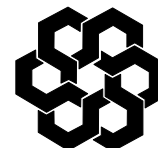


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This document is provided as a convenience to observers at IASCF meetings, to assist them in following the discussion.

INFORMATION FOR OBSERVERS

IASCF Trustees Meeting
New York, 7 October 2009

REPORT OF THE EDUCATION AND PUBLICATIONS COMMITTEE

Agenda Paper 5

Publication Sales and Distribution

Purpose

The purpose of this paper is to update Trustees' Education and Publications Committee on 2009 publication sales and IFRS distribution strategy.

Sales 1 January–31 July 2009

2009 year end sales target: £4,264,000

Product Description	Sales Jan–Jul 09	Sales Jan–Jul 08	Difference
IFRS English Book - current year	£931,076.62	£1,229,621.82	-32.06%
Comprehensive Subscription	£712,215.00	£772,200.00	-8.42%
eIFRS Online Subscription	£323,822.50	£201,652.37	37.73%
IFRS English Book - previous year	£46,008.75	£130,515.00	-183.67%
Education Book - previous year	£48,217.50	£62,289.00	-29.18%
Spanish Book - previous year	£40,233.00	£35,733.00	11.18%
Dutch Book - previous year	£11,427.00	£24,054.60	-110.51%
IFRS CD-rom- current year	£18,104.00	£40,679.00	-124.70%
<i>all other products</i>	£56,309.63	£62,450.21	-10.91%
Total sales	£2,187,414.00	£2,559,195.00	-17.00%

2009 Sales Commentary

January through July 2009 product sales are down 17% (or £371,781) compared to the same period in 2008. Almost £300,000 of the total difference is attributable to English Bound Volume sales.

I believe Bound Volume sales might have been impacted by three events:

- Difficult economics times leading organizations to cut back on spending.
- Providing free Unaccompanied Standards on our public website lessening the need for some to purchase the Bound Volume.
- Substantially decreased orders from the Big Four firms. The firms have explained that they require all current mandatory content; the Bound Volume includes only latest version of standards as of 31 December (see section below Longer Term Planning).

Sales Commentary, looking ahead

We are in a tough market and will be challenged to achieve our 2009 sales target of £4,264,000. However, for the following reasons I believe that we will have a relatively better second half of the year and come close to meeting our 2009 sales target.

- Licensing revenue is expected to increase. Over the past year, we substantially increased the number of IFRS licensees. Accounting software companies newly incorporating IFRSs into their software include in 2009 include Company Reporting, XPI, Averq and InVision. We will receive royalty statements from these organisations in December 2009. Also, eIFRS access deals with key accounting organizations (ICAS, ICAEW, IAAER and CAAA) are now into their second year. We will receive an increase in royalties as we gave substantial discounts during the first year of these contracts.
- Sales of the *IFRS for SMEs* book. Although all of the content is available for free on our public website, we still sold £15,000 of books in the first month of sales. Upcoming SME related conferences and the Spanish translation should lead to further book sales.
- Translated Bound Volumes. As our European Commission contractual obligations have ended, we have been able to focus resources on IFRS Bound Volume translations. Spanish, French, German, Italian, Russian and Japanese are among the Bound Volumes currently in production. Due to the timing of sales, the majority of this translation revenue will come in 2010; however I do expect some revenue to fall in 2009. (See Agenda Paper 3b – Translation)

Longer Term Sales Planning

Over the years, sales of the printed Bound Volume have remained largely flat and we anticipate that to continue into the future. At the same time we have experienced substantial growth of eIFRS. Looking for future growth, we will focus on eIFRS sales and electronic licensing.

Total sales of eIFRS subscriptions were £278,650.07 in 2007 and £384,763.27 in 2008. Through July 2009 we already have £323,822.50 in total sales. Moreover, as mentioned previously, a number of accountancy industry organisations and software providers are licensing IFRS content. We are also increasingly licensing IFRS content to major publishers. For example, in the past year we have begun new relationships with Thompson Reuters and CCH Wolters Kluwer licensing IFRS into electronic products covering the North American market.

I believe our future revenue growth will come from our own eIFRS subscription sales and electronic licensing relationships. Based on feedback and sales trends from our own customers, historic Bound Volume purchasers will often subscribe to eIFRS, and still buy the current Bound Volume. However, new customers tend to subscribe to eIFRS and forgo buying the printed Bound Volume.

To address the issue of declining printed Bound Volume sales, we are reacting to the feedback from Big 4 firms to include all mandatory content in the Bound volume. This question is currently being assessed with IASB Technical Staff. At the moment a mock-up is being produced to model how this request might be accommodated. At this time no decision has been made and we expect one shortly.

Going forward, we will focus our energy on growing revenue through electronic licensing deals and eIFRS subscriptions.

Content Distribution

As well as focusing on our products and content licensing, Trustees are aware of the changes we have made to make free content available through our website. In April of this year we provided free access to the IFRS Unaccompanied Standards on our public website; to date over 39,000 individuals have registered to view the content. In June the *IFRS for SMEs* were posted on the public website and have been viewed by over 17,000 registered individuals.

Conclusion

Year on year we are currently more than £300,000 behind in publications revenue. However, largely due to electronic licensing agreements, I believe we will close the gap and come close to achieving our 2009 sales targets.

Ken Creighton
Director, IFRS Content Services
September 2009