

Investor and Analyst Survey-Information on changes in debt

Background and purpose of this survey

Purpose: This survey is for users of financial statements (investors and analysts). It is designed to help us decide if we should undertake certain work on disclosures regarding debt, including changes in an entity's debt position.

Background: International Financial Reporting Standards (IFRS) currently require the disclosure of period-on-period changes for some but not all items that might be categorised as debt. We have heard from a number of investors and analysts that they would like more information about the period-on-period changes in debt to be included in the audited financial statements. This would help them to understand better why debt has changed (e.g. is it because of a change in exchange rates, or because the entity assumed debt from an acquisition, or because the entity borrowed more?). To help illustrate this point, we have included a simple example of the type of information that has been suggested by those investors and analysts on the next page.

We would like to understand the related information you need to perform your analysis of an entity, and how you might use that information. THIS SURVEY SHOULD NOT TAKE MORE THAN 10 MINUTES. *All responses will be treated in confidence on a non-attributed basis.* For more information about our data protection policy, please click here [Privacy Statement](#) and here [Information Statement](#).

Thank you in advance for your time and help on this topic.

1. If you do not consider debt in your analysis of an entity, please click below.

[Click here](#)

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Illustration of possible period-on-period changes in debt

Below is a table illustrating possible period-on-period movements in debt. Please note that this information is not specifically required today in IFRS.

Movement in debt (in millions)	2012	2011
At 1 January	7,905	6,525
Exchange adjustments	-25	75
Net cash flow	385	-295
Change in finance leases	235	1,600
Debt assumed from acquisitions	755	-
At 31 December	9,255	7,905

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Survey questions

Your answers do not have to be limited to, or consistent with, the examples provided in the survey questions. The more context you are able to provide around your responses the better we will understand them.

Note: Entities and investors/analysts have different definitions of 'debt'. For the purpose of the questions in this survey, the term 'debt' includes: loans, commercial paper, bonds, mortgages, and finance leases (both short-term and long-term).

Section One: Understanding debt when reviewing an entity

***2. As part of analysing an entity's debt position, do you try to understand the reasons for the period-on-period movements in that position? (This question requires an answer.)**

Yes

No

Comments (optional)

3. When looking at period-on-period movements in debt, please indicate whether you analyse the reasons for the movements in total debt only, the reasons for the movements for each of the key components, or both.

- Total debt only
- Key components of debt
- Both total debt and its key components

Comments (optional)

***4. When looking at period-on-period movements in debt, do you consider non-cash changes (eg foreign currency effects, debt assumed from acquisitions, and changes in finance leases) to be important? If yes, why? If no, why not? (This question requires an answer.)**

Yes-please explain.

No-please explain.

***5. Is the information that is currently provided about an entity's debt adequate for your purposes? (This question requires an answer.)**

Yes-please explain what that information is and where you obtain it from today.

No-please explain what additional information is necessary to perform your analysis.

***6. Where would you like to see the information that you need about debt? Check all boxes that apply. This question requires an answer.**

- In the management commentary.
- In management's investor presentations.
- In the entity's audited financial statements.
- In data providers' information.
- Elsewhere (please explain below).

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***7. Debt is not currently defined by IFRS. Defining it would increase the complexity and the timeline of any potential IASB project to amend the required disclosures about debt. If the IASB did not define debt, but required additional disclosures about what management defines as debt, would this be sufficient for your analysis? (This question requires an answer.)**

- Yes
- No-please explain below.

Section Two: How do you use information about debt?

***8. How do you use the information discussed in Section One of the survey? Check all boxes that apply. (This question requires an answer.)**

- You use it to assess an entity's liquidity, solvency, and/or financial flexibility.
- You use it as a "sense check" on changes in certain balance sheet financing items.
- You use it in other ways (please explain below).

***9. Do you regularly encounter situations where there is a significant restriction and/or cost to an entity's ability to access or move cash (eg from one territory to another, operational restrictions, etc.)? (This question requires an answer.)**

- Yes
- No

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***10. Are you able to access the information you need to assess the risk and/or cost related to any restrictions on movement of cash? (This question requires an answer.)**

Yes

No

Comments (optional)

11. If you are able to access the information you need to assess the risk and/or cost related to any restrictions on movement of cash, where do you obtain this information from today?

- Management commentary
- Elsewhere (please explain below)

***12. Adding requirements to disclose restrictions on cash will increase the complexity and the timeline of any potential IASB project. Which statement below most closely reflects your views? (This question requires an answer.)**

- I need to have information about restrictions on cash for any incremental information about changes in debt to be useful.
- Improved information about changes in debt would be useful in its own right.

Comments (optional)

13. Is there any other information regarding debt or cash that we have not discussed in this survey that you would like us to consider?

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Information about you as a user of financial statements

***14. What is your role as a user of financial statements? Check all boxes that apply. (This question requires an answer.)**

	Equity	Debt
Buy-side analyst	<input type="checkbox"/>	<input type="checkbox"/>
Sell-side analyst	<input type="checkbox"/>	<input type="checkbox"/>
Credit ratings analyst	<input type="checkbox"/>	<input type="checkbox"/>
Accounting research	<input type="checkbox"/>	<input type="checkbox"/>
Asset/portfolio manager	<input type="checkbox"/>	<input type="checkbox"/>

Other (please specify)

***15. In which region and country are you based? (This question requires an answer.)**

***16. Which sectors do you follow? Check all boxes that apply. (This question requires an answer.)**

- Basic Materials
- Consumer Goods
- Consumer Services
- Financials
- Health Care
- Industrials
- Oil and Gas
- Technology
- Telecommunications
- Utilities
- Other (please specify)

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***17. Which geographical regions do you follow or invest in? Check all boxes that apply. (This question requires an answer.)**

- Africa
- Asia-Oceania
- Europe
- Global
- Latin America
- North America-Canada
- North America-United States
- Other (please specify)

18. Are you willing to:

	Yes	No
participate in IASB-organised meetings or calls with other investors and analysts to discuss the topics in this survey?	<input type="radio"/>	<input type="radio"/>
discuss your answers on an individual basis?	<input type="radio"/>	<input type="radio"/>

If you answered 'yes' above, please provide your name and email address: