

International Financial Reporting Standards



The Future of Corporate Reporting

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Agenda

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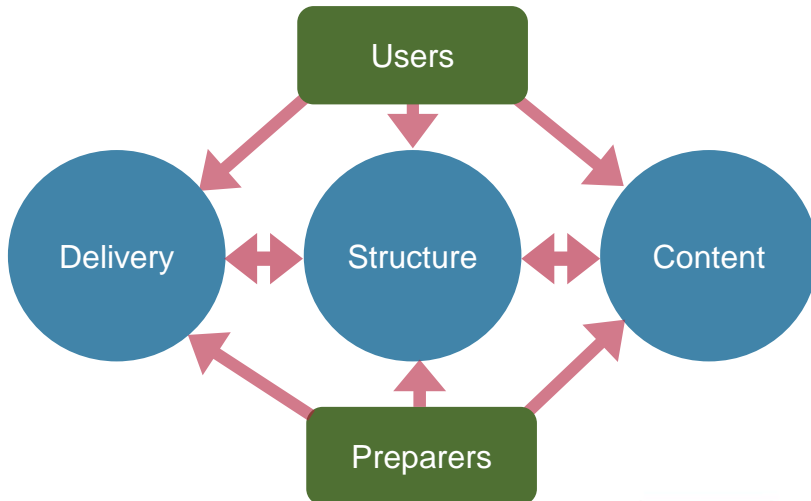
- How corporate reporting is evolving
- The remit of the IASB and role of IFRS financial statements
- Possible responses
 - Integrated Reporting
 - Technology
- What the IASB is doing and what can/should it do?
- Break-out questions

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Corporate reporting is evolving

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Demand for content is increasing

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More content needs structure

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We hear that users want information that is better organised, expressed and linked

- Information that is concise, quick to find and transparent
- Comprehensive/cohesive story
 - “connecting the dots”
 - strategy, risks and financial performance
- Facilitates both high-level, comparable and deep-dive analysis
- Technological enhancements can help

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Content can be delivered differently

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We hear that some users want information delivered differently

- One type of delivery no longer meets all needs
- Targeted to specific user needs ...customised reports and data extracts
- Timely and cost efficient to access and process
- Easy to navigate and filter
- Suitable for new advances in how data is being consumed ... systematic data analysis

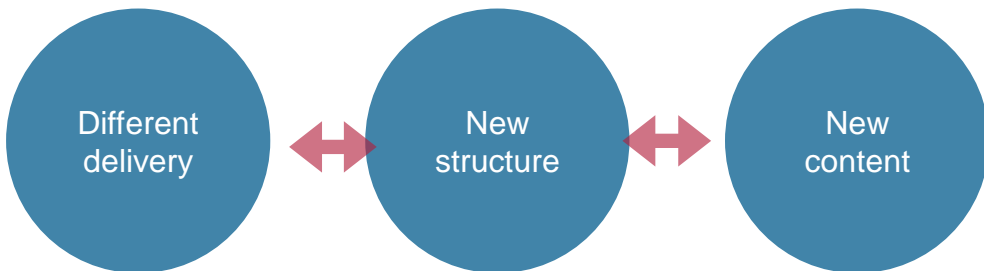
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If corporate reporting is evolving

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How should the IASB respond?



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IASB's remit

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- IASB remit is financial reporting
 - IFRS financial statements
 - Management Commentary
 - Other?
- Primary users: investors and creditors
- Financial information useful for making decisions about providing resources to an entity



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Role of IFRS financial statements

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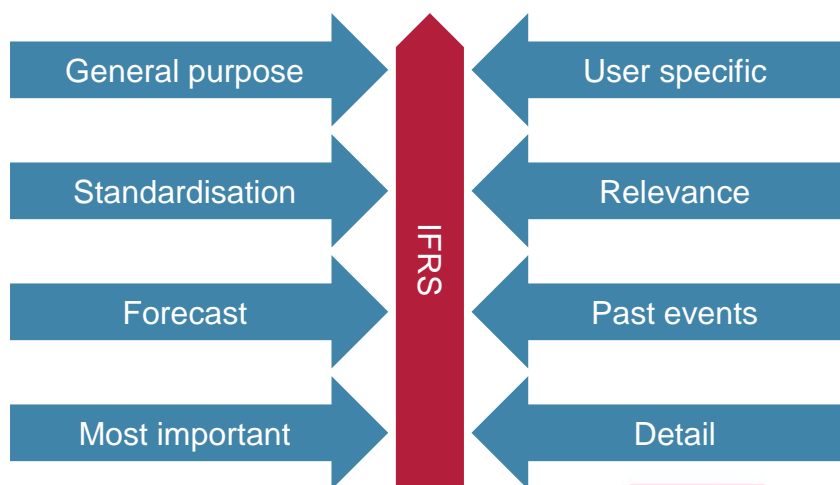
- Audited financial statements occupy a unique position in capital markets
 - Regulated & recurring
 - Standardised & independently verified
- Provides objective, verifiable, “hard” data
- Complements and enhances content outside of financial statements
 - Not used in isolation of other sources of information
 - Foundation for further analysis or other corporate reports
 - Duplication of information should be minimised?

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Tensions – IFRS and other corporate reporting

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Evolution of Corporate Reporting – possible IASB responses

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	New or revised IFRS/MC	Integrated Reporting	Technology
New Content	✓		
New Structure	✓	✓	✓
Different Delivery/ Access			✓

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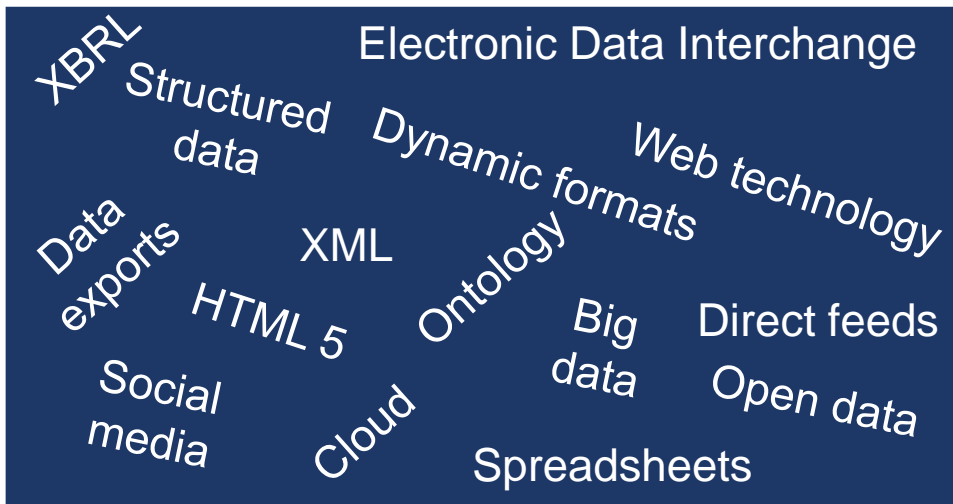
Integrated Reporting (IR)

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- What is Integrated Reporting?
 - A way to structure information from different forms of corporate reporting
 - A summary report – brings content together
 - Sustainability of an entity's business model
 - For investors
- Interface with financial reports
 - Same audience
 - Financial statements are a pillar of the Integrated Report
 - IR does not define content

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- Computer readable data
- Includes metadata and formal definitions
- Anything from EDI (Electronic Data Interchange) to XML
- Open source standards such as XBRL taxonomies
- Ontology

Technology – web-based reporting

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- Dynamic formats – customizable views, charts, infographics
- Historical data easily available
- The paper online
 - PDF (Portable Document Format)
 - Glossy and data – no need to compromise
- Linking – go directly to the relevant content, expand detail only when the reader is interested
- Reports, data extracts and direct feeds
 - eg online regulatory filing/reporting

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Integrated Reporting – role of the IASB?

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What we are doing

- MOU with International Integrated Reporting Council (IIRC)
- Active involvement in development of IR Framework

What more can/should we do?

- Review the Management Commentary Practice Statement in light of IR?
 - Boundary of financial reporting?
- Alignment of principles/concepts?

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Technology – role of the IASB?

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What we are doing

- IFRS Taxonomy
- Consideration of digital reporting in standard-setting
- Integrated disclosure team

What more can/should we do?

- More rigorous/formal definition of terms?
- Taxonomy interoperability?
- Interaction with other organisations?
- Reconsiderations for presentation?

Or is technology just an enabler and should not influence the role of the IASB and standard-setting?

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Questions for the break-out session

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- Given the developments in Integrated Reporting and technology, how should the IASB respond?
 - Short-term?
 - Long-term?
- Aside from Integrated Reporting and technology, are there other areas where the IASB should actively respond to developments in corporate reporting?
- Note: Responses could feed into a further session at the Advisory Council Meeting in June.

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