henry Daubeney</td>
<td>Global Head of IFRS and ESG Reporting</td>
</tr>
<tr>
<td>Principles for Responsible Investment (PRI)</td>
<td>Nathan Fabian</td>
<td>Chief Responsible Investment and Signatory Relations Officer</td>
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<tr>
<td>S&amp;P Global Ratings</td>
<td>Osman Sattar</td>
<td>Director and Accounting Specialist Financial Institutions Group</td>
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<tr>
<td>The Securities Analysts Association of Japan (SAAJ)</td>
<td>George Iguchi</td>
<td>Chief Corporate Governance Officer and Executive Director at Nissay Asset Management</td>
</tr>
<tr>
<td>South Asian Federation of Accountants (SAFA)</td>
<td>M. P. Vijay Kumar</td>
<td>Vice Chairman, Accounting Standards Board and Chairman, Valuation Standards Board of the Institute of Chartered Accountants of India</td>
</tr>
<tr>
<td>United Nations (UN)</td>
<td>James Zhan</td>
<td>Senior Director of Investment and Enterprise at the United Nations</td>
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<tr>
<td>United Nations (UN)</td>
<td>Marcos Mancini</td>
<td>Senior Sustainable Finance Advisor, UNDP</td>
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<tr>
<td>World Bank</td>
<td>Barbara McGowan</td>
<td>Head of Accounting Policy</td>
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<tr>
<td>Xiamen University</td>
<td>Feng Liu</td>
<td>Chair Professor and Director at the Centre for Accounting Studies</td>
</tr>
</tbody>
</table>

### Observer organisations

European Commission, Japan Financial Services Agency, US Securities and Exchange Commission
The Trustees of the IFRS Foundation thank all staff, stakeholders and partners around the world for contributing to the delivery of the Foundation’s mission during 2023. By working together we realise the vision of enabling better decisions through the provision of better information.
The cityscapes inside the report show where our offices are located.

Cover locations from left to right:
- Lisbon, Portugal
- Seoul, Korea
- Lagos, Nigeria
- São Paulo, Brazil
- Sydney, Australia