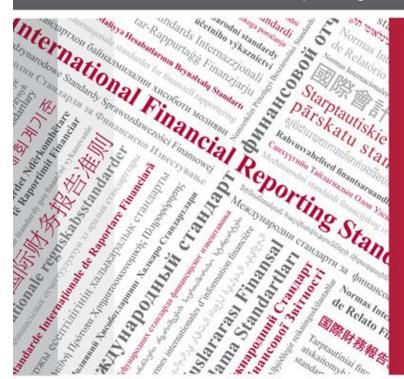
International Financial Reporting Standards



"Can Materiality and Comparability be Compatible?" WICI Symposium 30 October 2012

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The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.



Agenda

- The concepts of relevance and materiality in the IFRSs
- The Management Commentary in the IFRS taxonomy
- Potential interaction between financial and non-financial reporting frameworks



Relevance and Materiality

Described in the Conceptual Framework

- QC6 Relevant financial information is capable of making a difference in the decisions made by users. Information may be capable of making a difference in a decision even if some users choose not to take advantage of it or are already aware of it from other sources.
- QC11 Information is material if omitting it or misstating it could influence decisions that
 users make on the basis of financial information about a specific reporting entity. In other
 words, materiality is an entity-specific aspect of relevance based on the nature or
 magnitude, or both, of the items to which the information relates in the context of an
 individual entity's financial report. Consequently, the Board cannot specify a uniform
 quantitative threshold for materiality or predetermine what could be material in a particular
 situation.



Management Commentary

Purpose of the Practice Statement

- What is management commentary?

IN3 Management commentary is a narrative report that provides a context within which to interpret the financial position, financial performance and cash flows of an entity. It also provides management with an opportunity to explain its objectives and its strategies for achieving those objectives. Users routinely use the type of information provided in management commentary to help them evaluate an entity's prospects and its general risks, as well as the success of management's strategies for achieving its stated objectives. For many entities, management commentary is already an important element of their communication with the capital markets, supplementing as well as complementing the financial statements.



Management Commentary

Elements of management commentary

- 24 Although the particular focus of <u>management commentary</u> will depend on the facts and circumstances of the entity, management commentary should include information that is essential to an understanding of:
 - (a) the nature of the business;
 - (b) management's objectives and its strategies for meeting those objectives;
 - (c) the entity's most significant resources, risks and relationships;
 - (d) the results of operations and prospects; and
 - (e) the critical performance measures and indicators that management uses to evaluate the entity's performance against stated objectives.

Presentation Link

- [105000] Management commentary
 - 🗽 🛈 Management commentary [text block]
 - Disclosure of nature of business [text block]
 - Disclosure of management's objectives and its strategies for meeting those objectives [text block]
 - 👔 Disclosure of entity's most significant resources, risks and relationships [text block]
 - Disclosure of results of operations and prospects [text block]
 - 👔 Disclosure of critical performance measures and indicators that management uses to evaluate entity's performance against stated objectives [text block]



Extending the IFRS Taxonomy

ment of financial position [abstract]			
[822100] Notes - Property, plant and equipment Disclosure of property, plant and equipment [text block]	text blo	IAS 16 - Disclosure Disclosure	-
	text bil	IAS 16.73 Disclosure	re
Disclosure of detailed information about property, plant and equipment [text block]		IAS 10.73 Disclosure	
Disclosure of detailed information about property, plant and equipment [abstract] Disclosure of detailed information about property, plant and equipment [table]	200	IAS 16.73 Disclosure	-
1 1 21 1 1 1		IAS 16.73 Disclosure	-
Classes of property, plant and equipment [axis]	axis		ure,
Property, plant and equipment [member]	member [default]	IAS 16.73 _{Disclosure} , IAS 17.31 a _{Disclosure} , IAS 36.127 _{Example}	closure
Land and buildings [member]	member	IAS 16.37 b Example	ure- losure
Land [member]	member	IAS 16.37 a Example	
Buildings [member]	member	IAS 16.37 Common practice	
Machinery [member]	member	IAS 16.37 c Example	
Vehicles [member]	member	IAS 16.37 Common practice	
Ships [member]	member	IAS 16.37 d Example	
Aircraft [member]	member	IAS 16.37 e Example	
Motor vehicles [member]	member	IAS 16.37 f Example	
Fixtures and fittings [member]	member	IAS 16.37 g Example	
Office equipment [member]	member	IAS 16.37 h Example	
Computer equipment [member]	member	IAS 16.37 Common practice	
Communication and network equipment [member]	member	IAS 16.37 Common practice	
Tangible exploration and evaluation assets [member]	member	IFRS 6.25 Disclosure	
Leasehold improvements [member]	member	IAS 16.37 Common practice	
Property, plant and equipment under operating leases [member]	member	IAS 16.37 Common practice	
Construction in progress [member]	member	IAS 16.37 Common practice	
Other property, plant and equipment [member]	member	IAS 16.37 Common practice	



Thank you



