

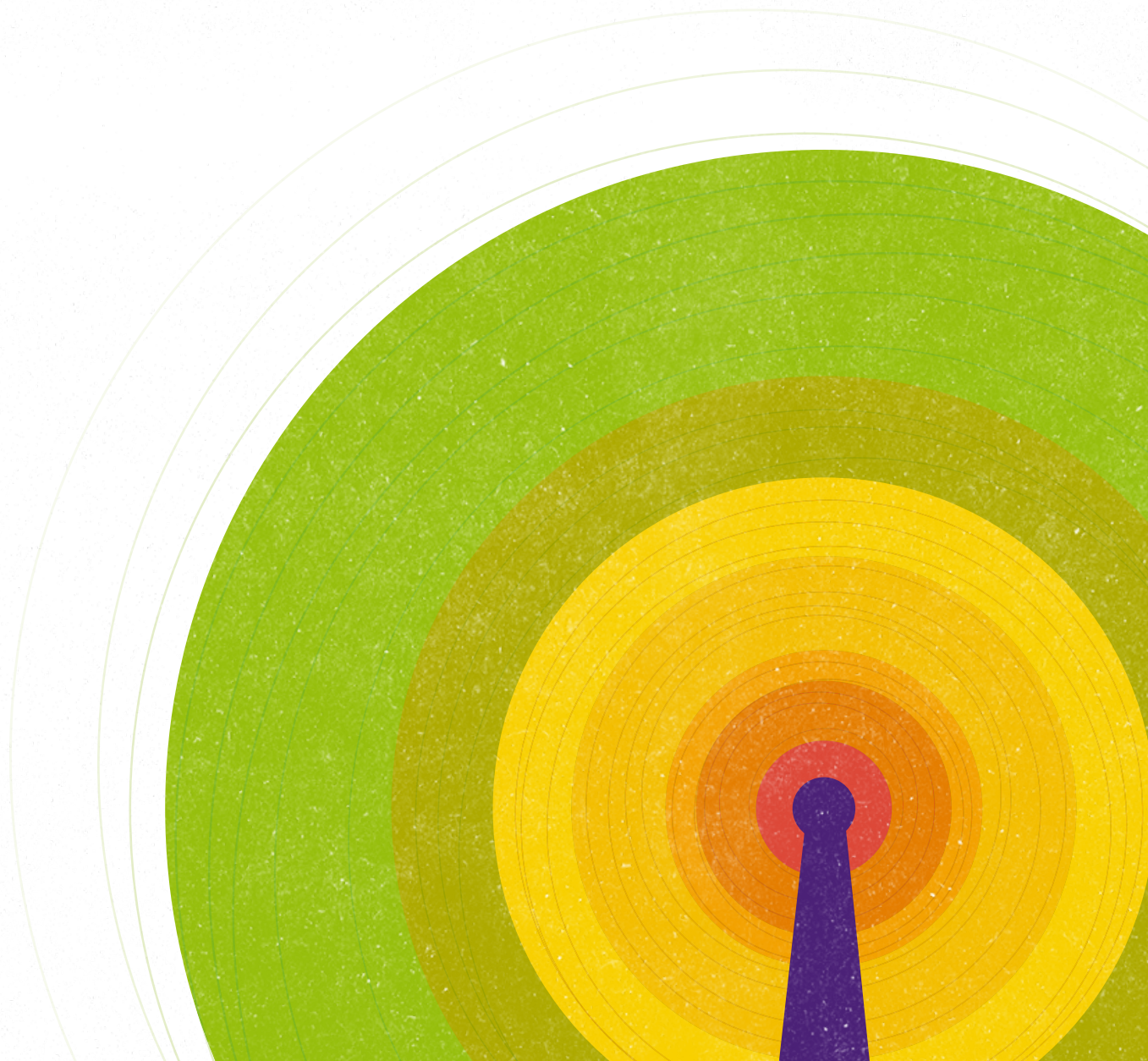


Grant Thornton

An instinct for growth™

Telling your story:

Making your financial statements
an effective communication tool



“Any intelligent fool can make things bigger and more complex... it takes a touch of genius - and a lot of courage to move in the opposite direction.”

Albert Einstein

Foreword

Your annual financial statements are a critical communication to your investors and other stakeholders. But how effective are they in meeting your stakeholders' needs?

The average length of financial statements prepared under IFRS has been growing for many years, as more disclosure requirements are added. In the near future major new IFRSs on revenue, financial instruments and leasing will add still more.

A reluctance to deviate from well-established practices has led to duplication, irrelevance and 'boilerplate'.

All this increases the burden on you – the preparers. Disclosures are added for good reasons – responding to more complex business models and transactions and investors' needs to understand them. Unfortunately, many investors complain that the result is cluttered financial statements in which the truly important information is hard to find.

The problem is not just down to the standards. Companies have struggled to apply the materiality concept to their disclosures. A fear of regulatory challenge has led companies – and their auditors – to take a 'safety-first approach'. A reluctance to deviate from well-established

practices has led to duplication, irrelevance and 'boilerplate'. Against this backdrop, many companies are taking a fresh look at their financial statements and their process for preparing them. Their goal is to refocus on the communication objective, without losing sight of the need to comply with the technical requirements.

This publication explains and illustrates how companies – with support from regulators and from the standard-setter – are doing this. We explore the four key tools you can use to better tell your story.

Andrew Watchman
Global Head IFRS
Grant Thornton International Ltd

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Summary of best practice

With encouragement from regulators and from the IASB itself, companies around the world are making innovations in their financial statements. Each company is doing so in its own way, in order to better tell its own story. However, we have identified four themes – or best practices – that are common to most companies.

The four best practices are interdependent. Each is a ‘tool’ that should be used to a greater or lesser extent depending on your circumstances. The areas where we believe you can make a difference are as follows:

Comply but communicate

Tell your story. Comply with the standards and regulations but also ensure your financial statements are an effective part of your wider communication with your stakeholders.

.....
Your financial statements are just one “piece of the puzzle” when communicating with your stakeholders.

Make them effective using the following tips:

- **Holistic approach** – in order to ensure overall effective communication, you should have a holistic approach. This means you should consider your annual report as a whole and deliver a consistent and coherent message throughout
- **Keep it simple** – provide commentary on more complex areas in plain English
- **Alternative performance measures (APMs)** – if using APMs, do so transparently, so that they do not mislead users but instead provide useful additional information that supports your story
- **Think digital** – digital reporting is evolving and more companies are addressing its increased demand. If using PDFs ensure that they are enhanced to maximize the benefits to your users.

Omit the immaterial

Make effective use of materiality to enhance the clarity and conciseness of your financial statements.

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The lack of clarity in how to apply the concept of materiality is perceived to be one of the main drivers for overloaded financial statements. Information should only be disclosed if it is material. It is material if it could influence users’ decisions which are based on the financial statements.

Your materiality assessment is the ‘filter’ in deciding what information to disclose and what to omit. Once you have determined which specific line items require disclosure, you should assess what to disclose about these items, including how much detail to provide and how best to organise the information. This is done by a filtering process as follows:

- firstly, filter #1 is to consider if the underlying item (ie the amount recognised or unrecognised, event, risk) is itself material because of its size or its nature
- if it is, filter #2 is to determine which specific disclosures (and level of detail) to provide for each item.

Re-think the notes

Re-evaluate how you organise the notes to your financial statements to improve their effectiveness as a communication tool.

Being the largest section of the financial statements, the notes can have the greatest impact on the effectiveness of your financial statements as a communication tool. Improve the effectiveness of your notes by:

- **Integrating the notes** – combine your notes to achieve more effective communication. For example, integrate your main note of a line item with its accounting policy and any relevant key estimates and judgements
- **Re-ordering the notes** – move away from the traditional order of the notes. Group notes into categories, place the most critical information more prominently or a combination of both
- **Using signposting** – assist users in navigating your financial statements through the use of effective signposting, cross-referencing and indexing.

Prioritise the policies

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies.

The aim of accounting policy disclosures is to help your investors and other stakeholders to properly understand your financial statements. To make accounting policy disclosures effective you should:

- **Disclose only your significant accounting policies** – remove your non-significant disclosures that do not add any value. Use judgement to determine whether your accounting policies are significant. Considering not only the materiality of the balances or transactions affected by the policy but also other factors including the nature of the company's operations
- **Make your policies clear and specific** – reduce generic disclosures (for example those that summarise the accounting standards) and focus on company specific disclosures that explain how the company applies the policies
- **Articulate key estimates and judgements** – effective disclosures about the most important estimates and judgements enable investors to understand your financial statements. So:
 - for estimates, focus on the most difficult, subjective and complex estimates. Include details of how the estimate was derived, key assumptions involved, the process for reviewing and a sensitivity analysis
 - for judgements, provide sufficient background information on the judgement, explain how the judgement was made and the conclusion reached.

Getting it right

In making these changes, one thing does not change. Financial reporting is a regulated activity and compliance with the requirements is a must. Getting it right requires professional expertise, care and attention to detail, proper planning and project management and fit-for-purpose systems and controls.

Comply but communicate

Tell your story. Comply with standards and regulations but also ensure your financial statements are an effective part of your wider communication with your stakeholders

Holistic approach

Your financial statements are just one part of your communication with your stakeholders. Depending on jurisdiction requirements, your annual report typically includes your financial statements, a management commentary and information about governance, strategy and business developments (often including corporate and social responsibility). There is also a growing trend towards integrated reporting.

Integrated reporting, as defined in the International Reporting Framework, is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term.

It is important you consider your annual report holistically and ensure it delivers a consistent and coherent message to your investors and other stakeholders ('users').

IFRS guidance

IAS 1 acknowledges that you may present, outside the financial statements, a financial review that describes and explains the main features of your company's financial performance and financial position, and the principle uncertainties it faces.

Many companies also present, outside the financial statements, reports and statements such as environmental reports and value added statements, particularly in industries in which environmental factors are significant and when employees are regarded as an important user group. Reports and statements you present outside financial statements are outside the scope of IFRSs.

Even though reports and statements outside financial statements are excluded from the scope of IFRS, they are not out of the scope of regulation. If you tell users what they need to know in a digestible manner you will likely be a long way to compliance with regulation.

Remember it is still important that certain required information is placed either in the financial statements or in the notes. Don't place information outside the financial statements that should be in them.



“You get little time with your investors so make it count. Tell your story clearly, concisely and authentically, and you will stand out.”

Nick Jeffery, Director – public policy, Grant Thornton International

Is your message consistent and coherent?

Although information presented outside the financial statements is not governed by IFRS, it's important that you provide a consistent message throughout your annual report. And that this message is clear. Consider the following:

- what is important to your business and what are its main objectives
- are these objectives consistent throughout your annual report
- are you emphasising the right things
- are the key messages you are addressing throughout your annual report saying the same thing
- are you using the same terminology between the financial statements and the management commentary?
For example, if you refer to the statement of financial position as the balance sheet, is this done throughout – rather than switching between the two titles
- if you are disclosing alternative performance measures (APMs), either in your financial statements or elsewhere, can they be reconciled to IFRS-based amounts
- do your key business developments leave out information that can be found elsewhere (for example, on your website)?

Example – consistent and coherent message

A company's key objective is to maximise growth. One of its key indicators in achieving this is their reported revenue. When telling their story in the annual report they discuss in the management commentary how they are progressing, comparing their targeted revenue amounts to their actual. They also discuss their intentions for the future to achieve further growth. This story links to the financial statements which have key disclosures on business combinations (including disclosures about the impact on the new business to future revenue), revenue and operating segments and subsequent events.

Best practice

Tell your story. Comply with standards and regulations but also ensure your financial statements are an effective part of your wider communication with your stakeholders

Keep it simple

Some areas of the financial statements can prove difficult for non-experts to follow and understand. Whilst you can attempt to simplify wording, sometimes in order to meet the requirements of the standards there is a limit to how much simplifying you can do. Instead, you can provide commentary on more complex areas in plain English. In doing this, you will assist users' interpretation and understanding of the financial statements.

How do you present such commentary?

In addition to the required disclosures, you can provide additional text, which is separated from the rest of the information. You can do this using tables, boxes or highlighted colours.

Example – 'keep it simple' disclosure

The example below provides the definition of a derivative and a hedged item and how the company uses such items:

Keep it simple

A derivative is a type of financial instrument the Company uses to manage risk. It is something that derives its value based on an underlying asset. It's generally in the form of a contract between two parties entered into for a fixed period. Underlying variables, such as exchange rates, will cause its value to change over time. A hedge is where the Company uses a derivative to manage its underlying exposure. The Company's main exposure is to fluctuation in foreign exchange risk. We manage this risk by hedging forex movements in effect fixing the boundaries of exchange rate changes to manageable, affordable amounts.

We recommend you explain these additional disclosures and their purpose at the beginning of the annual report. This will prevent any confusion for the reader.

Example – 'keep it simple' explanatory paragraph

Keep it simple ... explained

The aim of the 'keep it simple' text is to provide explanations of more complex areas in plain English. The Company has provided this additional commentary to assist the readers' understanding and interpretation of the financial statements.

Be transparent with your APMs

APMs are performance metrics that are either not defined in IFRS, or are calculated differently from the requirements in IFRS. Many companies disclose APMs in the financial statements or elsewhere in the annual report. Examples include:

- revenue including share of joint ventures and associates
- EBITDA
- measures of profit that exclude certain items.

IFRS guidance

Although APMs are not defined in IFRS, it does provide some limited guidance in this area.

IAS 1 requires companies to disclose additional 'headings and subtotals' in the statement of profit or loss and other comprehensive income when relevant to understanding the entity's financial performance. Recent changes to IAS 1 require that, these amounts should be:

- made up of amounts recognised and measured in accordance with IFRS
- presented and labelled clearly and understandably
- consistent from period to period
- be displayed with no more prominence than the required subtotals and totals.

The Basis for Conclusions to IAS 1 (BC56) discusses operating profit (which is not defined in IFRS). When a company includes such a subtotal for results of operations,

it should include all expenses and income that are of an 'operating nature' – even if some items occur irregularly or infrequently or are unusual in amount. For example, it would be inappropriate to exclude items clearly related to operations such as inventory write-downs and restructuring and relocation expenses. Similarly, it would be inappropriate to exclude items on the grounds that they do not involve cash flows, such as depreciation and amortisation expenses.

There is also guidance in IAS 33 regarding alternative earnings per share calculations. Alternative EPS amounts must use the same denominator and must be disclosed in the notes to the financial statements (however disclosing on the face of the statement of financial performance is not prohibited) with basis and diluted amounts having equal prominence.

Why are they an issue?

- the use of APMs is increasing
- APMs can help in telling your story when used appropriately. But by contrast, non-transparent, inconsistent or selective use causes confusion
- regulators are taking more of an interest and challenging companies that, in their view, are using APMs inappropriately
- APMs can be good if they are used by management to monitor the business and make decisions over time
- APMs can be bad if they are used to mask underlying performance or show the company in an inappropriately flattering light.

Best practice

Tell your story. Comply with standards and regulations but also ensure your financial statements are an effective part of your wider communication with your stakeholders

If using APMs, what should you do?

Best practice principles you should consider when using APMs are to:

1. Define your APMs and explain the basis of how they are calculated. Some APMs may be self-evident, but others could have a variety of possible methods of calculations
2. Explain why you are using particular APMs
3. Label your APMs clearly and distinguish them from IFRS disclosures
4. Ensure your measures are unbiased, for example, non-recurring gains should be treated in the same way as non-recurring losses and that you are being transparent with your definition of 'non-recurring'
5. Reconcile to IFRS disclosures if its not immediately clear where the numbers come from
6. Use your measures consistently each year and explain any changes to the disclosures, together with reasons. Make adjustments consistent with those made to comparatives
7. Avoid presenting the APMs with more prominence than the IFRS disclosures
8. Include comparative disclosures for all APMs (with reconciliations).

These best practice principles are consistent with those issued by the European Securities Markets Authority (ESMA) in June 2015. ESMA regulates EU financial markets.

Example – reconciliation to an IFRS disclosure

In a company's management accounts they include an adjusted EBITDA calculation. As this is not required by IFRS, they use APMs to add this in. As it is not directly reconcilable to an IFRS line item, they provide a reconciliation as follows:

| | 2015 | 2014 |
|---|------|------|
| Profit before tax | X | X |
| Add back: | | |
| Net interest expense | X | X |
| Depreciation | X | X |
| Amortisation | X | X |
| EBITDA | X | X |
| Cost adjustments: | | |
| • impairment of other intangibles | X | – |
| • debt issue costs | – | X |
| Income adjustments: | | |
| • profit on disposal of investment property | X | – |
| Adjusted EBITDA | X | X |

IFRS guidance – future developments

The IASB is conducting a research project called the 'principles of disclosure'. The objective of this project is to improve existing guidance in IFRS that helps companies determine the basic structure and content of a complete set of financial statements.

The focus is on reviewing the general disclosure guidance in IAS 1 and IAS 8. The aim is to develop a Disclosure Standard that improves and brings together the principles for determining the basic structure and content of the financial statements, in particular the notes.

Think digital

Digital reporting is evolving. Many people still prefer to read a printed annual report. However, more people are using a digital format to read them. Therefore more companies are addressing this increased demand for digital reporting by focusing on the computerised version.

There are many digital options available as potential formats to read reports. For example, XBRL, PDF, taxonomy, data tagging, use of apps, etc. The most common format is currently PDF's and so this is the focus of this section.

PDF versions of the annual report are usually the same version of the report as a printed version, which you can then enhance to achieve a more superior document.

What are the advantages of PDF?

Your primary users can:

- download them
- store them easily and retain multiple years of reports together
- use the search function, enabling them to type key words and jump to these words instantly
- print the report or part of the report as necessary, they do not need to print the whole document at once
- access the report on most devices including tablets and smart phones
- gain instant access to the report resulting in it being more timely than a printed copy.

Examples of ways to enhance PDFs:

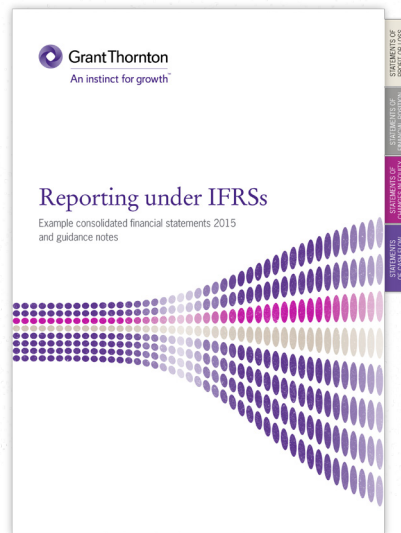
- use navigational tools (including hyperlinks) to jump to different pages of the document (see below for some navigational tools)
- consider the onscreen format as well as the printable format. Landscape orientation is often a preferred format for viewing documents on screen
- ensure the printable format will be easy to read, if your users decide to print the PDF in black and white
- make your PDF interesting. Continuous text is hard to read on screen, so using tables or infographics are two ways to break up the text and add some interest to the page
- keep the report as one PDF, rather than breaking it into sections. This will enhance your users ability to search
- use the security features to enable users to gain assurance that the information has not been manipulated.

Best practice

Tell your story. Comply with standards and regulations but also ensure your financial statements are an effective part of your wider communication with your stakeholders

Ways of using navigation tools within PDFs

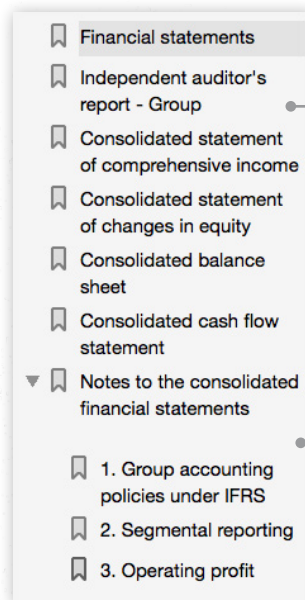
Using navigational tools will enable users to find disclosures or pages quickly. One option is to insert tabs at the top, bottom or sides of the document to direct the user to key parts of the annual report. This could be the key primary statements (as demonstrated in the example opposite), or different parts of the annual report. For example, strategic report, directors report, financial statements etc.



Tabs containing hyperlinks to navigate the users to the appropriate page

Use colour schemes to highlight these tabs so they can be easily spotted

Another tool which you could use is the bookmark function. You can insert bookmarks into your document and they will appear at the left hand side of the screen. The example here demonstrates what your bookmark could look like and how you can add layers. For example, within the report there are multiple sections, including the financial statements. The next layer bookmarked is the main headings within financial statements (ie the primary statement headings and the notes) and finally the next layer is each individual note.



Use bookmarks to jump to certain pages within the report

Use layers within each section to add further direction to specific areas

Omit the immaterial

Make effective use of materiality to enhance the clarity and conciseness of your financial statements

The concept of materiality is used throughout financial reporting and auditing. Put simply, information is material if it could influence the decisions made by users which are based on your financial statements.

Using materiality when deciding how to account for transactions is familiar. For example, some companies use a ‘capitalisation threshold’ below which purchase of property, plant and equipment is expensed immediately. But materiality also acts as a ‘filter’ in deciding what information to disclose – and what to omit. This filtering process is the focus of this section.

Why is materiality an issue?

The disclosures in IFRS are voluminous. Some are labelled as ‘minimum’ requirements. Some Standards set out a disclosure objective along with examples of the types of information that might meet the objective. In all cases, however, you don’t need to disclose information if it’s immaterial.

Traditionally, however, many companies have taken a checklist approach. Why is this? It can seem easier to simply include a disclosure than to make a difficult judgement about whether it’s material. The incentives – such as the risk of regulatory challenge – have traditionally been slanted towards a ‘safety-first’ approach. But the tide is now turning. The new consensus is that including immaterial information is not only unnecessary – it actually reduces the usefulness of your financial statements.

IFRS guidance

IAS 1 defines materiality as follows:

‘Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.’

What information should you disclose?

In deciding what information to disclose, it can be useful to think about the broad types of disclosure that IFRS requires. Most IFRS disclosures can be classified into four types:



Analysis of amounts in the primary statements



Event-driven disclosures



Unrecognised items



Risks and uncertainties

The table shows examples of the types of disclosure under each category:

| | |
|---|---|
| <p>Analysis of amounts in the primary statements</p> <ul style="list-style-type: none"> • components of line items • reconciliations and roll-forwards • explanations of balances • assumptions and valuation methods. | <p>Event-driven disclosures</p> <ul style="list-style-type: none"> • business combinations • discontinued operations • post-balance sheet events • related party transactions. |
| <p>Unrecognised items</p> <ul style="list-style-type: none"> • operating lease commitments • capital commitments • contingent liabilities • deferred tax not recognised • alternative measures. | <p>Risks and uncertainties</p> <ul style="list-style-type: none"> • risk disclosures • sensitivity analyses • going concern. |

How should you assess materiality?

Some materiality assessments are straightforward. For example, you would not disclose information about share-based payment plans if your company has no such plans.

You should also think about removing some other types of disclosure even though they may be considered useful.

Disclosures you should consider removing:

- disclosures about transactions types that the company no longer engages in
- 'nil disclosures' (eg disclosures such as 'The company has no contingent liabilities that require disclosure')
- movement reconciliations of balance sheet items when there are no movements
- event-driven disclosures when the event occurred in the prior period (unless there continues to be a significant impact or movement in the current year)
- information provided elsewhere in the annual report that IFRS permits to be included by cross-reference
- information not needed by users.

Conversely, a few disclosures are almost always considered material in practice.

Disclosures that are almost always material:

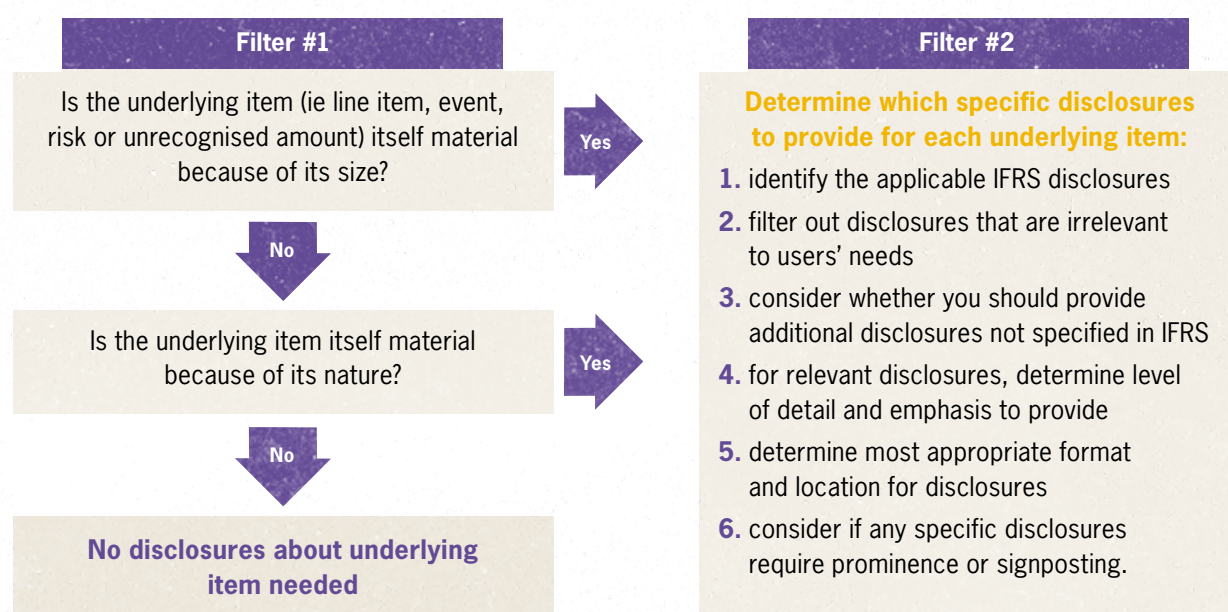
- key management personnel compensation
- related party transactions
- significant uncertainties about going concern.

Best practice

Make effective use of materiality to enhance the clarity and conciseness of your financial statements

The challenge lies in deciding what to disclose about an underlying transaction or line item that is itself material. This is not just an ‘in or out’ decision. It might be appropriate to provide only some of the disclosures in the applicable IFRS. Decisions also need to be taken about how much detail to provide and how best to organise the information.

The flowchart outlines your high-level decision-making process. You could think of the process as applying two ‘filters’ – the first one assessing the underlying item, and the second the specific disclosure relating to that item:



How can you apply these two filters when deciding what to disclose?

Filter #1 – Material because of the size of the underlying item

Most disclosures provide more information about an ‘underlying item’ (eg a line item, unrecognised amount, risk or event). The size-based materiality assessment therefore looks to the underlying item, not the disclosure itself.

In practice some companies might use quantitative ‘benchmarks’ as a starting point for their assessment, but there are no ‘hard and fast’ rules. A simple benchmark, such as a percentage of profits or total assets/liabilities, may not tell the full story.

Example – contingent consideration

A company has acquired a business and some of the consideration is an ‘earn-out’ arrangement. The liability for the earn-out is measured at fair value as required by IFRS 3 ‘Business Combinations’. The valuation uses both observable and unobservable inputs. The fair value of the liability at year-end is only 2% of total liabilities and is not considered material. However, the total amount that might be payable could be up five times higher, depending on future results. As a result, the company provides information about the fair value estimate in accordance with IFRS 13 ‘Fair Value Estimates’.

It is equally important to consider materiality on both an individual and a collective basis. Some items may be immaterial in isolation, but when combined with other similar items the effect might be material:

Example – capital commitments

A company has committed to purchase several items of property, plant and equipment. Individually each purchase is immaterial. However, the total amounts to a material commitment for the company and therefore some disclosure should be made regarding this commitment.

Filter #1 – material because of the nature of the underlying item

In making this judgement the key considerations include:

- your 'primary' users and their needs
- an inside and outside view
- what's new, changed or unusual?

Primary users and their needs

Your financial statements are used by a wide range of stakeholders. 'Users' can include institutional (current and potential) investors, private investors, lenders, other creditors, customers, employees and regulators. But it is sometimes possible to identify a 'primary' class of users and the type of information that is most important to them.

We will not pretend this is simple or will yield clear-cut conclusions. Users are a diverse group and most disclosures could be relevant to all of them. However, when deciding on the level of detail, emphasis and prominence of your disclosures, thinking about your primary users' needs can provide useful insights:

Example – smaller quoted company

A smaller quoted company has analysed the composition of its users. It concludes that the primary users are institutional investors that specialise in 'small cap' investments across a range of industries. These investors' stated objective is to identify early-stage investments with strong growth prospects and invest for the longer-term.

As a result management decides to put greater emphasis on forward-looking disclosures. These include event-driven items (eg business combinations and discontinued operations) and information about risks and uncertainties.

Best practice

Make effective use of materiality to enhance the clarity and conciseness of your financial statements

Inside and outside view

If a transaction, event or risk is significant to management it's probably also important to your stakeholders. Your financial statements give you the opportunity to provide an insight into your business through management's eyes. This is what we mean by an inside view:

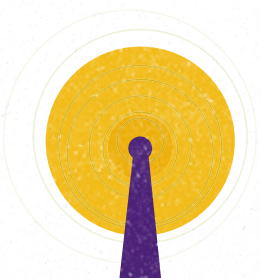
Example – new revenue stream

A company in the software sector has communicated to its stakeholders a strategic intention to focus its new development efforts in cloud-based solutions. In a particular financial year cloud-based revenues are less than 5% of the total but have grown rapidly. The company therefore decides to provide separate disclosure about this revenue stream in accordance with IFRS 8 'Operating Segments' even though other revenue streams of similar size are typically combined into an 'other revenue.'

Equally, your users will want to understand whether and how significant outside developments affect your business even if the current period financial impact is minor. Outside developments can include industry/market trends and events and the impact of events in the local or national economy.

Example – environmental legislation

A company operates in the mining sector and has operations in a country that has introduced new environmental regulations. As a result, several competitors have recognised increased provisions for environmental clean-up costs. Management has determined that the business has a relatively small exposure and that the additional provisions are not material. However, management makes a judgement about their users' needs in understanding this issue and determined that some disclosure was necessary in view of the high profile of this issue.



Insight

Your financial statements give you the opportunity to provide an insight into your business through management's eyes

What's new, changed or unusual?

An unusual or new type of transaction is more likely to be material than a routine or regularly occurring transaction of the same size.

IFRS guidance – 'unusual' items

IAS 1 provides some examples of items considered 'unusual' that could warrant disclosure that may otherwise fall below materiality thresholds:

- write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs
- restructurings of the activities of an entity and reversals of any provisions for the costs of these restructurings
- disposals of items of property, plant and equipment
- disposals of investments
- discontinued operations
- litigation settlements
- other reversals of provisions.

Example – investment impairment

A group has a 15% equity interest in an unlisted company, which is a supplier of the group. The unlisted company has undergone a restructuring which has resulted in possible litigation and therefore the group recorded an impairment in the value on the investment.

Whilst the amount is not material, the expense is unusual. In addition, as the investment relates to a supplier of the group, it is likely this information would also interest the primary users. Therefore the group should disclose the amount of the impairment.

Filter #2 – specific disclosures to provide

It is not always necessary to disclose all the information specified in a Standard just because the underlying item is material. Deciding which specific disclosures to provide is the second 'filter' referred to in the flowchart.

Disclosure requirements for some underlying items are straight forward, you either disclose the event or amount or you don't. For example, if you have significant post-balance date events then these must be disclosed.

Example – capital commitment

Continue from the previous example in filter #1 where a company has committed to purchase items of property, plant and equipment. The company is unsure how much disclosure is needed due to the circumstances described in the previous example.

As the commitment is only material in aggregate, management can make an aggregated disclosure, they do not need to list all items separately. They can disclose just the total commitment they have for property, plant and equipment at the balance sheet date.

Best practice

Make effective use of materiality to enhance the clarity and conciseness of your financial statements

Other disclosures will require more consideration.

Example – tax reconciliation

A company operates in a single tax jurisdiction. Its tax affairs are relatively simple and it doesn't have significant non-taxable income, non-deductible expenses or unrecognised deferred tax. As a result the company's effective tax rate is similar to its statutory tax rate. The current year tax charge and tax balance are material in terms of size.

Because the tax charge and tax balances are material, the company provides disclosures in accordance with IAS 12 'Income Taxes'. However, management concludes that the IAS 12 tax reconciliation is not relevant because:

- the effective tax rate is similar to the statutory tax rate - which is disclosed
- providing this additional information would not be relevant to a users understanding of the company's financial performance.

Example – tax expense

Taking a similar example as above. A company with simple tax affairs, however this time the current year tax expense is not material in terms of its size.

Initially management may conclude that the tax reconciliation disclosures under IAS 12 are not required due to the size of the expense. However, profits are high and the effective tax rate is much lower than the statutory tax rate. Therefore management conclude they need to provide a tax reconciliation in accordance with IAS 12.

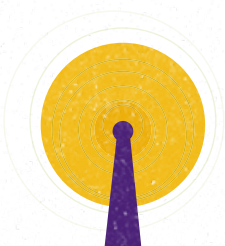
IFRS guidance – future developments

The IASB has issued an 'exposure draft' of a new practice statement 'Application of materiality to financial statements'. The aim is to help management apply the concept of materiality. The scope of the draft is the financial statements as a whole, not only the notes. The draft statement provides guidance in the following three main areas:

- characteristics of materiality

- how to apply the concept of materiality when making decisions about presenting and disclosing information in the financial statements
- how to assess whether omissions and misstatements of information are material to the financial statements.

The key messages in the draft are in line with this publication. The new practice statement – when finalised – should however give you some useful further guidance.



Insight

It is not always necessary to disclose all the information specified in a standard just because the underlying item is material

Re-think the notes

Re-evaluate how you organise the notes to your financial statements to improve their effectiveness as a communication tool

The disclosures (or notes) are the largest section of your financial statements. As such they can have the greatest impact on the effectiveness of your financial statements as a communication tool.

Many companies have been experimenting with the traditional way of organising the notes in order to better tell their story and emphasise the most important information. This section considers some of the emerging practices. We discuss:



Integrating the notes



Re-ordering the notes



Signposting

IFRS guidance

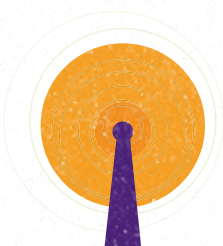
IAS 1 explains that the overall objectives of the notes to the financial statements are to:

- present information about the basis of preparation of the financial statements and the specific accounting policies used (refer to separate accounting policies section)
- disclose the information required by IFRS that is not presented elsewhere in the financial statements
- provide information that is not presented elsewhere in the financial statements but is relevant to an understanding of them.

IAS 1 requires that your notes are presented in a 'systematic manner', as far as practicable. Following the amendments made as part of the IASB's disclosure initiative, however, the standard is more flexible on how to achieve this. It gives examples of the possible alternatives to the 'traditional' ordering:

- a) by giving prominence to the areas of activities that are considered to be most relevant to understanding its results and position, for example by grouping together information on the same operating activities
- b) by grouping together information about items measured similarly such as assets measured at fair value.

In deciding on your approach, IAS 1 explains that you should consider the effect on the understandability and comparability of your financial statements.



Insight

Note disclosures can have the greatest impact on the effectiveness of your financial statements as a communication tool

Integrating the notes

You are not required to have separate notes for each material line item in the primary statements. Nor do you need separate notes to meet requirements from different standards. Notes can be combined in different ways to achieve a more effective communication.

For example, you can combine a note that sub-analyses a balance sheet line item, information about the accounting policy and any critical estimates and judgements affecting that item.

Included below is a 'before and after' comparison of a traditional presentation style with an integrated note approach, using inventory as an example:

Before – traditional approach

Firstly, in the 'Accounting policies' section:

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

And lastly in the 'Inventories' note:

Inventories

Inventories consist of the following:

| | 31 December 2015 | 31 December 2014 |
|-------------------------------|---------------------|---------------------|
| Raw materials and consumables | 7,737 | 7,907 |
| Merchandise | 10,561 | 9,319 |
| | 18,298 | 17,226 |

In 2015, a total of CU 35,265 (2014: CU 32,907) of inventories was included in profit or loss as an expense. This includes an amount of CU 361 (2014: CU 389) resulting from write-down of inventories.

Secondly, in the 'Significant judgements and estimates' sub-section:

Estimation uncertainty - Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Best practice

Re-evaluate how you organise the notes to your financial statements to improve their effectiveness as a communication tool

After – an integrated note

So all the related information is together, you could combine the three notes previously illustrated into one note, as follows:

4. Inventories

4.1 Accounting policy
 Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

4.2 Significant estimation uncertainty
 Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Inventories consist of the following:

| | 31 December 2015 | 31 December 2014 |
|-------------------------------|---------------------|---------------------|
| Raw materials and consumables | 7,737 | 7,907 |
| Merchandise | 10,561 | 9,319 |
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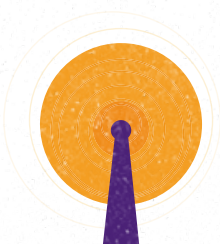
In 2015, a total of CU 35,265 (2014: CU 32,907) of inventories was included in profit or loss as an expense. This includes an amount of CU 361 (2014: CU 389) resulting from write-down of inventories.

● Include everything in the same place so it is easy to locate information

● Use colours to highlight significant estimates and judgements and accounting policies

● The same information is being presented, however is condensed as it is all together

Whilst the information provided is the same, an integrated approach gives your users all the information they need in one place.



Insight

An integrated approach provides all the same information as the traditional approach but gives your user all the information they need in one place

Another aspect of integrating the notes is to combine all information about a specific type of transaction, or group of related transactions, in a single note. This is well-established in some areas such as tax – many companies combine information about the tax expense with information about current and deferred tax balances. Some other possible examples include:

Example – goodwill and intangible assets

A company has significant goodwill and intangible assets as a result of several business acquisitions. During the year one of these business acquisitions made significant losses and as a result an impairment was recorded in the goodwill balance. The company decided to place its goodwill, intangible assets and impairment notes together so this event (which is a significant part of their story) could be easily explained all in the same place.

Example – employee benefits

A company who has a significant employee remuneration expense decided to place all its disclosures about its employees (including share-based payments, post-employment benefits and key management personnel compensation) all in the same place. This enabled them to provide a breakdown of the employee remuneration expense and then explain each component part and their key assumptions made. Thus having information relating to employees and key management personnel together.

Using visual elements, for example, colour boxes or different fonts, you can draw attention to certain aspects of the notes. Key risks, assumptions, accounting principles, significant changes, estimates or judgements could all be highlighted in this way.

Best practice

Re-evaluate how you organise the notes to your financial statements to improve their effectiveness as a communication tool

Re-ordering the notes

Traditionally companies have organised the notes starting with accounting policies (including information about key judgements and estimates), then notes to each primary statement in the order of the line items in those statements, and finally other notes such as post-balance date events.

The traditional approach has its merits. However, alternative structures may help you to tell your story more effectively, and emphasise the information you consider most important to your users. As noted, IFRS also offers scope to present notes in the order that best suits your business and the users of your financial statements.

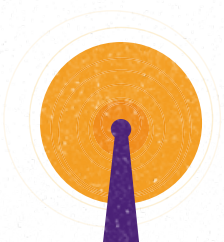
The basis for re-ordering is normally to:

- group notes into categories that cover related areas
- place the most critical information more prominently
- a combination of both.

Categorising your notes

There are several categories you could consider when grouping related notes. In some instances, notes may fall into more than one category, so you would need to pick the category that is most appropriate given the circumstances of your business.

| Category | Examples of notes that could fall into these categories |
|-------------------------------------|---|
| significant transactions and events | assets classified as held for sale and discontinued operations, business combinations, related party transactions |
| group structure | subsidiaries, associates and joint ventures |
| risk management | financial instruments risk, financial assets and liabilities, fair value measurement |
| group performance | revenue, expenses, dividends, earnings per share, income tax |
| operating assets and liabilities | receivables, payables, inventories, provisions |
| unrecognised items | commitments and contingencies, post balance date events, operating leases |



Insight

Re-ordering your notes may help you tell your story more effectively, and emphasise the information you consider most important to your users

Signposting

Signposting enables your users to easily find the information they need. This becomes even more important if you adopt a non-traditional approach to the notes or if your financial statements are very large.

Providing cross-references from the primary statements to related notes is of course well-established and is required by IAS 1. However, additional cross-references can help when information has been re-ordered or relocated:

Example – critical estimates and judgements

Information about critical estimates and judgements in applying the Group's accounting policies is included in the related notes as follows:

- **goodwill and fair value of assets acquired** – see note 11
- **provisions** – see note 17
- **pension obligations** – see note 12
- **impairment** – see note 21.

Cross-referencing to external information is a way you can refer readers to complementary data outside the annual report, for example on the company's website. This information isn't necessary to comply with its statutory requirements, it is there as additional information which complements the financial report. You don't need to state this when providing the cross-reference, it should be obvious from the nature of the information.

Signposting to outside the financial statements can be to:

- standing data (eg Share option terms)
- additional information supporting financial statement disclosures
- other connected but non-financial data.

IFRS guidance

Most standards do not allow material disclosures to be placed outside the financial statements. However, IFRS 7 allows descriptions of risks to be placed outside the financial statements. IFRS 7.21B explains that companies should present the required disclosures in a single note or separate section in its financial statements. However, a company need not duplicate information that is already presented elsewhere, provided that the information is

incorporated by cross-reference from the financial statements to some other statement. For example, a management commentary or risk report, and this should be available to users of the financial statements on the same terms as the financial statements and at the same time. Without the information incorporated by cross-reference, the financial statements are incomplete.

Best practice

Re-evaluate how you organise the notes to your financial statements to improve their effectiveness as a communication tool

Example – business combinations

On 31 March 2015, the Group acquired 100% of the equity instruments of Goodtech GmbH (Goodtech), a Hamburg (Euroland) based business, thereby obtaining control. The acquisition was made to enhance the Group's position in the online retail market for computer and telecommunications hardware in Euroland. Goodtech is a significant business in Euroland in the Group's targeted market. For a company profile of Goodtech GmbH and more details of the company's activities, please refer to our website: www.illustrative corp.com/goodtech

Finally you can direct users to where you have positioned your notes. You can use this as an index to demonstrate how the notes have been grouped. For example, this indexing is illustrated in a table format below:

Example of indexing

| Corporate information and basis of information | Significant transactions and events | Group business, capital and risk management | Statement of financial position | Statement of comprehensive income |
|--|---|---|---|---|
| 1 Nature of operations | 4 Acquisitions and disposals | 8 Subsidiaries | 14 Goodwill and other intangible assets | 20 Segment reporting |
| 2 General information and statement of compliance with IFRSs | 5 Disposal groups classified as held for sale and discontinued operations | 9 Investments accounted for using the equity method | 15 Property, plant and equipment | 21 Finance costs and finance income |
| 3 Changes in accounting policies | 6 Related party transactions | 10 Earnings per share and dividends | 16 Trade and other receivables | 22 Tax expense |
| | 7 Post-reporting date events | 11 Equity and capital management | 17 Cash and cash equivalents | 23 Employee remuneration |
| | | 12 Financial instruments risk | 18 Deferred tax | |
| | | 13 Fair value measurement | 19 Trade and other payables | |

Prioritise the policies

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies

The disclosure of significant accounting policies is often the longest note in the financial statements. Done well, this disclosure helps your investors and other stakeholders to properly understand your financial statements. Done badly, it contributes to clutter without adding value. You should ask whether your accounting policy disclosures:



Cover the transactions and balances that are significant to your company?



Are positioned in the financial statements in a way that best meets your users' needs?



Remain relevant or need updating?



Capture your key judgements in applying your policies and your major sources of estimation uncertainty?



Are specific to your company?



“Producing good quality disclosures takes time. Planning in advance reduces the risk of boilerplate repetition from prior years and provides an opportunity to reflect on what really matters to users.”

Make them significant

Deciding which accounting policies are significant requires judgement. It's not just about whether the numbers are large. In assessing significance you should of course consider the materiality of the balances or transactions affected by the policy, but also:

- the nature of the company's operations – even if amounts involved are not material
- whether your company has selected a policy among alternatives provided by the relevant standard (for example, the revaluation model for property, plant and equipment)
- the extent of judgement, estimation uncertainty or complexity involved in applying the policy
- your user's needs and expectations.

IFRS guidance

IAS 1 explains that a complete set of financial statements includes notes, which comprise significant accounting policies and other explanatory information. However, the Standard gives only limited guidance about what a significant accounting policy could be:

- a) the measurement basis(es) used in preparing the financial statements, and
- b) the other accounting policies used that are relevant to an understanding of the financial statements.

In December 2014, the IASB amended IAS 1 as part of their 'Disclosure Initiative' project. The revised guidance explains that a company should consider:

- the nature of its operations, and
- the policies that its users of the financial statements expect to see.

The IASB also removed wording that had been interpreted to mean that policies on income tax and foreign currency translation would always be significant. Following this change, you should assess whether these policies are significant in the same way as any other policy.

Practical tip – revenue recognition accounting policies

Revenue – the 'top line' – is the most important line item for most companies. Naturally, most companies therefore disclose their revenue recognition accounting policy. However, companies with multiple revenue streams sometimes cover them all with a single policy. This is a concern for investors and also for regulators. Your revenue recognition accounting policy should therefore:

- be clear and specific
- address each significant revenue stream separately.

If you conclude certain policies are not significant, these should be removed. You can then focus on the significant policies. The key is then to provide clear and specific information not just on the policy itself, but also on how you apply it.

Best practice

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies

Be clear and specific

We are seeing an evolution in this area. Traditionally, many accounting policy disclosures simply summarise the relevant accounting standard. Some commentators describe this as an example of ‘boilerplate’.

Companies are increasingly looking to cut back on this type of generic disclosure and focus on the specifics. We are not suggesting you cut out every generic disclosure – judgement is needed as to your investors’ and stakeholders’ knowledge of the standards. But we do believe that the real value and insight comes from explaining how you apply your significant policies.

What is a generic accounting policy disclosure?

Generic accounting policy disclosures are those that simply summarise the accounting standard. They don’t distinguish between companies. They say nothing that couldn’t be found out from simply reading the standard or acquiring a basic knowledge of IFRS. Such disclosures are often rolled forward unchanged from one year to the next.

Example – generic accounting policy disclosure

Note x.x Deferred Tax

Deferred income tax is recognised for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting or taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The example is not technically ‘wrong’. However, it simply summarises the principles of IAS 12 ‘Income Taxes’. It says nothing about how the company actually applies IAS 12, even though accounting for deferred taxes depends on the specific circumstances of the company and requires judgement in some areas. For example, if a company has carried-forward tax losses, how does it determine whether sufficient future taxable profits will be available against which to offset these losses?

What is a specific accounting policy disclosure?

Company-specific accounting policy disclosures:

- explain how the company applies the policy
- include any management judgement and/or estimation that is involved in applying the policy (see below for more on key estimates and judgements)
- are written in plain English so they are easily understood

- are up-to-date in terms of IFRS requirements and the business
- state if the company made a policy choice from the Standard and why this choice was made.

If necessary, you should amend the wording of accounting policies from one year to the next. As long as the principles don’t change, this won’t result in additional “change in accounting policy” disclosures.

Example – specific accounting policy disclosure

Note x.x Deferred Tax
Taxable temporary differences arise on certain brands and licenses that were acquired in past business combinations. Management considers that these assets have an indefinite life and are expected to be consumed by use in the business. For these assets deferred tax is recognised using the capital gains tax applicable on sale.

company-specific

includes management judgement

explains how it is applied

This disclosure is company-specific, and explains how management applies the policy.

Are the accounting policies appropriately placed in the financial statements?

Traditionally, companies place a summary of significant accounting policies as the first note in the financial statements (ie as 'note 1'). However, we are seeing some companies starting to experiment with this. Some alternatives are to:

- include each policy with the note to which it relates (see 're-think the notes' for an example of this)

- place only the most critical policies and any key changes in note 1, and relocate other significant policies to the end of the financial statements or to an appendix
- split new accounting policies from standing (unchanged) data.

IFRS guidance

In the Amendments to IAS 1 – 'Disclosure Initiative', the IASB have removed the references to 'the summary of' significant accounting policies. This clarifies that companies do not need to disclose significant accounting policies in one note, but instead can include them with related information in other notes.

How can you group accounting policies?

If you opt to continue to have all the accounting policies in one note, you can choose to categorise them into groups. This will focus the users on those policies that they particularly want to read.

You can group accounting policies by:

- policies that have changed from the prior year
- those that are new policy choices for the company
- those relating to new accounting standards
- policies that are key to group activities
- those requiring a choice under IFRS
- policies relating to different primary statements.

Best practice

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies

Articulate key estimates and judgements

Making estimates and judgements is an integral part of preparing financial statements. Effective disclosures about the most important estimates and judgements enable investors to understand your financial statements. However, given the pervasiveness of estimates and judgements, deciding which to disclose – and what to say about them – can be challenging.

How should you disclose key estimates?

Most of the numbers in your financial statements are based on estimates to some degree – even relatively simple amounts such as depreciation and the cost of inventories. Several of these estimates involve predictions about the future. Many estimates are routine and the range of reasonably possible alternative outcomes is small. However, investors and other stakeholders need to know more about the major sources of estimation uncertainty to properly understand the financial statements.

IFRS guidance

IAS 1 explains the overall requirements for disclosures about estimates. The focus is on assumptions you make about the future, and other major sources of estimation uncertainty at the end of the reporting period, when there is a significant risk of a material adjustment within the next financial year.

IAS 1 requires disclosure about the assumptions made and the nature and carrying amounts of the assets and liabilities affected. It does not prescribe the exact information you should disclose about these assumptions but gives examples of the types of information:

- the nature of the assumptions
- sensitivity of carrying amounts
- expected resolution/range of reasonably possible outcomes
- changes made to past assumptions.

Some standards also include disclosure requirements about particular estimates. For example:

- IAS 36 'Impairment of Assets' specifies disclosures about impairment testing
- IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' requires disclosures about uncertainties and major assumptions affecting provisions
- IFRS 13 'Fair Value Measurement' requires information about how fair values have been estimated.

One of the most common pitfalls is to describe several balances or amounts that are based on estimates, but provide little or no information about the estimates themselves. In addition, disclosures about the underlying assumptions, how actual outcomes compare to past assumptions and sensitivity analysis of reasonably possible changes are also frequently omitted.

Example – weak disclosure about estimation uncertainty

Key estimate: net realisable value of inventory

The Group reviews net realisable value (NRV) of its inventory regularly to provide assurance that it is stated at the lower of cost and NRV. Factors that could affect NRV include technological changes, competitor actions and market trends. Changes in the net realisable value of inventory could affect profit in a future period.

As a general observation, we think many financial statements could be improved by providing better information about fewer estimates. Your focus should be on the most difficult, subjective and complex estimates with a significant risk of material adjustment in the next 12 months.

Example – better disclosure

Key estimate: net realisable value of inventory

The key assumptions, which require the use of management judgement, are estimated costs to sell and the expected selling price. These key assumptions are reviewed annually. The total expense relating to inventory write-downs during the year was CU19m (2014: CU51m).

The 2015 write down has returned to broadly historical levels, after the third biggest stock item became obsolete in 2014 due to technological advances as reported last year. If the average selling prices were to decline by 5% an additional write-down of CU2.5m would be required.

Based on prior years and considering the current economic environment, expected selling prices have reduced on average 1.5% but costs to sell remain unchanged.

key assumptions

review process

relevant figures

explains trends

sensitivity analysis

This is an improved disclosure because it includes key assumptions in general terms, process for reviewing, numbers and sensitivity.

Best practice

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies

How should you disclose key judgements?

IFRS is a principle-based set of accounting standards, and applying principles requires judgement. The outcome of your judgements can have a major effect on your reported results and financial position. But judgement, however soundly made, is inherently subjective. It is therefore inevitable that different people – acting diligently and in good faith – sometimes make different judgements on similar ‘fact patterns’. Accordingly, your investors and other stakeholders need to understand your critical judgements in order to understand your financial statements.

IFRS guidance

IAS 1 provides general guidance on disclosures about judgements. Other standards, such as IFRS 12 ‘Disclosure of Interests in Other Entities’, supplements IAS 1 by requiring disclosure about particular judgements.

You should disclose the judgements that you make in the process of applying your accounting policies and that have the most significant effect on the amounts recognised in the financial statements. These can be disclosed in either the accounting policies or the notes to the financial statements.

Practical tip – judgements versus estimates

IAS 1 distinguishes between judgements and sources of estimation uncertainty. In practice, however, we observe that many companies’ disclosures blur the line.

A ‘judgement’ refers to your conclusion as to the correct accounting treatment when applying accounting principles and policies to your company’s transactions. For example, whether:

- an acquisition meets the definition of a business
- your company has control or significant influence over an investee in a ‘borderline’ situation.

An ‘estimate’ refers to how the actual numbers are determined, once you have concluded on the correct accounting treatment. Commonplace examples of estimates involving a high degree of uncertainty include provisions and impairment losses.

In practice, of course, this distinction is not always clear cut. For example, making estimates also requires judgement. There is also no need to segregate disclosures about judgements and those about estimates. Nonetheless, in order to ensure you are making the correct disclosures it is important to first make the distinction and then to decide how best to organise the information.

Example

When looking at impairment, the judgement is whether there is any impairment in the relevant underlying item, the estimate is the calculation of the impairment losses incurred.

Example – weak judgement disclosure

Key judgement: control or significant influence over an investee

The Group holds 45% of the ordinary shares and voting rights in Equipe Consultants S.A. (Equipe). Management has assessed its involvement in Equipe in accordance with IFRS 10's control definition and guidance and has concluded that it has significant influence but not outright control. This required management judgement.

Why is it weak? It is weak because it doesn't:

- provide background information on the required judgement
- explain the judgement actually made and how the conclusion was reached.

Example – better judgement disclosure

Key judgement: control or significant influence over an investee

The Group holds 45% of the ordinary shares and voting rights in Equipe Consultants S.A. (Equipe). Two other investors each hold 15%. The remaining 25% is held by several other unrelated investors, none of whom own more than 2% individually. There are no arrangements for the other shareholders to consult one another or act collectively and past experience indicates that few of the other owners actually exercise their voting rights at all.

The Group has appointed four of Equipe's Board of Directors out of a total of eleven. Management has assessed its involvement in Equipe in accordance with IFRS 10's control definition and guidance and has concluded that it has significant influence but not outright control. In making its judgement, management considered the Group's voting rights, the relative size and dispersion of the voting rights held by other shareholders and the extent of recent participation by those shareholders in general meetings. Recent experience demonstrates that sufficient of the smaller shareholders participate such that they, along with the two other main shareholders, prevent the Group from having the practical ability to direct the relevant activities of Equipe unilaterally.

This is an example of a judgement about the correct accounting treatment (whether the company has control of the investee and should consolidate it, or whether the investee is an associate and should be accounted for using the equity method). This is a key judgement because these two accounting methods have very different effects on the financial statements.

Best practice

The financial statements should disclose your significant accounting policies. Your disclosures should be relevant, specific to your company and explain how you apply your policies

Supporting you

Grant Thornton works to support dynamic organisations to address financial reporting issues in today's complex world.

We can help you get up to date with current trends in financial reporting by providing:

- thought leadership insights
- examples of best practice disclosures
- support you through the enhancing of your annual reports.

Whatever stage you are at in making improvements to the content and presentation of your annual reports, our specialists offer pragmatic solutions, whilst still complying with IFRS Standards.

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