

IFRS® FOUNDATION
ANNUAL REPORT
2020



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About us

The IFRS Foundation is a not-for-profit organisation established to develop a single set of high-quality, understandable, enforceable and globally accepted accounting standards—IFRS® Standards—and to promote and facilitate their adoption.

IFRS Standards are set by the Foundation's standard-setting body, the International Accounting Standards Board, which in turn is aided by the IFRS Interpretations Committee in supporting consistent application of the Standards.

The IFRS Foundation Trustees, who are accountable to a Monitoring Board of public authorities, are responsible for strategy and governance.

The Foundation was founded in 2001 and is headquartered in London, United Kingdom, with a regional Asia-Oceania office in Tokyo, Japan.

Our mission statement

Our mission is to develop IFRS Standards that bring transparency, accountability and efficiency to financial markets around the world. Our work serves the public interest by fostering trust, growth and long-term financial stability in the global economy.



IFRS Standards bring transparency by enhancing the international comparability and quality of financial information, enabling investors and other market participants to make informed economic decisions.



IFRS Standards strengthen accountability by reducing the information gap between the providers of capital and the people to whom they have entrusted their money. Our Standards provide information needed to hold management to account. As a source of globally comparable information, IFRS Standards are also of vital importance to regulators around the world.



IFRS Standards contribute to economic efficiency by helping investors to identify opportunities and risks globally, thus improving capital allocation. For businesses, the use of a single, trusted accounting language lowers the cost of capital and reduces international reporting costs.

About this report

This report covers the financial year ended 31 December 2020 and was authorised for issue in March 2021. An inline XBRL version can be found in the annual report section of our website: www.ifrs.org/about-us/who-we-are.

We have sought to keep this report concise, with links to further information on our website. If you have questions that you cannot find the answers to in this report or general feedback on the report, please email communications@ifrs.org.

Focusing our strategy

Report from the Chair of the IFRS Foundation Trustees

"Under Hans's leadership, the Board substantially enhanced some of the most fundamental accounting standards. On behalf of the Trustees, I would like to thank him for his outstanding service."



Erkki Liikanen

In this year of the pandemic, we all miss face-to-face interactions with colleagues and stakeholders around the world but people's well-being comes first. Accordingly, I want to start by warmly thanking my colleagues for their resilience and for delivering so many high-quality projects in very challenging circumstances.

Times of change

In 2019 the Trustees initiated a multi-year Business Process and Technology Programme (see page 15). The decision to move to cloud-based services enabled our staff to quickly adapt to current remote working arrangements. External stakeholders will begin to see the fruits of behind-the-scenes work carried out in 2020 when we launch a

new, unified web platform in 2021. We have exciting plans for our digital future, including delivering a range of enhanced digital services.

In November 2020 we announced that Andreas Barckow will succeed Hans Hoogervorst as Chair of the International Accounting Standards Board from July 2021. The Trustees' Nominating Committee, under the leadership of Michel Madelain, undertook an extensive global public search to identify Hans's successor. Hans is only the second Chair of the Board and this was a critical appointment. Under Hans's leadership, the Board completed reforms responding to the global financial crisis and substantially enhanced some of the most fundamental accounting standards,

including lease accounting, financial instruments, revenue recognition and insurance contracts. On behalf of the Trustees, I would like to thank Hans for his outstanding service and wish him well with his future endeavours.

Sustainability reporting

For the Trustees, a lot of effort during 2020 was invested in preparing for our five-yearly strategy review. Beginning in late 2019 and throughout 2020, the Trustees met with key stakeholders from around the world to seek their views on our organisational priorities. A recurring theme of those discussions was a desire for accelerated progress in sustainability reporting. Responding to this desire, we split the strategy review into two



phases—a first, more urgent phase that sought feedback on the demand for global sustainability reporting standards and on whether the IFRS Foundation should play a role in the development of such standards. A second review phase will focus on other matters.

A Task Force of Trustees led the first research phase, and my thanks go to Lucrezia Reichlin for leading this work and to all members of the Task Force. On 30 September 2020 we published our request for views about the need for a single set of global sustainability standards; my fellow Trustees have led comprehensive outreach programmes in their own jurisdictions to inform our decision-making and to encourage broad participation across all geographies and stakeholder groups.

These programmes included more than 400 engagements across 33 jurisdictions, participation in more than 20 public

events hosted by third parties and the hosting of webinars that attracted more than 3,000 registrants. After completing the outreach, the Foundation received 576 comment letters from a diverse set of organisations and individuals. The Trustees wish to thank everyone who participated in the events and responded to our consultation paper. Responses to that paper are publicly available on our website.

Analysis of the feedback received indicates broad support for a global approach to setting sustainability reporting standards and for the Foundation to play a role. Based on this feedback, the Trustees intend to move quickly in their work considering the formation of a new sustainability reporting standards board as a sister board to the International Accounting Standards Board within the overall governance framework of the Foundation.

In 2020 the Trustees continued to develop the already robust governance arrangements for the Foundation. This included publishing a revised *Due Process Handbook*, which is used by the Board and the IFRS Interpretations Committee when developing and maintaining IFRS Standards and the IFRS Taxonomy.

In conclusion

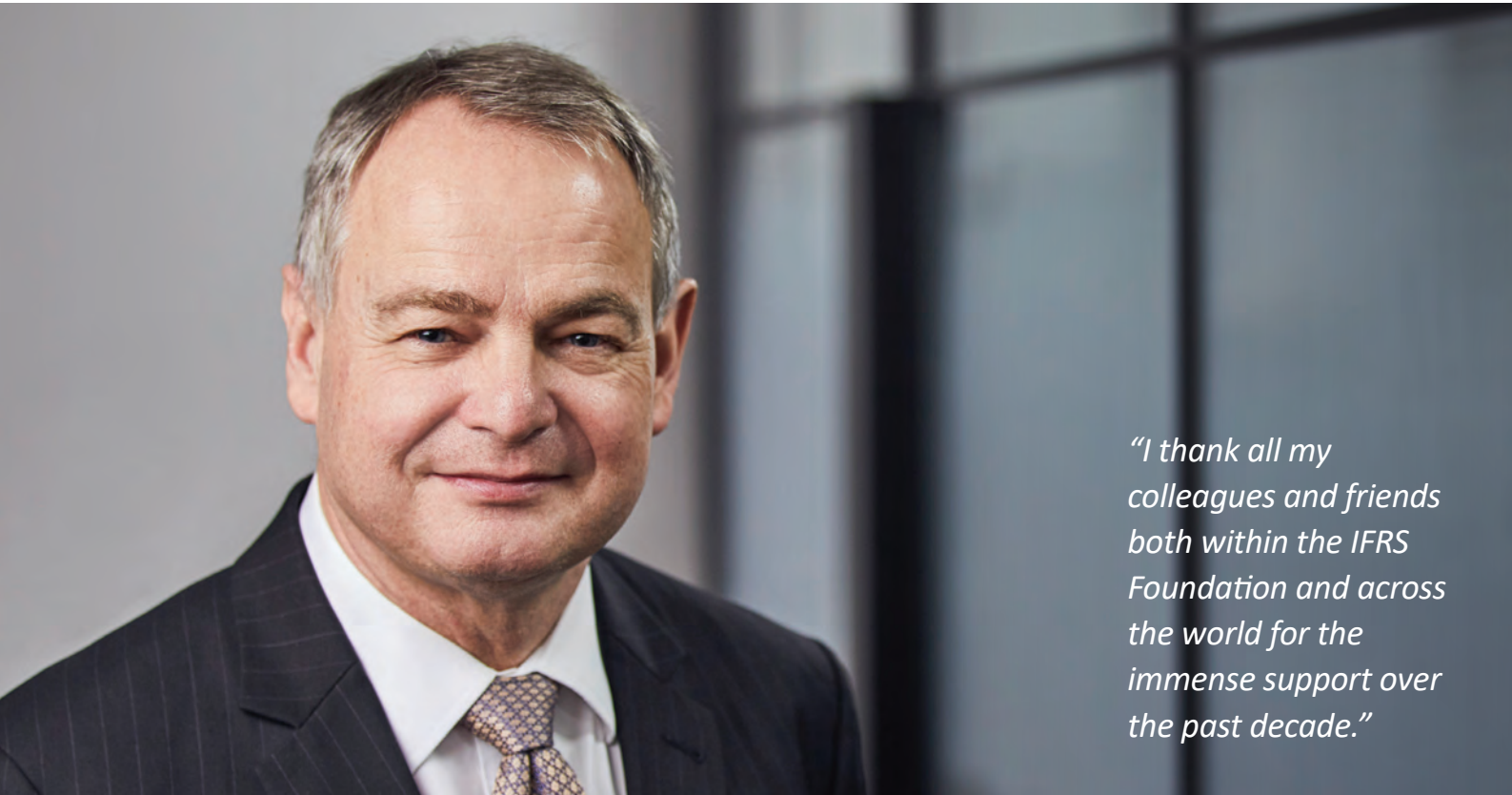
I have the privilege to work with talented and experienced Trustees. In particular, I would like to thank my two Vice-Chairs Alan Beller and Takafumi Sato, as well as Werner Brandt and Kurt Schacht, who retired as Trustees at the end of 2020 after substantially contributing to the work of the Foundation. I welcome their successors (see page 22) and thank them for their future service.

Trustees' consultation on sustainability reporting



Reflections on a decade of standard-setting

Report from the Chair of the International Accounting Standards Board



“I thank all my colleagues and friends both within the IFRS Foundation and across the world for the immense support over the past decade.”

Hans Hoogervorst

2020 turned out to be a challenging year because the coronavirus pandemic affected our stakeholder engagement, our working patterns and our priorities.

However, thanks to resilient staff, supportive stakeholders and well-developed technology, we were able to deliver our work plan with some important adjustments.

First, in March, when the UK government—like that of many other countries—imposed lockdown, we moved all our activities online, including monthly Board meetings and stakeholder engagements. One particularly important event was our first-ever fully virtual conference in September, which merged the annual IFRS Foundation Conference with our annual World Standard-setters Conference.

Second, we immediately supported our stakeholders in their efforts to apply IFRS Standards during the pandemic, working swiftly to make tailored amendments to the Standards and publishing educational material where necessary. See the case study on covid-19-related support on page 16.

Third, we focused on completing our most time-sensitive projects—amendments to the insurance contracts Standard, IFRS 17, and amendments responding to the interest rate benchmark reform. At the same time, we provided some breathing space where we could by deferring some of the planned 2020 consultations, such as the Agenda Consultation, and extending the comment period on other major consultations already out for public comment.

Throughout 2020, we worked closely with the IFRS Interpretations Committee to support consistent application of our Standards and continued to develop the IFRS Taxonomy.

Priorities for 2021

Every five years, we ask stakeholders for their input via an agenda consultation to help us set our work plan for the next five years. We last went through this process in 2015–16 and have since been working on the projects identified as priorities, many of which aim to make communicating information in financial reports more effective.

Our third Agenda Consultation will ask stakeholders what the strategic direction of our work should be and how we should balance the Board’s



activities, what the criteria should be for determining which projects to add to our work plan, and which financial reporting issues we should prioritise from 2022 to 2026.

During the consultation, the Board will continue working on projects already underway, including consulting on an updated version of the Management Commentary Practice Statement and on proposals to improve the effectiveness of disclosures in the notes to the financial statements.

The Agenda Consultation is an important opportunity for everybody with an interest in financial reporting to provide input to help the Board determine its next five-year work plan and shape financial reporting for the future.

Our work with the Interpretations Committee remains a priority and we will also advance the post-implementation reviews of IFRS 9, IFRS 10, IFRS 11 and IFRS 12. In all our work, we will consider how we can improve the understandability and accessibility of our requirements.

Thank you and farewell

This is my last report as Chair of the Board—my second term comes to an end on 30 June.

The past 10 memorable years have had many highlights. I have thoroughly enjoyed visiting many parts of the world, discussing a range of financial reporting issues with a variety of people and organisations that make up our stakeholders. I was often struck by the passion of the accounting community and the intensity of the debates, which made my job really interesting. Some debates, such as the one on the merits of fair value measurement, have actually subsided as we put a lot of effort in better explaining our positions.

I am proud the Board made significant improvements to our suite of IFRS Standards, particularly our work in response to the financial crisis and the completion of the ‘big four’ Standards on financial instruments, revenue, leases and insurance contracts. The revision of the *Conceptual Framework for Financial Reporting* solidified the underpinning of our Standards, and the Management Commentary Practice Statement and the Primary Financial Statements projects will bring significant improvements in the communication of financial information to investors.

In the wake of these important Standards, we have put considerable efforts both into supporting companies implementing the new requirements and in supporting consistent application. The Interpretations Committee made great progress in terms of timeliness and helpfulness.

It has also been rewarding to experience how the support for the Foundation and the Board has increased over the years—evidenced also in the positive tone of the comment letters to the Trustees’ consultation on sustainability reporting.

I would like to take this opportunity to thank all my colleagues and friends both within the IFRS Foundation



IFRS Foundation Conference, London, 2011

and across the world for the engaging discussions, helpful contributions and immense support over the past decade. I would also like to thank the Trustees for their devotion to the Foundation and its mission, and for their generous support and advice over the years. A special thanks goes to my Vice-Chair Sue Lloyd, with whom I could share many responsibilities and whose outstanding qualities are widely recognised in the world of accounting.

A warm thanks also to all those stakeholders who have taken the time to provide us with comments on our work and thoughtful input during the crisis caused by the pandemic.

As the Board enters its third decade, I wish my successor Andreas Barckow, who knows our organisation very well, the very best for his tenure.

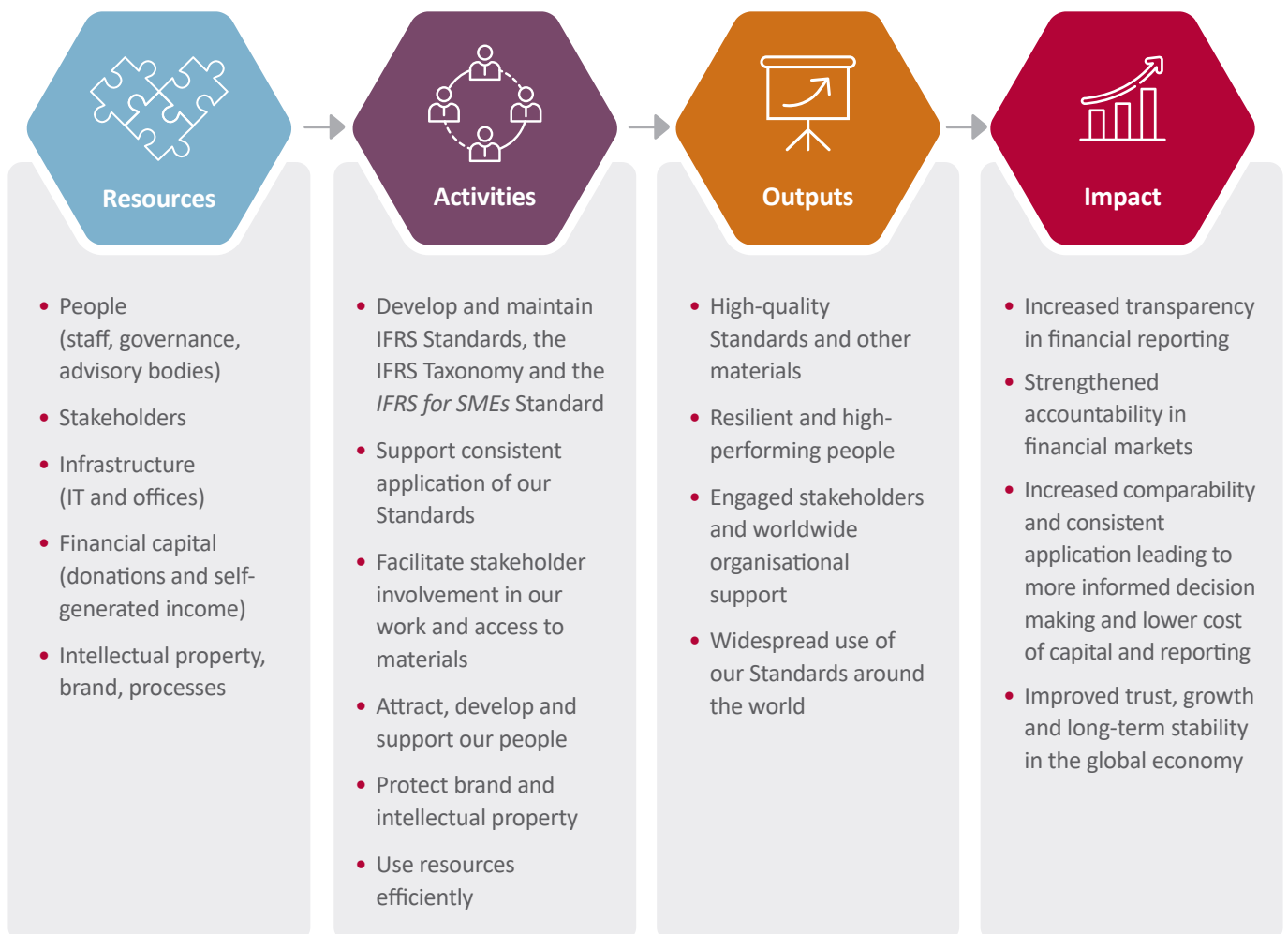


KASB 20th Anniversary, Seoul, 2019

Our objectives and how we create value

The IFRS Foundation's objectives are set out in the *Constitution*. They are to:

- develop a single set of high-quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles;
- promote the use and rigorous application of those standards;
- take account of the needs of varied sizes and types of companies in diverse economic settings; and
- promote and facilitate adoption of those standards.



To serve the public interest:

- we are international and collaborative;
- we set clear principles and create practical solutions;
- we think independently and welcome feedback;
- we work professionally in a transparent way; and
- we support and take care of each other.

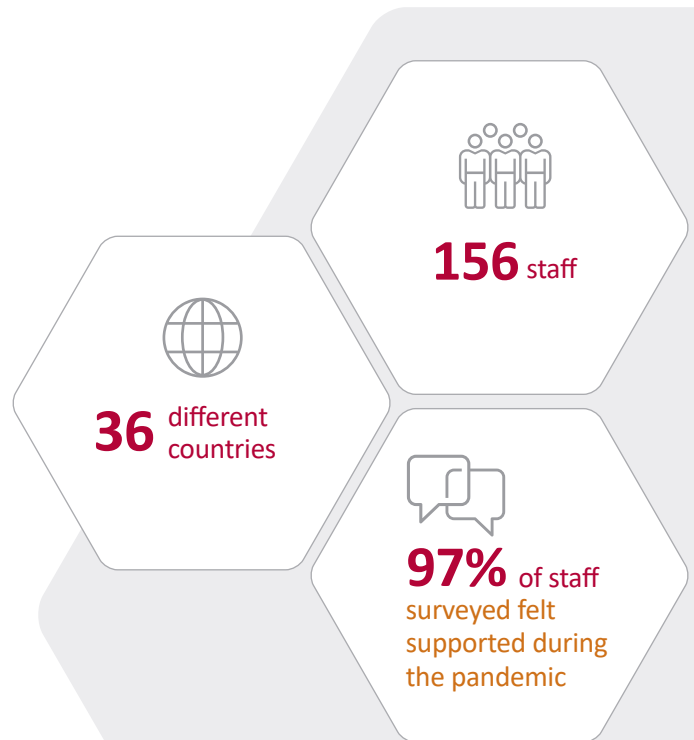
Our people

Our people drive the implementation of our strategy. We have a diverse workforce with a wide range of skills and expertise.

At the end of December 2020 we had 156 staff from 36 different countries, contributing their perspectives and experiences to help us meet our objectives.

To help our staff thrive and perform their best, we have continued to invest in developing their potential through training, coaching and mentoring.

During 2020 we had a particular focus on supporting staff and their well-being due to the challenges brought about by the covid-19 pandemic. 97% of staff responding to our engagement survey said they felt supported at work during the pandemic.



Aishat Akinwale

IASB Technical Staff

Joined: August 2017

From: Nigeria

I work on various technical projects where I perform research and analysis, discuss issues with stakeholders and develop papers for Board meetings. One of these projects is the Targeted Standards-level Review of Disclosures where we are developing proposals to improve the usefulness of disclosures in the notes to the financial statements. Another is the Board's third Agenda Consultation, which is all about the strategic balance and priority of the Board's work for the next five years. With this latter project, I have had the chance to interact with colleagues I would not otherwise collaborate with, which is giving me a different perspective on our work.



Vivek Baid

IASB Technical Staff

Joined: January 2018

From: India

I have worked with XBRL taxonomies since the field first rose to prominence about a decade ago, so I really enjoy the work I do on the IFRS Taxonomy. The IFRS Taxonomy aims to improve communication between companies and investors by bringing the financial statements into a digital format. My day-to-day job involves working with the other technical teams to ensure any amendments made to IFRS Standards are adequately reflected in the IFRS Taxonomy.

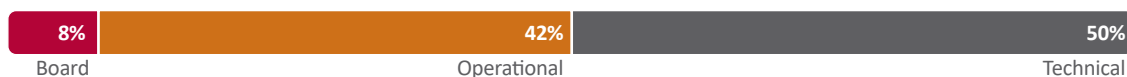


Our people *(continued)*

All staff



Staff by function



Staff age distribution



Staff length of service



Jawaid Dossani
IASB Technical Staff

Joined: April 2015
From: India/Canada

I focus on supporting the consistent application and maintenance of IFRS Standards. My colleagues and I work closely with the IFRS Interpretations Committee and the Board to help address questions raised by stakeholders that arise as the Standards are applied. Among other things, my daily work involves researching and analysing questions, discussing these questions with stakeholders and preparing papers for Board and Interpretations Committee meetings. At any given moment, I could be working on a number of application questions and analysing the finer details of various Standards.



Jason Goodchild
Facilities Manager

Joined: May 2019
From: United Kingdom

I ensure the facilities in our London office meet the needs of our organisation and our staff. 2020 presented a range of challenges in that our staff were all working remotely from March onwards due to the pandemic, so it was like suddenly having 150 offices. We had to ensure they were as well equipped and supported in their home set-ups as possible, while simultaneously getting the physical premises covid-19 compliant in readiness for a return to office.



Our people *(continued)*

Staff engagement

We conducted our second engagement survey towards the end of 2020, working with an independent research agency to help us measure, understand and improve staff engagement.

87% of staff participated in the survey, compared with 77% in 2018, and the net promoter score* was +39 (up from +17 in 2018).

Expect to work for the Foundation in one year



Proud to work for the Foundation



*Employee net promoter score is measured on a scale from -100 to +100.



Makoto Takahashi

Director of the Asia-Oceania office

Joined: May 2018
From: Japan

As the Director of the Foundation's Asia-Oceania office, which is in Tokyo, my overall goal is to ensure we support the work of the Board and the Interpretations Committee. Together with four colleagues, I engage with various important stakeholders in the Asia-Oceania region by hosting or co-hosting seminars and workshops. We also frequently meet with Japanese stakeholders to encourage the voluntary adoption of IFRS Standards in this country.



Jasmin Hollingum

Information and Research Lead

Joined: July 2019
From: United Kingdom

I come from a business and legal research background and work in the Information Management team. My day-to-day job involves leading the provision of research and information services and ensuring they meet the Foundation's needs. Over the past year, I have also focused on improving information management practices so that we all work more efficiently and effectively. This work is part of the Business Process and Technology Programme (see page 15).



Malini Shah

HR Executive

Joined: September 2017
From: United Kingdom

Working as part of a friendly and busy HR team, I manage the administration of a range of processes which span an employee's life cycle at the Foundation. We have continued to recruit during the covid-19 pandemic and have successfully adapted our onboarding processes to suit remote working. I have helped tailor each new joiner's experience, responding to their individual needs to ensure they have a positive and stimulating induction and helping them to feel supported and connected to the organisation while we work remotely.



International Accounting Standards Board

As at 31 December 2020



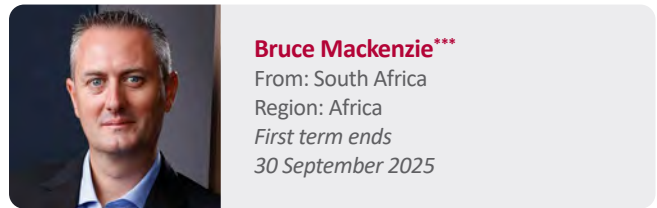
Hans Hoogervorst
Chair
From: The Netherlands
Region: Europe
*Second term ends
30 June 2021*



Sue Lloyd
Vice-Chair
From: New Zealand
Region: Asia-Oceania
*Second term ends
31 December 2023*



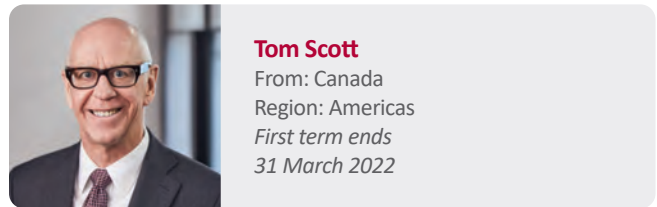
Nick Anderson
From: United Kingdom
Region: Europe
*First term ends
31 August 2022*



Bruce Mackenzie***
From: South Africa
Region: Africa
*First term ends
30 September 2025*



Tadeu Cendon
From: Brazil
Region: Americas
*First term ends
30 June 2024*



Tom Scott
From: Canada
Region: Americas
*First term ends
31 March 2022*



Martin Edelmann
From: Germany
Region: Europe
*Second term ends
30 June 2021*



Rika Suzuki
From: Japan
Region: Asia-Oceania
*First term ends
30 June 2024*



Françoise Flores*
From: France
Region: Europe
Retires 30 June 2021



Ann Tarca
From: Australia
Region: Asia-Oceania
*First term ends
30 June 2022*



Zach Gast**
From: United States
Region: Americas
*First term ends
31 July 2025*



Mary Tokar
From: United States
Region: Americas
*Second term ends
30 June 2022*



Jianqiao Lu
From: China
Region: Asia-Oceania
*First term ends
31 August 2022*

Gary Kabureck and Chungwoo Suh completed their second terms on 30 June 2020. Darrel Scott completed his second term on 30 September 2020.












The required geographical balance of the Board is set out in the *Constitution*.

More information about the Board, including member biographies, can be found at www.ifrs.org/groups/international-accounting-standards-board.

* Part-time Board member
** Appointed 1 August 2020
*** Appointed 1 October 2020

Our stakeholders and how we engage

Effective stakeholder engagement is a prerequisite for the IFRS Foundation to achieve its objectives. The Foundation publishes formal consultation documents and engages with various stakeholder groups, tailoring that engagement to their needs.

Stakeholders	Why?	How?
 Academia	Provide high-quality research, teach students about IFRS Standards	Annual academic research forum, tailored engagement, literature reviews as part of the Board's standard-setting work
 Accounting profession and auditors	Promote, develop and support accountants worldwide, audit financial statements	Joint conferences and events, regular meetings, cooperation with the International Federation of Accountants
 Commercial partners	Have a commercial relationship with the Foundation	Products, services, licensing material and intellectual property
 Companies	Use our Standards when preparing financial statements, provide important input to consultations and feedback on application of Standards	Meetings with the Global Preparers Forum (an advisory group consisting of preparers of financial statements), regular meetings, conferences, educational and explanatory materials
 Funding providers	Provide financial support	Regular updates and engagement
 Investors	Use financial reports, provide important input and feedback to the standard-setting process	Meetings with the Capital Markets Advisory Committee (advisory group consisting of investors), Investors in Financial Reporting programme, dedicated investor relations team, regular communication and meetings
 Media	Publish information or comment on technical developments to a wider audience	Press office, regular communication and briefings
 Policy makers	Decide whether to adopt, endorse and fund	Regular meetings and events
 Regulators	Enforce use of IFRS Standards, provide subject-matter expertise	Cooperation and regular meetings, including with the Basel Committee on Banking Supervision, the International Organization of Securities Commissions (IOSCO) and jurisdictional regulators
 Standard-setters	Provide national knowledge and relationships, technical expertise and standard-setting experience, play a role in endorsing Standards	Annual conference for standard-setters, as well as meetings with the Accounting Standards Advisory Forum, the Emerging Economies Group*, and the International Forum of Accounting Standard-setters, regular engagement with individual standard-setters
 Students	Future stakeholders on completion of accounting studies	Virtual and in-person engagement with student groups

*The Trustees thank the Chinese Ministry of Finance for providing the permanent secretariat for the group.

2020 review

We made good progress delivering our strategy and our organisational priorities for 2020.

Stakeholder engagement

Ensure engagement in our work is undertaken across stakeholder types and jurisdictions.

- Enhanced stakeholder engagement on strategic priorities, specifically on sustainability
- Conducted outreach on consultation documents
- Deepened and broadened stakeholder engagement through virtual meetings and conference in response to the covid-19 pandemic
- Successfully organised a fully virtual conference in September with nearly 500 participants from over 100 countries and more than 50 presenters, which merged the annual IFRS Foundation Conference and the annual World Standard-setters Conference
- Carried out research and focus groups to better understand our stakeholders' needs in terms of digital experience

Governance and strategy

The Trustees oversee the activities of the Board, including its due process and outreach, regularly review the strategic direction of the Foundation as a whole and direct key senior appointments.

- Published the revised *Due Process Handbook* and finalised consequential amendments to the *Constitution*
- Maintained engagement with the Monitoring Board, including a meeting of all Trustees with the Monitoring Board in Brussels (February 2020) and regular virtual meetings
- Prepared for the forthcoming Trustees' strategy review by accelerating first phase dealing with sustainability reporting in response to initial feedback—published *Consultation Paper on Sustainability Reporting* (see below)
- Appointed Andreas Barckow as the new Chair of the Board, and appointed two other Board members
- Made other appointments to the Trustees, the Interpretations Committee and the Advisory Council

Case study: Sustainability

A priority for 2020 was to prepare for the periodic strategy review of the IFRS Foundation. After initial engagement on this topic with stakeholders, the Trustees decided to fast-track one element of the review by publishing their *Consultation Paper on Sustainability Reporting* in September. The aim of the paper was to assess demand for global sustainability standards and, if demand is strong, assess whether and to what extent the Foundation might contribute to the development of such standards.

Throughout a three-month consultation on the paper, the Trustees led comprehensive outreach. Feedback from these engagements and related comment letters indicates growing demand for improving the global consistency and comparability of sustainability reporting. Respondents also recognised that urgent steps need to be taken and the broad demand for the Foundation to play a role.

During 2021 the Trustees will continue their analysis of the responses to the consultation paper and take decisions regarding next steps.



2020 review *(continued)*

Growth and development of our people

Ensure the well-being and development of the human talent of the Foundation.

- Continued efforts to develop staff
- Focused on supporting staff's adaptation to working remotely, giving priority to their physical and mental well-being
- Undertook second staff engagement survey, with an 87% participation rate

Efficient and effective operations

Ensure the Foundation is operationally sound and effective.

- Accelerated roll-out of internal technology solutions and training to ensure efficiency as the organisation moved to remote working. Increased internal communication to help staff with the rapid transition to new working patterns
- Successfully completed implementation of a new human resources system
- Made progress in all areas of the Business Process and Technology Programme (see below)

Case study: Business Process and Technology Programme

Two years ago, we set out to improve how we work digitally, using modern systems and processes that make our engagement with stakeholders more efficient and our organisation more effective. The goal is to have these systems and processes in place by the end of 2022. A Trustee committee oversees this programme.

In 2020 we accelerated the roll-out of cloud-based systems and new ways of working when the covid-19 pandemic led to our staff being entirely remote.

We continue to engage with stakeholders to understand how we could further improve their digital experience as we develop our new systems. In 2021 we will be launching our new website with improved search capability and a new Standards navigator, and implementing a new stakeholder relationship management system.





2020 review *(continued)*

IFRS Standards

Research issues and, if appropriate, develop major new financial reporting requirements.

- Finalised time-sensitive amendments to IFRS 17 *Insurance Contracts* and IBOR reform projects
- Published consultation documents, conducted outreach and/or analysed feedback on:
 - Exposure Draft *General Presentation and Disclosures*;
 - Discussion Paper *Business Combinations—Disclosures, Goodwill and Impairment*; and
 - Discussion Paper *Business Combinations under Common Control*
- Advanced other research and standard-setting projects in progress
- Began post-implementation reviews on IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities* and the classification and measurement requirements in IFRS 9 *Financial Instruments*

Consistent application

Help stakeholders obtain a common understanding of financial reporting requirements.

- Issued various final narrow-scope amendments and exposure drafts proposing narrow-scope amendments
- Responded to submissions to the Interpretations Committee, for example by publishing agenda decisions
- Provided covid-19-related support including an amendment to IFRS 16 *Leases* to assist lessees accounting for covid-19-related rent concessions (see below)
- Highlighted requirements in IFRS Standards applicable to accounting for climate-related matters in educational materials

Case study: Covid-19-related support

Beyond its physical, emotional and economic toll, the covid-19 pandemic has raised financial reporting challenges. To help stakeholders, staff monitored issues arising in accounting practice and acted where necessary to support the consistent application of IFRS Standards. Specifically, we published:

- educational material on the application of IFRS 9 *Financial Instruments* in accounting for expected credit losses in the context of covid-19 (March 2020);
- educational material on the application of IFRS 16 and other Standards to covid-19-related rent concessions not accounted for using the optional practical relief (April 2020);
- an amendment to IFRS 16 *Leases* to provide optional practical relief for lessees in accounting for covid-19-related rent concessions (May 2020); and
- educational material on going concern disclosures, which are particularly important in the current stressed economic environment (January 2021).

At our 2020 Virtual Conference, we also held a panel discussion—involving investors, regulators and standard-setters—on financial reporting complexities in times of heightened uncertainty, a topic also discussed in an article on our website.



2020 review *(continued)*

IFRS for SMEs® Standard

Provide financial reporting requirements tailored for companies that do not have public accountability (SMEs).

- Published, conducted outreach and analysed feedback on the Request for Information *Comprehensive Review of the IFRS for SMEs Standard*

IFRS Taxonomy

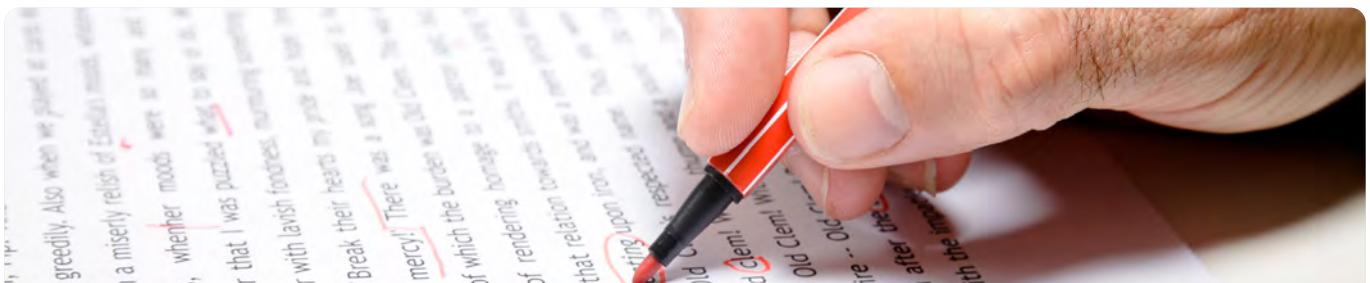
Facilitate the digital consumption of financial information.

- Developed IFRS Taxonomy updates reflecting requirements in IFRS Standards issued during the year and common reporting practices
- Supported regulators using or adopting the IFRS Taxonomy

Understandability and accessibility

Improve the understandability and accessibility of our financial reporting requirements.

- Worked to reduce unnecessary complexity and cost for preparers, while improving the quality of information provided to investors
- Drafted clear Standards. The Board is supported in achieving this through the work of editorial (see below) and translation teams, and external reviewers
- Made the Standards and related materials more accessible, for example, by publishing IFRS Standards with annotations and cross-references to other materials, publishing semi-annual compilations of agenda decisions, and improving technology through the Business Process and Technology Programme (see page 15) to make IFRS Standards and other materials easier to navigate



Case study: Editorial

Words matter. This is especially true when those words are translated and applied by stakeholders around the world. The editorial team helps ensure that IFRS Standards are written as clearly as possible—with a logical structure, short sentences and consistent terminology. Economic transactions may be complex, but we strive to ensure the articulation of accounting requirements is clear and concise.



2021 priorities

Follow up on the Trustees' sustainability reporting consultation and complete review of the organisation's strategy

Ensure a successful handover from Hans Hoogervorst to Andreas Barckow as new Chair of the Board

Continue focusing on the well-being and development of staff and support of stakeholders during the pandemic

Use lessons learnt during the pandemic to shape our future working practices

Continue rolling out projects in our Business Process and Technology Programme (see page 15), including enhanced online offering

Publish and discuss feedback on our third Agenda Consultation to help determine the Board's priorities for 2022 to 2026

Continue efforts to enhance IFRS Standards by consulting on Rate-regulated Activities; Disclosure Initiative—Targeted Standard-level Review; Management Commentary; and Disclosure Initiative—Subsidiaries that are SMEs

Assess whether our Standards work as intended by progressing post-implementation reviews of IFRS 9 (classification and measurement requirements) and IFRS 10, IFRS 11, IFRS 12

Advance other technical projects, including those on which we consulted publicly in 2020

Determine whether and how to update the *IFRS for SMEs* Standard as part of a comprehensive review

Continue supporting consistent application of IFRS Standards

Continue developing the IFRS Taxonomy and supporting regulators that adopt it

Engage with a wide range of stakeholders including encouraging academic research to inform the Board's post-implementation reviews

Continue considering ways to increase the understandability and accessibility of IFRS Standards

Key organisational risks

The IFRS Foundation's Executive Risk Committee identifies, evaluates and manages the risks faced by the Foundation. It reports to the Trustees' Audit, Finance and Risk Committee.

The Committee reviews the key risks for the Foundation, and the appropriate accompanying mitigation actions, regularly throughout the year.

Over the course of 2020, the covid-19 pandemic had a pervasive effect on all aspects of the operations of the Foundation and its principal risks described below:

Brand

- The risk that the Foundation fails to protect its reputation as a professional and competent global accounting standard-setter.
- The risk that the Foundation is perceived to lose its organisational relevance.

Geo-political

- The risk that reduced support for international cooperation affects the Foundation or influences support for adoption of IFRS Standards in some jurisdictions.

Product

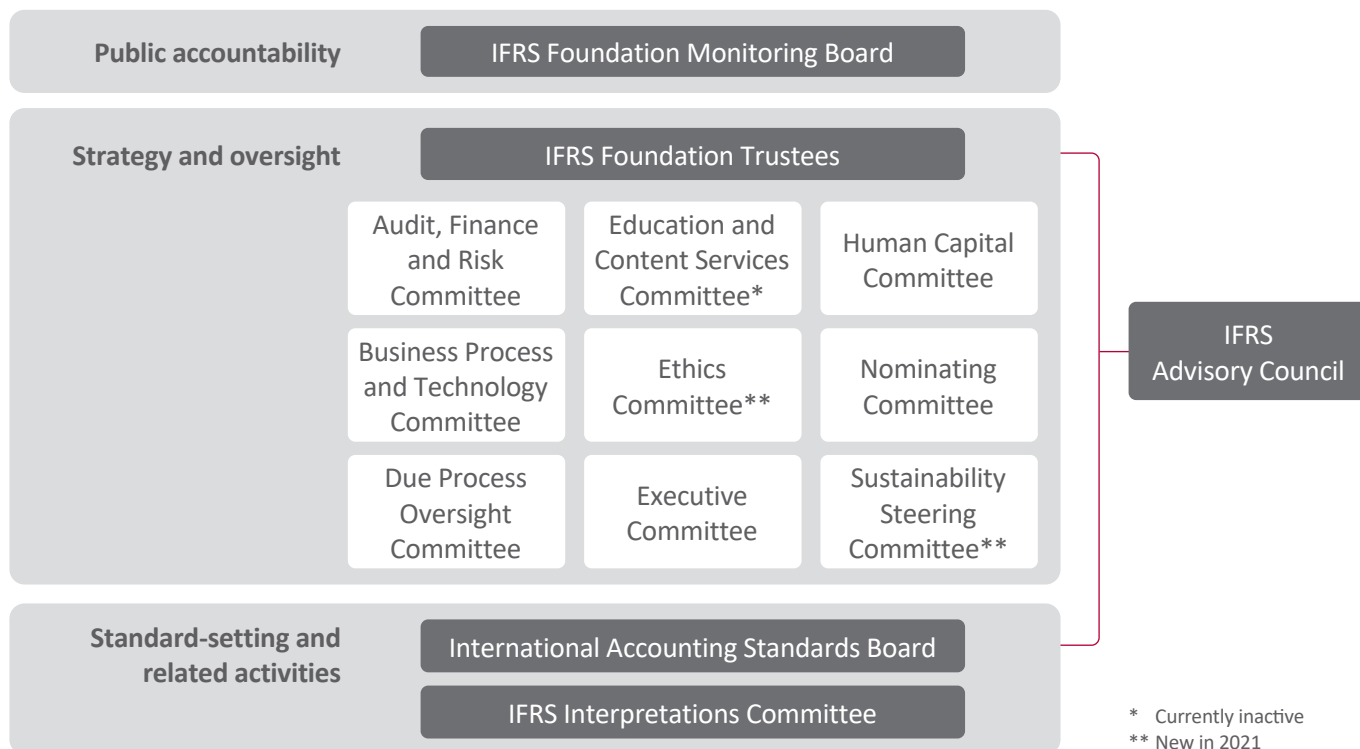
- The risk that the Foundation fails to develop high-quality IFRS Standards or an IFRS Taxonomy that meets stakeholders' needs.
- The risk for the Foundation that inconsistent application of IFRS Standards and the IFRS Taxonomy undermines the benefits of global financial reporting.

Technological infrastructure

- The risk that the Foundation's IT infrastructure and stored data are compromised as a result of cyber hacks, phishing campaigns, system failure and/or human error.

Our structure

The IFRS Foundation's governance structure is designed to keep standard-setting independent of special interests and to maintain a high level of accountability to stakeholders.



The **Monitoring Board** is a group of capital market authorities responsible for setting out the form and content of financial reporting in their jurisdictions. It reinforces the public oversight of the Foundation and the Trustees. The Monitoring Board is responsible for approving all Trustee appointments. See page 25.

Chair: Jean-Paul Servais

The 22 **Trustees** from all over the world, and with various professional backgrounds, are responsible for the governance and strategic direction of the organisation, for maintaining the Foundation's *Constitution* and the *Due Process Handbook*, for appointing members to the Board and its advisory bodies, and for ensuring appropriate financing arrangements are in place. See page 21.

Chair: Erkki Liikanen

The **Board** is the independent standard-setting body of the Foundation. Its members are appointed from varied national and professional backgrounds, including academia, accountancy, investment, preparation of financial statements, regulation and standard-setting. The Board issues IFRS Standards, the *IFRS for SMEs* Standard and the IFRS Taxonomy. See page 12.

Chair: Hans Hoogervorst

The **Interpretations Committee** comprises 14 external members and a non-voting chair that works with the Board by responding to questions about applying IFRS Standards. The Interpretations Committee proposes that the Board makes narrow-scope amendments to the Standards, develops IFRIC® Interpretations of the Standards and publishes agenda decisions. See page 59.

Chair: Sue Lloyd

The **Advisory Council** is the formal strategic advisory body to the Trustees, consisting of representatives from wide-ranging groups affected by and interested in the Foundation's work. See page 56.

Chair: Bill Coen



Trustees of the IFRS Foundation

At 31 December 2020



Erkki Liikanen (Europe)
Chair

Former Governor of
the Bank of Finland

First term ends 30 September 2021

Attendance 2020: 7 out of 7 meetings



Alan Beller (Americas)
Vice-Chair

Senior Counsel at
Cleary Gottlieb Steen & Hamilton LLP
and member of the Sustainability
Accounting Standards Board

Second term ended 31 December 2020

Attendance 2020: 7 out of 7 meetings



Takafumi Sato (at large)
Vice-Chair

Former President of
Japan Exchange Regulation

Second term ended 31 December 2020

Attendance 2020: 7 out of 7 meetings

Guillermo Babatz (Americas)

Managing Partner at Atik Capital, S.C.

Second term ends 31 December 2021

Attendance 2020: 7 out of 7 meetings

Else Bos (Europe)

Member of the governing Board,
Executive Director and Chair for
Prudential Supervision
at the Dutch Central Bank

Second term ends 31 December 2022

Attendance 2020: 5 out of 7 meetings

Colette Bowe (Europe)

Member of the Bank of England's
Financial Policy Committee
and former Chair of the
UK Banking Standards Board

Second term ends 31 December 2023

Attendance 2020: 7 out of 7 meetings

Werner Brandt (Europe)

Former Board member and
CFO of SAP SE

Second term ended 31 December 2020

Attendance 2020: 7 out of 7 meetings

Alexandro Broedel (Americas)

Group Chief Financial Officer
at Itaú Unibanco

First term ends 31 December 2022

Attendance 2020: 6 out of 7 meetings

Suresh P. Kana (Africa)

Former Chair of the Financial
Reporting Standards Council
of South Africa

First term ends 31 December 2021

Attendance 2020: 7 out of 7 meetings

Teresa Ko (Asia-Oceania) *

Chairman of Freshfields Bruckhaus
Deringer

Second term ends 31 December 2023

Attendance 2020: 7 out of 7 meetings

Su-Keun Kwak (Asia-Oceania)

Professor of Accounting at
Seoul National University

Second term ends 31 December 2022

Attendance 2020: 7 out of 7 meetings

Larry Leva (Americas) *

Former Global Vice-Chairman—
Quality, Risk and Regulatory for
KPMG International

Second term ends 31 December 2023

Attendance 2020: 7 out of 7 meetings

Michel Madelain (at large)

Former Vice-Chairman and
President of Moody's Investors
Service

Second term ends 31 December 2023

Attendance 2020: 7 out of 7 meetings

Kazuyuki Masu (Asia-Oceania)

Executive Vice President,
CFO and a member of the Board
of Mitsubishi Corporation

First term ends 31 December 2021

Attendance 2020: 7 out of 7 meetings

Ross McInnes (Europe)

Chairman of the Board of Safran

Second term ends 31 December 2023

Attendance 2020: 7 out of 7 meetings

* Appointed Vice-Chair, effective 1 January 2021.

Trustees of the IFRS Foundation *(continued)*

At 31 December 2020

Joanna Perry (Asia-Oceania)

Non-executive Director and former Chair of the IFRS Advisory Council
First term ends 31 December 2022
Attendance 2020: 6 out of 7 meetings

Vinod Rai (Asia-Oceania)

Former Comptroller and Auditor General of India
Second term ends 31 December 2023
Attendance 2020: 7 out of 7 meetings

Lucrezia Reichlin (Europe)

Professor of Economics at the London Business School
Second term ends 31 December 2023
Attendance 2020: 4 out of 7 meetings

Kurt Schacht (Americas)

Managing Director of CFA Institute's Standards and Advocacy Division
Second term ended 31 December 2020
Attendance 2020: 7 out of 7 meetings

Sarah J. Al Suhaimi (at large)

Chair of the Board of Directors of Tadawul, the Saudi Stock Exchange, and the CEO of National Commercial Bank Capital
First term ends 31 December 2021
Attendance 2020: 4 out of 7 meetings

Maria Theofilaktidis (Americas)

Executive Vice President of Global Finance at the Bank of Nova Scotia
First term ends 31 December 2022
Attendance 2020: 7 out of 7 meetings

Guangyao Zhu (Asia-Oceania)

Former Vice Finance Minister of the People's Republic of China
Second term ends 31 December 2022
Attendance 2020: 4 out of 7 meetings

New Trustees serving from 1 January 2021

Robert Pozen is a financial executive with a strong interest in public policy who has been active in business, government and academia over a successful career. He is a prolific author and is currently a senior lecturer at MIT Sloan School of Management and a non-resident senior fellow at the Brookings Institution.

Kenneth Robinson has a strong background in auditing and risk and a wealth of experience in governance. He spent almost 40 years in senior positions at Procter & Gamble and served as a trustee of the Financial Accounting Foundation (FAF). He is a board member of Paylocity and Morgan Stanley.

Erhard Schipporeit has a long and distinguished career in executive management, having previously served as CFO and Chairman of VARTA and as a member of the executive board of E.ON. He is currently an independent management consultant and a supervisory board member for several German companies.

More information about the Trustees, including their biographies, can be found at www.ifrs.org/groups/trustees-of-the-ifrs-foundation.

Gender split





Trustee committees

At 31 December 2020

The Trustees meet three times a year and operate through several committees. The following committees met in 2020.

Audit, Finance and Risk Committee

Chair: Larry Leva

Members: Colette Bowe, Kazuyuki Masu, Kurt Schacht, Maria Theofilaktidis, Guangyao Zhu

Meetings in 2020: Five

Responsibilities: Approves the budget of the IFRS Foundation and oversees fundraising. Assists the Trustees in reviewing the financial reporting process, the system of internal control, its approach to managing organisational risks, the audit process and the organisation's mechanism for monitoring compliance with the laws and regulations in the jurisdictions in which it operates.

Executive Committee

Chair: Erkki Liikanen

Members: Alan Beller, Else Bos, Werner Brandt, Larry Leva, Michel Madelain, Takafumi Sato

Meetings in 2020: Seven

Responsibilities: Takes delegated responsibility on behalf of the Trustees for its oversight of the Foundation's activities to ensure co-ordination and consistency. Leads the periodic reviews of the Foundation's *Constitution* and any other organisational strategy reviews.

Business Process and Technology Committee

Chair: Werner Brandt

Members: Suresh Kana, Su-Keun Kwak, Vinod Rai, Lucrezia Reichlin

Meetings in 2020: Five

Responsibilities: Oversees the Foundation's Business Process and Technology Programme (see page 15).

Human Capital Committee

Chair: Takafumi Sato

Members: Sarah Al Suhaimi, Guillermo Babatz, Alan Beller, Colette Bowe, Joanna Perry, Kurt Schacht

Meetings in 2020: Three

Responsibilities: Oversees the Foundation's people management strategy, policies and processes to ensure that they meet the needs of the organisation.

Due Process Oversight Committee

Chair: Alan Beller

Members: Guillermo Babatz, Alessandro Broedel, Teresa Ko, Larry Leva, Michel Madelain, Ross McInnes, Vinod Rai

Meetings in 2020: Four

Responsibilities: Monitors compliance with the due process of the International Accounting Standards Board and the IFRS Interpretations Committee as set out in the *Due Process Handbook* on behalf of the Trustees.

Nominating Committee

Chair: Michel Madelain

Members: Else Bos, Werner Brandt, Teresa Ko, Takafumi Sato

Meetings in 2020: Nine

Responsibilities: Makes recommendations to the Trustees regarding nomination procedures and candidates for the Trustees, Board, Advisory Council and IFRS Interpretations Committee.

Taking steps for a new impetus

Report from the Chair of the IFRS Foundation Monitoring Board



Jean-Paul Servais

Covid-19 has also affected the work of the Foundation and the International Accounting Standards Board, challenging their plans and requiring a reprioritisation of their respective agendas. I would like to commend the Trustees and the Board for actively monitoring related developments and for responding effectively to these challenges, both operational and in standard-setting. Despite these challenges, the Foundation and the Board have continued to make progress on their work plans and delivered on key priorities without major disruptions, while also providing sufficient flexibility for extending the timelines of some projects to allow for more stakeholder engagement and responding to the financial reporting challenges of their constituents.

project with the Trustees before they determine additional steps. The Monitoring Board's engagement was noted in the consultation paper and the Monitoring Board will act accordingly.

The Monitoring Board continued to engage in the nominations process for the appointment of new Trustees to the Foundation, approving the nomination of four new Trustees. On behalf of the Monitoring Board, I would like to thank Alan Beller and Takafumi Sato, Trustee Vice-Chairs, whose terms expired in December 2020, for their leadership and outstanding contributions to the Foundation over the last few years. I would also like to welcome Teresa Ko and Larry Leva in their new roles as Trustee Vice-Chairs. We look forward to continuing our excellent dialogue with the Trustees in 2021.

The year 2020 presented unexpected and unprecedented global challenges for society. The uncertainties caused by the covid-19 pandemic have also tested the resilience of our capital markets and the global financial system and affected most industries and organisations around the world.

The enduring pandemic underscores the critical importance of a timely flow of high-quality, material and reliable information to help investors identify opportunities and risks across the world, thus improving capital allocation. Consistent application of high-quality accounting standards is essential for effective, fair and transparent capital markets.

Against this backdrop, the Monitoring Board reiterates its commitment to the public interest oversight of the IFRS Foundation and to the Trustees' work to promote the development of a single set of high-quality, comprehensible, enforceable and globally accepted financial reporting standards.

2020 developments

One major achievement in 2020 was the publication of the revised *Due Process Handbook*, which enhances and clarifies aspects of the due process applied by the Board and the IFRS Interpretations Committee. The review was a key focus area for the Monitoring Board, and the Monitoring Board thanks the Trustees for being receptive to its input.

Another significant development was the publication by the Trustees of a consultation paper on sustainability reporting, exploring whether there is a need for global sustainability reporting standards, whether the Foundation should play a role in this area and, if so, what the scope of this role should be. Since the publication of the consultation paper, the Trustees have engaged in extensive outreach. By the close of the comment period, the Foundation had received over 550 responses from stakeholders. The Monitoring Board, which has established a dedicated working group, has expressed its intention to closely engage on this

Board Chair succession

One major development in 2020 was the appointment of Andreas Barckow as the next Chair of the Board. He will start in July 2021, succeeding Hans Hoogervorst. The Monitoring Board welcomes Andreas, who has all the credentials to lead the Board into the future, and looks forward to working with him to meet our shared goals.

While we look forward to continuing our excellent working relationship with Hans in the first half of 2021, the Monitoring Board would like to acknowledge his distinguished leadership and landmark contribution to the Board over the last decade, including his excellent communication skills. Under Hans's leadership, the Board has undertaken a major overhaul of IFRS Standards, completing major projects on key standards such as IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers*, IFRS 16 *Leases* and IFRS 17 *Insurance Contracts*.



It has updated the *Conceptual Framework for Financial Reporting*, among other important projects. IFRS Standards are globally recognised as high-quality global financial reporting standards as reflected by the fact that currently over 140 jurisdictions require use of the Standards. The Monitoring Board wishes to thank Hans for his availability to the Monitoring Board and for his commitment to the public interest, which is key to Monitoring Board members.

Thank you

Finally, I would like to express my gratitude to the Monitoring Board members, our Deputies Working Group and the Secretariat for their continuous support and commitment. The Monitoring Board looks forward to continuing to work closely with the Trustees and the Board as they shape their future direction and with global stakeholders to support our common objective of high-quality financial reporting.

Jean-Paul Servais

More information about the Monitoring Board can be found at www.ifrs.org/groups/ifrs-foundation-monitoring-board.

IFRS Foundation Monitoring Board

As at 31 December 2020

Chair

Public authority	Member	Position
IOSCO	Jean-Paul Servais	Chair of the Belgian Financial Services and Markets Authority and representative of the IOSCO Board (Vice-Chair)

Members

Public authority	Member	Position
Brazil Securities and Exchange Commission (Comissão de Valores Mobiliários)	Marcelo Barbosa	Chair
European Commission	Valdis Dombrovskis	Vice-President for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union
IOSCO	Ünal Eryilmaz	Board member of the Capital Markets Board of Turkey and representative of the IOSCO Growth and Emerging Markets Committee
Japan Financial Services Agency	Tokio Morita	Vice Minister for International Affairs
People's Republic of China Ministry of Finance	Cheng Lihua	Vice Minister
South Korea Financial Services Commission	JongKu Choi	Chair
United States Securities and Exchange Commission	Jay Clayton *	Chair

Observers

Public authority	Member	Position
Argentina Securities and Exchange Commission (Comisión Nacional de Valores)	Marcos Ayerra	Chair and representative of the IOSCO Inter-American Regional Committee (Chair)
Basel Committee on Banking Supervision	Fernando Vargas	Representative
South Africa Financial Sector Conduct Authority	Jurgen Boyd	Deputy Executive Officer and representative of the IOSCO Africa and Middle-East Regional Committee

* Jay Clayton stepped down from the SEC in December 2020 and was replaced by Allison Herren-Lee in January 2021 when she became Acting Chair.

Introduction to the financial statements

Summary of financial results 2020

The IFRS Foundation has been able to operate effectively despite the multiple challenges of the covid-19 pandemic. The Foundation is reporting comprehensive income of £3.5 million for 2020 (2019: £3.7 million).

Total income from all activities at £30.1 million was comparable with £30.9 million in 2019 and comprised:

- contributions: £18.1 million (▼ 9.5%);
- publications and related activities: £11.7 million (▲ 11.1%); and
- other income: £315,000 (▼ 22.22%).

Total operating expenses decreased from £28.0 million to £27.4 million year on year:

- Board members and staff costs: £19.7 million (▲ 1.04%);
- other technical and operational activities: £2.4 million (▼ 13.3%);
- advisory bodies: £77,000 (▼ 72.8%);
- publications and related activities: £2.4 million (▼ 6.03%);
- Trustee oversight: £771,000 (▼ 26.9%); and
- premises and occupancy expenses: £2.1million (▲ 9.7%).

During the year, the Foundation reviewed previously unrecognised tax losses and determined that it is now probable the taxable profits will be available against which the tax losses can be utilised. As a consequence, a deferred tax asset of £569,000 has been recognised in 2020 (note 5).

Net assets increased from £38.1 million to £41.5 million.

Income and expenditure highlights

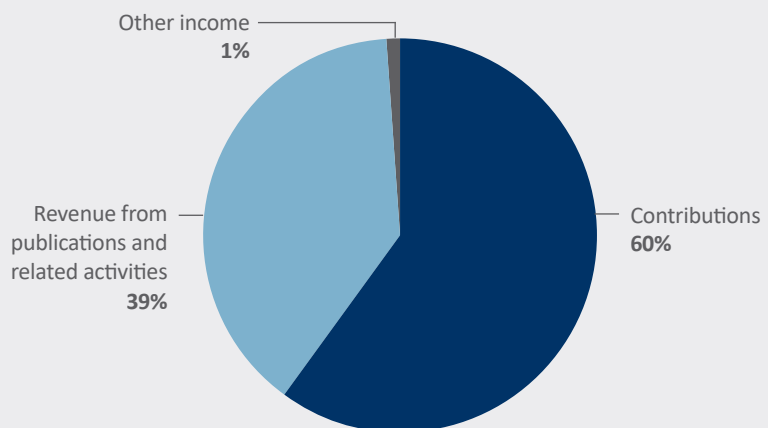
Income



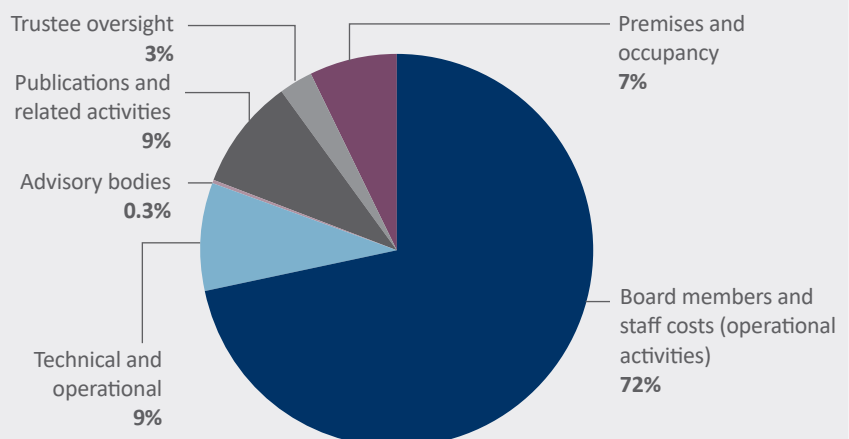
Operating expenses



Income 2020



Operating expenses 2020





Funding

The Foundation's income comes from voluntary contributions and revenue from the sale of subscription services, publications and licensing of intellectual property. Revenue is also generated from conferences and speaker events.

Contractual licensing arrangements with international accounting firms increased licensing revenue by £1.6 million in 2020 and resulted in a decline of voluntary contributions by a similar amount. Otherwise, voluntary contributions and licence fees have been reasonably constant year on year.

Revenue from publications and subscription services decreased by £237,000, mainly due to the impact of the pandemic on sales and the delivery of publications. The switch from live conferences to virtual conferences during the year contributed to a decline of publications and related activities revenue of around £120,000 year on year. The Foundation's annual conference was combined with the annual World Standard-setters Conference and held virtually.

Operating expenses

Staff costs for technical and operational activities continue to be the most significant cost for the Foundation and at £19.7 million (2019: £19.5 million) are around 72% of the Foundation's cost base. Total headcount increased from 150 to 156 during the year.

As discussed in note 1, the Human Capital Committee reviews, benchmarks and recommends salary and benefits levels.

Other technical and operating costs decreased overall by £368,000. The decrease is primarily due to a reduction in travel, meeting and office related expenditure as a result of the travel restrictions and the London office being closed for most of the year. This was offset to some extent by the additional costs incurred to support remote working as well as costs for the Business Process and Technology Programme.

The Business Process and Technology Programme, which is discussed earlier in this report and in note 1(c), has a total programme budget of £5.3 million, and through 31 December 2020 approximately 50% of the budget has been utilised. Of this, expenditure of £1.5 million has been capitalised as intangible assets and £1.2 million has been recognised as an expense in the year it was incurred (either 2019 or 2020).

Financial position

The objective of the Foundation's reserve policy is to hold an appropriate level of accessible funds while ensuring it is making timely and strategic use of its funds. The Foundation holds reserves to provide cover for unexpected changes in income and expenditure, allowing the Foundation to continue activities in the event of any shortfall in revenue (particularly from the voluntary elements of its funding), as well as unforeseen costs. The Trustees will continue to monitor and maintain the reserves within an acceptable range for a not-for-profit organisation.

2021 outlook

The Foundation appreciates the continuing support by funding providers listed on pages 53 to 55. The Foundation is committed to ensuring its operating expenditure is managed prudently and effectively and it will actively pursue further initiatives to enhance the organisation's operational stability.

The budget for 2021 is based upon an assumed constant level of contributions, and it assumes that the Business Process and Technology Programme will continue to progress with the remaining £2.6 million of budget applied. Operating expenditure is expected to be consistent with 2020, and assumes most meetings will continue to be virtual, albeit a modest provision for some travel and stakeholder engagement is included. The 2021 budget proposal was presented to and approved by the Trustees in December 2020.

In September 2020 the Trustees published their *Consultation Paper on Sustainability Reporting*. The comment period closed on 31 December 2020 and feedback confirmed an urgent need for global sustainability reporting standards and broad support for the Foundation to play a role in their development. The Trustees are therefore continuing their work considering whether to establish an international sustainability reporting standards board within the existing governance structure of the Foundation. Achieving the level of separate funding required for this work has been identified as a key requirement for success.



Going concern

The Foundation has reviewed its financial performance and the general reserves position for 2020.

Covid-19

In March 2020 the coronavirus was declared a pandemic by the World Health Organisation. The magnitude and impact remain uncertain and are dependent on future developments that cannot be accurately predicted at the time of signing the financial statements. The Foundation's planning process, including financial and cash flow projections, has taken into consideration the current and forecasted economic climate and its potential impact on the Foundation's various sources of income and planned expenditure.

Brexit

As an international organisation working in the public interest with broad support, the Foundation does not expect a high level of disruption to its operations as a result of the United Kingdom's departure from the European Union on 31 December 2020. The Foundation will continue to monitor the position in 2021.

Having regard to all relevant circumstances and the substantial reserve funds held by the Foundation, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

Trustee approval

These financial statements cover the year ended 31 December 2020. They have been prepared in compliance with the IFRS Standards that were effective or applied early on 1 January 2020.

The financial statements were approved and authorised for issue by the Trustees of the Foundation on 30 March 2021. At that date, aside from the disclosure in note 11, there had been no events since 31 December 2020 that required an adjustment to the financial statements.

Erkki Liikanen
Chair of the IFRS Foundation Trustees

Audit, Finance and Risk Committee's report

In 2020 the Audit, Finance and Risk Committee:

- reviewed the Foundation's annual budget, accounts, three-year plan and related forecasts;
- reviewed the Foundation's fundraising and financing efforts;
- advised the Trustees on whether the financial statements are fair, balanced and reasonable;
- advised the Trustees on the reappointment of the Foundation's external auditors, as well as their effectiveness;

- ensured an appropriate framework for reporting and accountability; and
- reviewed the Foundation's risk reports and monitored the integrity, adequacy and effectiveness of the Foundation's system of risk management and internal controls.

The Committee met five times during 2020. Other members of senior management and representatives of the external auditors of the IFRS Foundation attend the meetings by invitation. The Chair of the Committee also met with the external auditors on several occasions during the year.



Independent auditor's report to the Trustees of the IFRS Foundation

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of the IFRS Foundation ('Foundation') for the year ended 31 December 2020, which comprise the statement of comprehensive income, statement of changes in retained surplus, statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS Standards) as issued by the International Accounting Standards Board (IASB).

- In our opinion the Foundation's statements give a true and fair view of the financial position of the Foundation as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Foundation in accordance with the ethical requirements that are

relevant to our audit of the Foundation's financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

In our evaluation of the Trustees' conclusions, we considered the inherent risks associated with the Foundation's business model including effects arising from macro-economic uncertainties such as covid-19, we assessed and challenged the reasonableness of estimates made by the Trustees and the related disclosures and analysed how those risks might affect the Foundation's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Trustees with respect to going concern are described in the 'Responsibilities of Trustees for the financial statements' section of this report.

Our approach to the audit



Overview of our audit approach

Overall materiality: £0.6m, which represents 2% of the Foundation’s income.

Key audit matters were identified as:

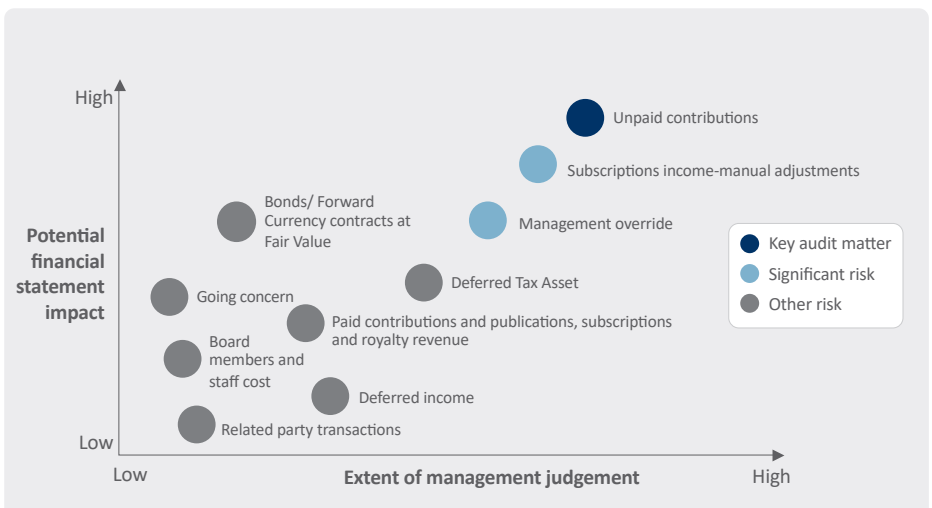
- Unpaid Contributions (New)

Our auditor’s report for the year ended 31 December 2019 included two key audit matters that have not been reported as key audit matters in our current year’s report. These related to the valuation of forward currency contracts, as the Foundation has not entered into any new forward currency contracts in the year and unpaid revenue from publications and related activities, as less judgment surrounded these revenue streams.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the graph to the right, we have presented the key audit matters, significant risks and other risks relevant to the audit.





Key audit matter

Unpaid Contributions

A significant proportion of income relates to voluntary contributions. They are recognised as income on a receipts basis, exceptions being those received post year-end which have been designated by the contributor as relating to the previous year.

We therefore identified the occurrence of unpaid contributions as a significant risk, which was one of the most significant assessed risks of material misstatement due to fraud or error.

How the matter was addressed in the audit

In responding to the key audit matter, we performed the following audit procedures:

- Walkthrough procedures were performed at the planning stage to update our understanding of the Foundation's processes and controls over the recording of contributions transactions.
- For unpaid contributions, the largest contribution relates to the EU Grant. We have performed substantive testing on the related expenses to ensure the claims are in line with allowable expenses.
- We tested whether contributions were recognised in the correct period by checking invoices to verify that the contributions related to the correct period, before agreeing funds received to post year end bank statements to confirm the receipt of cash.
- We inspected correspondence with the donor to determine if they had provided a firm commitment to the Foundation to pay the funds due and that the contribution related to the correct financial year.
- Performed an analytical review of contributions income year on year by contributor and jurisdiction to identify any unusual movements in balances. We note that certain international accounting firms reduced their contributions to the Foundation in the year, however they have also increased the amounts paid to the Foundation in the form of royalties; and
- We also reviewed post year end bank statements to determine if any amounts received related to contributions for FY20 that had not been recognised and traced these to the contributions schedule to ensure that they had been correctly accounted for.

Relevant disclosures in the financial statements 2020

- The Foundation's accounting policy on revenue is shown in note 6 (Contributions) to the financial statements and related disclosures are included within these notes.

Our results

Our work did not identify any material misstatements concerning unpaid revenue from contributions. We are satisfied that the accounting policies are appropriate, consistently applied from previous years and in line with the IFRS.

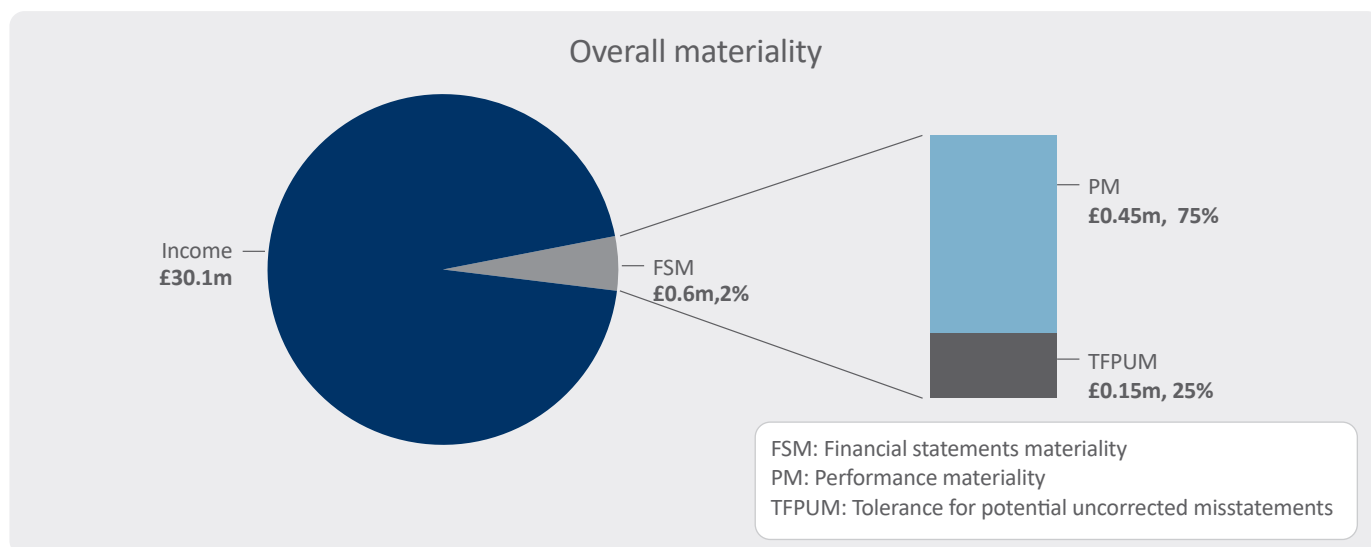


Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Foundation
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.
Materiality threshold	£0.6m which is 2% of income.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgement, that income is considered the most appropriate benchmark because the Foundation is not a profit-oriented entity Materiality for the current year is lower than the level that we determined for the year ended 31 December 2019 to reflect the reduction in income.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.
Performance materiality threshold	£0.45m which is 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining materiality, we made the following significant judgements, that the overall control environment at the foundation was good through identifying limited adjustments or control findings in previous audits.
Communication of misstatements to the audit, finance and risk committee	We determine a threshold for reporting unadjusted differences to the audit committee.
Threshold for communication	£30k and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.



An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Foundation's business and in particular matters related to:

- performing an evaluation of the design effectiveness of controls over key financial statement risks as identified as part of our risk assessment process;
- gaining an understanding of the financial reporting and accounts production process; and
- undertaking substantive testing on significant classes of transactions, account balances and disclosures, the extent of which was informed by an overall assessment of the control environment.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Foundation's financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Foundation's financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the Foundation's financial statements or a material misstatement of the other information. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees for the financial statements

As explained more fully in the Audit, Finance and Risk Committee Report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Foundation financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Foundation is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation, tax legislation, anti-bribery legislation and employment law.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Trustees, and from inspection of the Foundation's Board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustees.
- Based on the results of our risk assessment we designed further audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures also involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business; enquiries of legal counsel, management; consideration of the volume and nature of complaints received through whistleblowing during the year.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;

- knowledge of the industry in which the client operates;
- understanding of the legal and regulatory requirements specific to the entity/regulatee including:
 - the provisions of the applicable legislation;
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
 - the applicable statutory provisions; and
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

Use of our report

This report is made solely to the Foundation's Trustees as a body. Our audit work has been undertaken so that we might state to the Foundation's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation and the Foundation's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

for and on behalf of
Grant Thornton UK LLP

Statutory Auditor,
Chartered Accountants

London

30 March 2021



Statement of comprehensive income

Year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Income			
Contributions	6	18,093	19,994
Revenue from publications and related activities	7	11,713	10,540
Other income	6	315	405
		30,121	30,939
Operating expenses			
Technical and operational activities			
• Board members and staff costs	1	(19,669)	(19,466)
• Other technical and operating costs	1	(2,394)	(2,762)
• IFRS Advisory Council, IFRS Interpretations Committee and other advisory bodies	1	(77)	(277)
Publications and related activities expenses	7	(2,370)	(2,522)
Trustee oversight	2	(771)	(1,055)
Premises, occupancy and related expenses	3	(2,072)	(1,888)
		(27,353)	(27,970)
Net operating income		2,768	2,969
Finance income	10	667	1,762
Finance costs	10	(528)	(984)
		139	778
Income before tax		2,907	3,747
Income tax credit	5	569	–
Comprehensive income for the year		3,476	3,747

Statement of changes in retained surplus

Year ended 31 December 2020

Retained surplus at beginning of year	38,064	34,428
Cumulative effect of applying IFRS 16	–	(111)
Retained surplus at beginning of year restated	<u>38,064</u>	<u>34,317</u>
Comprehensive income for the year	<u>3,476</u>	<u>3,747</u>
Retained surplus at end of year	<u>41,540</u>	<u>38,064</u>

The notes on pages 38 to 52 form part of these financial statements.



Statement of financial position

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Assets			
Current assets			
Cash and cash equivalents		15,299	10,022
Contributions receivable	6	3,367	2,528
Trade and other receivables	7	929	977
Prepaid expenses		1,075	717
Inventories	7	45	113
Bonds at fair value, including accrued interest	9	5,819	4,227
Forward currency contracts at fair value	8	293	213
		26,827	18,797
Non-current assets			
Bonds at fair value, including accrued interest	9	16,038	20,688
Forward currency contracts at fair value	8	2	180
Leasehold improvements, furniture and equipment	3	2,395	2,883
Right-of-use assets	4	4,844	5,582
Intangible assets	1	1,454	689
Deferred tax asset	5	569	–
		25,302	30,022
Total assets		52,129	48,819
Liabilities			
Current liabilities			
Trade and other payables		586	150
Payroll taxes payable		627	643
Accrued expenses		1,385	1,289
Contributions received in advance	6	753	140
Lease liability	4	927	898
Forward currency contracts at fair value	8	67	309
Publications revenue received in advance	7	1,164	1,313
		5,509	4,742
Non-current liabilities			
Lease liability	4	4,620	5,544
Reinstatement provision	3	460	457
Forward currency contracts at fair value	8	–	12
		5,080	6,013
Total liabilities		10,589	10,755
Net assets / retained surplus		41,540	38,064

The notes on pages 38 to 52 form part of these financial statements.

Erkki Liikanen

Chair of the IFRS Foundation Trustees



Statement of cash flows

Year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Operating activities			
Cash received			
Contributions		17,815	20,011
Publications and related activities		11,649	10,605
Funding for Asia-Oceania office	6	358	334
Interest		535	533
Other receipts		14	34
Cash paid			
Salaries, wages and benefits		(19,608)	(18,653)
Publications and related activities expenses		(2,169)	(3,369)
Trustees' fees		(662)	(675)
Foreign exchange settlements		(210)	(683)
Other operating expenses		(3,174)	(4,284)
Net cash from / (used in) operating activities		4,548	3,853
Investing activities			
Matured bonds receipts		3,959	2,341
New bond purchases		(981)	(4,951)
Purchase of leasehold improvements, furniture and equipment		(32)	(68)
Purchase of intangible assets		(1,064)	(689)
Net cash from / (used in) investing activities		1,882	(3,367)
Financing activities			
Payments of principal on lease liabilities		(895)	(789)
Payments of interest on lease liabilities		(175)	(202)
Net cash (used in) / from financing activities		(1,070)	(991)
Effects of exchange rate changes on cash and cash equivalents		(83)	(61)
Net increase / (decrease) in cash and cash equivalents		5,277	(566)
Cash and cash equivalents at the beginning of the year		10,022	10,588
Cash and cash equivalents at the end of the year		15,299	10,022

The notes on pages 38 to 52 form part of these financial statements.



Notes to the financial statements

For the year ended 31 December 2020

Significant accounting policies

Basis of preparation

The IFRS Foundation is a not-for-profit corporation under the General Corporation Law of the State of Delaware, USA and operates in England and Wales as an overseas company (Company number: FC023235) with its principal office at Columbus Building, 7 Westferry Circus, Canary Wharf, London, E14 4HD.

The Foundation was incorporated on 6 February 2001. The objectives and governance arrangements of the Foundation and its independent standard-setting body, the International Accounting Standards Board, are set out in the Foundation's *Constitution*.

The financial statements are presented in sterling, which is the organisation's functional currency.

The financial statements were approved and authorised for issue by the Trustees of the Foundation on 30 March 2021. As disclosed in note 11, there have been no events since 31 December 2020 that required an adjustment to the accounts.

The Trustees are responsible for overseeing the Foundation's financial reporting process and for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The ability of the Foundation to continue to operate as a going concern is dependent on the ability of the Foundation to generate sufficient cash flows from its contributions and publications and related activities to meet its liabilities. The Foundation produces annual budgets and forecasts which

take into account the Foundation's activities, operations and known cash requirements. The Foundation's planning process, including financial and cash flow projections, has taken into consideration the potential impact of covid-19 and Brexit (see Introduction to the financial statements). Having regard to all relevant circumstances and the funds held by the Foundation, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

The Foundation's most important intangible asset is the intellectual property embodied in IFRS Standards. The Foundation does not recognise this asset because the cost of the asset cannot be measured reliably. Expenditure related to the development of IFRS Standards is recognised as an expense in the year in which it is incurred. Other intangible assets include software development expenditure and the purchase of computer software licences (see note 1(c)).

All other accounting policies that are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

When preparing the financial statements, management makes judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The key judgements made by management are as follows:

- Capitalisation of intangible assets—determining whether the recognition requirements for the capitalisation of internally developed software meet the criteria of IAS 38 and SIC 32. After capitalisation, management monitors whether the recognition requirements

continue to be met and whether there are any indicators that capitalised costs may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the amount of impairment loss (see note 1(c)).

- Recognition of deferred tax assets—the assessment of the extent to which deferred tax assets can be recognised is based on an assessment of the amount of future taxable income that will be available against which the tax loss carry forwards can be utilised.

There are no other significant judgements or estimates that require separate disclosures.

Current period and future changes to the accounting policies

The financial statements have been prepared in accordance with IFRS Standards. There have been no changes in significant accounting policies since the 2019 financial statements.

The Foundation has concluded that there are no IFRS Standards or IFRIC Interpretations in issue that are not yet applied that will have a material effect on the financial statements.

Explanatory information

The explanatory notes have been organised into sections that provide a cohesive presentation of the financial reporting implications of the Foundation's core activity—the development of IFRS Standards—how it funds that activity and how it manages its financial risk. Each section presents the financial information and any significant accounting policies that are relevant to understanding the activities of the Foundation.

Activities

1 Technical and operational activities

a) Board members and staff costs

The main costs associated with developing IFRS Standards are the salaries of the Board members and staff. The average number of employees in 2020, including Board members and remunerated secondees, was 152 (2019: 149). Total headcount increased from 150 to 156 during the year.

	2020	2019
	£'000	£'000
Board member salaries and related costs	7,399	7,483
Staff salaries and related costs	13,438	12,877
	<u>20,837</u>	<u>20,360</u>

Board members and staff costs are analysed as follows:

Technical and operational activities	19,669	19,466
Publications and related activities (see note 7)	895	894
Business Process and Technology Programme (see note 1(b) below)	273	–
	<u>20,837</u>	<u>20,360</u>

The Trustees' Human Capital Committee reviews, benchmarks and recommends salary and benefit levels, which are reviewed and approved annually by the Trustees as a whole. The Foundation pays monthly contributions, at rates between 8% and 10% of gross salary, into a defined contribution group personal pension scheme on behalf of staff.

Board members' remuneration is based on an annual allowance which covers gross salary, compensation, pension contributions, benefits and employer taxes. In 2020 the annual allowances were as follows: £686,000 for the Chair (2019: £669,000); £592,500 for the Vice-Chair (2019: £578,000), and £542,000 for other Board members (2019: £528,500). The Board had a full complement of 14 members until 30 June 2020; thereafter it had 13 members (2019: 14). In addition to the Trustees, Board Chair and Vice-Chair, the key management personnel include the Executive Director and the Executive Technical Director. Total remuneration which includes gross salary, pension contributions and benefits for each of the Executive Directors in the year was £345,000 (2019: £320,000).

b) Other technical and operating costs

	2020	2019
	£'000	£'000
Audit, legal and taxation advice	117	144
Communication and technology	556	497
Business Process and Technology Programme (see note 1(c) below)	822	326
External relations	22	61
Human resource and recruitment activities	303	481
Technical research library	148	132
Meeting video conferencing	140	140
Travel and meetings	78	695
Other office-related costs	167	286
Covid-19-related expenditure to support remote working	41	–
	<u>2,394</u>	<u>2,762</u>



c) Business Process and Technology Programme

The Business Process and Technology Programme includes expenditure for the development of new IT infrastructure and the purchase of computer software licences. Expenditure on research activities and project management costs are recognised as an expense in the period in which it is incurred. Expenditure that is directly attributable to the development of new software is recognised as intangible assets provided that the development costs can be measured reliably, adequate technical, financial and other resources to complete the development are available, and the software development will generate probable future economic benefits. Development costs not meeting these criteria for capitalisation are expensed as incurred.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Development expenditure is not amortised until such time as the asset is available for use. Otherwise, amortisation is charged on a straight-line basis, over the estimated life of the asset which is typically five years or less. The asset lives are reviewed on an annual basis considering the degree of evolution of the asset and what plans, if any, are being made for its replacement. Intangible assets are reviewed annually for impairment.

	2020 £'000	2020 £'000	2020 £'000	2020 £'000	2020 £'000
	CRM system	Modern web platform	Finance system	Other	Total
Cost					
1 January	–	658	–	31	689
Additions	259	589	82	134	1,064
Disposals	–	(292)	–	–	(292)
31 December	259	955	82	165	1,461
Accumulated amortisation					
1 January	–	–	–	–	–
Charge for the year	–	292	–	7	299
Disposals	–	(292)	–	–	(292)
31 December	–	–	–	7	7
Carrying amount	259	955	82	158	1,454

	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000
	CRM system	Modern web platform	Finance system	Other	Total
Cost					
1 January	–	–	–	–	–
Additions	–	658	–	31	689
Disposals	–	–	–	–	–
31 December	–	658	–	31	689
Accumulated amortisation	–	–	–	–	–
Carrying amount	–	658	–	31	689

In line with the Foundation's policy there was no amortisation charge in 2019 as none of the intangible assets were available for use.



d) The IFRS Advisory Council, IFRS Interpretations Committee and other advisory bodies

The annual remuneration for the Chair of the IFRS Advisory Council was £40,000 in 2020. Additionally, the Foundation reimbursed the Chair's travel and accommodation costs. Other members of the IFRS Advisory Council are not paid remuneration and meet their own costs for attending meetings. Members of the IFRS Interpretations Committee and members of the Capital Markets Advisory Committee are not remunerated, but they are reimbursed for their travel and accommodation costs for attending meetings. Members of the Board's other advisory bodies meet their own costs for attending meetings and are not remunerated by the Foundation. As a result of covid-19-related travel restrictions, most meetings were held virtually. This is reflected in the reduced meeting and travel costs.

The remuneration, travel and meeting costs for these committees and advisory bodies were as follows:

	2020	2019
	£'000	£'000
IFRS Advisory Council remuneration costs	37	40
IFRS Advisory Council travel and meeting costs	8	70
IFRS Interpretations Committee travel and meeting costs	29	154
Capital Markets Advisory Committee travel and meeting costs	3	13
	<u>77</u>	<u>277</u>

2 Trustee oversight

The Foundation's management and governance is overseen by 22 Trustees. The Trustees met seven times during the year. The Chair of the Trustees receives £200,000 per year and other Trustees receive an annual fee of £20,000. There are six active Trustee committees; committee chairs receive an additional £7,000 per year. All Trustees are reimbursed for their travel relating to Foundation business. As a result of covid-19-related travel restrictions, six of the Trustee meetings were held virtually. This is reflected in the reduced travel and meeting costs for the year.

Costs associated with Trustee activities are as follows:

	2020	2019
	£'000	£'000
Remuneration costs	662	659
Travel and meeting costs	109	396
	<u>771</u>	<u>1,055</u>

3 Premises, occupancy and related expenses

The components of premises, occupancy and related expenses are as follows:

	2020	2019
	£'000	£'000
Rates, insurance and energy	662	618
Service charges	349	338
Depreciation (see notes 3 and 4)	1,258	1,287
Other costs	132	126
	<u>2,401</u>	<u>2,369</u>
Less amounts allocated to publications and related activities expenses (see note 7)	(329)	(481)
	<u>2,072</u>	<u>1,888</u>

The estimated costs of reinstating the premises when the leases expire of £460,000 (2019: £457,000) are recognised as lease reinstatement obligations. All equivalent obligations that are included in leasehold improvements are recognised evenly over the remaining lease terms.

*Leasehold improvements and furniture and equipment fixed assets*

Leasehold improvements and furniture and equipment fixed assets are initially measured at cost, and then depreciated or amortised on a straight-line basis from the date on which the asset is available for use. Leasehold improvements are depreciated over the remaining periods of the related leases, or their useful lives, whichever is shorter. Furniture and equipment are depreciated over three or five years.

	2020 £'000	2020 £'000	2020 £'000
	Leasehold improvements	Furniture and equipment	Subtotal
Cost			
1 January	2,924	1,239	4,163
Additions	–	32	32
Disposals	–	–	–
31 December	<u>2,924</u>	<u>1,271</u>	<u>4,195</u>
Accumulated depreciation/amortisation			
1 January	552	728	1,280
Charge for the year	309	211	520
Disposals	–	–	–
31 December	<u>861</u>	<u>939</u>	<u>1,800</u>
Carrying amount	<u><u>2,063</u></u>	<u><u>332</u></u>	<u><u>2,395</u></u>
	2019 £'000	2019 £'000	2019 £'000
	Leasehold improvements	Furniture and equipment	Subtotal
Cost			
1 January	2,868	1,235	4,103
Additions	56	4	60
Disposals	–	–	–
31 December	<u>2,924</u>	<u>1,239</u>	<u>4,163</u>
Accumulated depreciation/amortisation			
1 January	251	480	731
Charge for the year	301	248	549
Disposals	–	–	–
31 December	<u>552</u>	<u>728</u>	<u>1,280</u>
Carrying amount	<u><u>2,372</u></u>	<u><u>511</u></u>	<u><u>2,883</u></u>



4 Leases

The Foundation has recognised right-of-use assets and lease liabilities for its two office premises leases in London and Tokyo.

The London premises lease commenced in January 2018 for 10 years. The lease includes a five-year break clause and incentives in the form of rent-free periods both initially and in year six. The Foundation has determined that it is reasonably certain not to terminate the lease at the end of year five and thus, the lease has a term of 10 years for financial reporting purposes.

The Tokyo premises lease commenced in October 2012 for 10 years until September 2022.

Right-of-use assets are recognised at cost, comprising the amount of the initial measurement of the lease liability less accumulated depreciation. There were no additions during the year:

	2020	2019
	£'000	£'000
Right-of-use assets 1 January	5,582	6,320
Depreciation charge for the year	(738)	(738)
Carrying amount of right-of-use assets 31 December	<u>4,844</u>	<u>5,582</u>

Lease liabilities are recognised at the present value of lease payments not yet paid discounted using the Foundation's incremental borrowing rate of 3%. Interest expense is included in finance costs (see note 10).

Future undiscounted lease commitments under the premises leases are as follows:

	2020	2019
	£'000	£'000
Within one year	1,075	1,073
In two to five years	3,063	3,132
More than five years	2,005	3,008
	<u>6,143</u>	<u>7,213</u>
Effect of discounting	(596)	(771)
Lease liability at 31 December	<u>5,547</u>	<u>6,442</u>
Current	927	898
Non-current	4,620	5,544
	<u>5,547</u>	<u>6,442</u>

Total cash outflows related to leases during the year was £1,070,000 (2019: £991,000); the change in the lease liability of £895,000 (2019: £789,000) represents cash outflows from the repayment of principal (see Statement of Cash Flows).



5 Taxation

The Foundation is an exempt organisation under Section 501(c) (03) of the Internal Revenue Code, which is generally exempt from US income taxes under Section 501(a) and for purposes of US taxation is a resident of the United States of America.

a) Current tax charge

In 2006 the Foundation reached an agreement with the UK authorities regarding the status of taxation on its publications and related revenues, and the taxation charge is calculated on this basis. The Foundation has utilised its carry forward tax losses and the current tax charge for the period is £nil (2019: £nil).

The tax charge comprises:

	2020	2019
	£'000	£'000
Current tax (credit) / charge	–	–
Deferred tax (credit) / charge	(569)	–
Total tax (credit) / charge	<u>(569)</u>	<u>–</u>

The reason for the difference between the actual tax charge for the year and the standard rate of corporation tax applied to profits for the year are as follows:

	2020	2019
	£'000	£'000
Profit before tax	2,907	3,747
Applicable tax rate	19%	19%
Tax at the applicable tax rate	552	712
Effects of:		
- income not subject to tax	(70)	(540)
- expenses not deductible for tax purposes	2	–
- utilisation of tax losses	(458)	(172)
- previously unrecognised deferred tax asset from losses in prior years	(665)	–
- previously unrecognised deferred tax liability from fixed asset timing differences in prior years	70	–
Tax (credit) / charge	<u>(569)</u>	<u>–</u>

Income not subject to tax mainly represents voluntary contributions.



b) Deferred tax asset

At the end of 2020, the Foundation is carrying forward trade and non-trade losses for UK tax purposes of £3,658,000 (2019: £6,073,000). Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against future taxable profits. The IFRS Foundation did not recognise its carry forward losses in 2019 because of the uncertainty of being able to utilise these losses to offset future taxable income.

Taxable income received in 2020 and expected in future years from new contractual licensing arrangements has resulted in the Foundation determining that it is now probable that taxable profits will be available against which trade and certain non-trade carry forward tax losses can be utilised. During 2020 the Foundation utilised £2,415,000 of previously unrecognised tax losses, and recognised a deferred tax asset based on the remaining £3,498,288 of previously unrecognised tax losses. Deferred tax has not been recognised on pre-April 2017 non-trade losses carried forward of £159,712 (2019: £182,340). This is because of the uncertainty of being able to utilise these losses to offset future taxable income.

The IFRS Foundation has recognised a deferred tax asset of £569,000 related to remaining carry forward losses net of fixed asset timing differences in 2020 (see below). Changes to UK corporation tax rates were announced on 3 March 2021, which confirmed an increase in the tax rate from 19% to 23% with effect from 1 April 2023. The announcement does not constitute substantive enactment and therefore deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 19%.

	2020	2019
	£'000	£'000
Deferred tax asset b/f	–	–
Deferred tax credit for the year	569	–
Deferred tax asset c/f	<u>569</u>	<u>–</u>

The deferred tax asset comprises:

	Losses	Fixed asset	Total
	£'000	timing differences	£'000
	£'000	£'000	£'000
Deferred tax asset b/f	–	–	–
Deferred tax (charge) / credit for the year	665	(96)	569
Deferred tax asset c/f	<u>665</u>	<u>(96)</u>	<u>569</u>



6 Contributions

Contributions to the Foundation are voluntary, mainly publicly sponsored and are recognised as income in the year designated by the funding providers. Contributions that have been received but are designated for use after the reporting date are deferred and recognised as liabilities. As at year end £753,000 (2019: £140,000) of contributions received are deferred. Contributions received after the reporting date but designated for use in the reporting period are recognised as income and as contributions receivable. As at year end £3.4 million (2019: £2.5 million) is included within contributions receivable.

The Foundation receives annual contributions from the European Union and the Australian Financial Reporting Council (AFRC) that are supported by enforceable grants, subject to various conditions that the Foundation is expected to meet. The European Union grant of £4.4 million (2019: £4.3 million) is payable by instalments, and contributions receivable includes the final grant instalment expected for 2020 of £2.2 million (2019: £1.8 million). The AFRC grant of £561,300 was received in full in 2020 (2019: £547,000).

All contributions received are for general use by the Foundation except for funding of the Asia-Oceania office.

The Foundation received separate funding in 2020 from the Accounting Standards Board of Japan of £358,000 / ¥50,000,000 (2019: £334,000 / ¥50,000,000) towards the operations of the Asia-Oceania office located in Tokyo. £315,000 (2019: £372,000) has been recognised in other income.

The Foundation receives contributions in a range of currencies, as follows:

	2020	2019
	£'000	£'000
UK pounds	2,504	2,389
US dollars	4,884	6,957
Euro	6,884	6,798
Other	3,821	3,850
	<u>18,093</u>	<u>19,994</u>

For more information on how the Foundation manages its currency risk refer to note 8.

A full list of funding providers can be found on page 53.



7 Publications and related activities

The following table presents the components of the net income generated by the IFRS Foundation's publications and related activities:

	2020 £'000	2019 £'000
Revenues from contracts with customers		
Publications	1,328	1,476
Subscription services	1,549	1,638
Licensing	8,752	7,221
Conferences and speaking engagements	84	205
	<u>11,713</u>	<u>10,540</u>
Expenses		
Staff salaries and related costs	895	894
Cost of goods sold	544	476
Depreciation	163	247
Occupancy	166	234
Communication technology	204	259
Other costs	398	412
	<u>2,370</u>	<u>2,522</u>
Net revenue from publications and related activities	<u>9,343</u>	<u>8,018</u>

An internal review of the staff salaries and related costs which have historically been allocated to publications and related activities was undertaken in 2020. The Foundation concluded that it was more appropriate for some of these costs to now be classified within technical and operational activities. As a result, the analysis of Board members and staff costs shown in note 1(a) is after a reclassification of £978,000 to the prior year comparatives. The effect of the reclassification is that staff salaries and related costs for the publication and related activities changed from £1.8 million to £894,000, and staff salaries and related costs for technical and operation activities changed from £18.5 million to £19.5 million.

Revenues are generated from the sale of printed publications, subscription services, various licensing contracts and conference and speaking engagements. The Foundation recognises revenue when it satisfies its performance obligations to customers. Revenue is measured based on the consideration specified in the contracts.

- Revenue from printed publications is recognised when control of the publication is transferred to the customer, which occurs upon shipment. Publications are paid for in advance of shipment.
- Revenue from subscription services is recognised over the subscription period on a time-apportioned basis because the services provide ongoing access to updated versions of IFRS Standards and other related content. Subscriptions are generally paid for in advance.
- The Foundation enters into non-exclusive licensing contracts granting third parties rights to use IFRS Standards and related content to provide various products and services. Consideration for these contracts is in the form of fixed fees payable in advance or arrears, or variable fees that are based on customers' sales and payable quarterly in arrears. Around 80% of contracts are for fixed fee contracts. Revenues for fixed fee contracts are recognised on a time-apportioned basis over the term of the licence because the contracts provide ongoing access to updated versions of IFRS Standards and other related content. Revenues for variable fee contracts are recognised as the customers' sales occur.
- Revenues from conferences and speaking engagements are recognised when the conference or other event occurs.

Customers are entitled to refunds or returns in accordance with statutory requirements, but such occurrences based on experience are expected to be infrequent and insignificant.

Trade and other receivables include £201,500 (2019: £810,000) from licensing contracts. Publications revenue received in advance relates to subscription services and licensing contracts; the amount of £1,313,000 recognised at the beginning of the year has been recognised as revenue during the year, and the amount of £1,164,000 recognised at the end of the year is expected to be recognised as revenue in 2021. No further information is provided about remaining performance obligations at the end of the year that have an original duration of one year or less, as permitted by IFRS 15 *Revenue from Contracts with Customers*.

Inventories consist of the Foundation's publications, which are carried at the lower of the cost of printing, on a first-in, first-out basis or their net realisable value.



8 Risk management

The Trustees have overall responsibility for the establishment and oversight of the Foundation's risk management framework. The Foundation's risk management policies are established to identify and analyse the risks faced by the Foundation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Foundation has a conservative approach to financial risk, and the principal purpose of its treasury management policy is to maintain liquidity, mitigate and manage foreign exchange risk and to safeguard the Foundation's reserves. The Audit, Finance and Risk Committee oversees how management monitors compliance with financial risk management policies and procedures and reviews the adequacy of the risk management framework in relation to those risks. Risk management policies and systems are reviewed regularly.

Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Foundation's reputation. The Foundation has no borrowings.

The Foundation holds reserves to provide cover for unexpected changes in income and expenditure, allowing the Foundation to continue activities in the event of any shortfall in revenue (particularly from the voluntary elements of its funding), as well as unforeseen costs.

Cash is held either as current or as short-term deposits at floating rates of interest. Part of the cash at bank is held in euro, yen and US dollar accounts to meet expenditure obligations. Surplus funds are invested in sterling-denominated, fixed-rate bonds of governments, governmental agencies or international organisations, with AAA minimum ratings at the time of purchase.

Credit risk

Credit risk is the risk of financial loss to the Foundation if a counterparty or customer to a financial instrument fails to meet its contractual obligations. The Foundation has financial assets measured at amortised cost comprising cash and cash equivalents, contributions receivable and publication-related receivables. The Foundation has assessed the credit risk of its financial assets measured at amortised cost and has determined that the loss allowance for expected credit losses of those assets is immaterial to the financial statements. The Foundation has a history of very low credit losses and this is not expected to change in the foreseeable future.

Cash and cash equivalents are all held in financial institutions with high credit ratings. Counterparty credit ratings are reviewed regularly.

At 31 December 2020, the Foundation has a contribution receivable of £2,185,000 (2019: £1,849,000) from a single contributor, the European Union. This contribution receivable reflects the final grant instalment for 2020. The European Union has a high credit rating and stable outlook. The Foundation has determined this receivable to have low credit risk.

Exposure to credit risk arising from publications and related activities is managed by requiring advance payments for some products and services and with the contractual control of the use of the Foundation's intellectual property. The Foundation retains a right to terminate contracts and cancel all rights and licences, although such occurrences are expected to be infrequent and not significant.

The carrying amount of the Foundation's financial assets represents the maximum credit exposure.

Market risk

Market risk is the risk that changes in market prices will affect the Foundation's income or the value of its holdings of financial instruments. The Foundation is exposed to risks from movements in interest rates and foreign currency exchange rates that affect its assets and forecasted transactions.

Interest rate risk

The Foundation manages and receives information from its advisers on its investments in bonds on a fair value basis that includes value changes attributable to interest rate risk. Bonds can be converted into cash if necessary.

Foreign currency management

Foreign exchange risk arises because the Foundation receives contributions and other inflows in a variety of currencies—mainly US dollars, euro and yen. The Foundation's expenditures (for staff costs, office costs and other services) are incurred mainly in sterling. Because foreign exchange rates fluctuate, the Foundation is exposed to some variability of its future sterling cash flows available to meet future expenditure needs.

The Foundation has historically adopted a policy of using forward foreign exchange contracts to reduce foreign exchange risk, and to provide greater certainty of the value of the future cash flows in the currency in which they will ultimately be converted. During 2020 a review of the foreign currency exposure of the Foundation was undertaken by the Trustees. Based on the conclusion that the current levels of surplus reserves are sufficient to absorb foreign exchange risk, the decision was taken to stop purchasing forward foreign exchange contracts. The current book of forward contracts will expire by 2022. The Trustees will continue to monitor the position of foreign exchange risk to the Foundation and this will be reviewed on at least an annual basis.

Foreign exchange derivatives are recognised at fair value and subsequently measured at fair value through profit or loss. The following table presents the fair value and notional value of these financial instruments by currency:

	2020			2019		
	Fair value '000	Notional value '000	Weighted average rate	Fair value '000	Notional value '000	Weighted average rate
Forward foreign exchange contracts by currency						
Financial assets						
US dollars (Level 2)	£284	\$10,800	1.320	£128	\$16,150	1.319
Euro (Level 2)	£5	€1,950	1.104	£259	€7,050	1.111
Yen (Level 2)	£6	¥141,000	139.906	£6	¥282,000	140.859
Financial liabilities						
US dollars (Level 2)	–	\$6,550	–	(£301)	\$6,550	1.412
Euro (Level 2)	(£66)	€1,650	1.159	(£13)	€1,650	1.159
Yen (Level 2)	(£1)	¥47,000	141.17	(£7)	¥47,000	146.510

The fair value of forward foreign exchange contracts is bank-provided and based on pricing models using observable exchange rates, described as Level 2 in IFRS 13 *Fair Value Measurement*. All non-current forward contracts expire by 2022.



9 Investments

Bonds are recognised at fair value and subsequently measured at fair value through profit or loss. The values of these bonds are quoted on active markets, described as Level 1 in IFRS 13 *Fair Value Measurement*. Fair values and face values of current and non-current bonds are presented in the following table.

	2020 Fair value £'000	2020 Face value £'000	2019 Fair value £'000	2019 Face value £'000
Current, including accrued interest	5,819	5,586	4,227	4,213
Non-current, including accrued interest	16,038	15,753	20,688	20,602
	<u>21,857</u>	<u>21,339</u>	<u>24,915</u>	<u>24,815</u>

The Foundation measures all other financial instruments at amortised cost. Those financial instruments include financial assets with a total carrying amount of £19.4 million (2019: £12.8 million) and financial liabilities with a total carrying amount of £586,000 (2019: £150,000). The carrying amount of these financial assets and liabilities is a reasonable approximation of their fair value. These financial instruments include cash and cash equivalents, contributions receivable, publication-related receivables and trade and other payables.

10 Finance income and finance costs

	2020 £'000	2019 £'000
Finance income		
Interest income	230	314
Fair value gains on forward foreign exchange contracts	210	1,309
Fair value gains on bonds	227	139
	<u>667</u>	<u>1,762</u>
Finance costs		
Interest on lease liabilities	(178)	(202)
Fair value losses on forward foreign exchange contracts	(55)	(12)
Exchange losses on forward foreign exchange contracts and cash holdings	(295)	(770)
	<u>(528)</u>	<u>(984)</u>

Fair value gains and losses from bonds do not include interest income.

11 Events after the reporting period

Covid-19

At the time of signing the financial statements the covid-19 pandemic continues. Whilst covid-19 is still creating uncertainties for the future, no event has occurred since 31 December 2020 that required an adjustment to the financial statements.

Sustainability reporting

The Trustees are required by the Foundation's *Constitution* to undertake a strategy review every five years. As part of that review there has been an accelerated focus on sustainability reporting. As a result in September 2020 the Trustees published a *Consultation Paper on Sustainability Reporting* to help assess the demand for global sustainability reporting standards and to understand if and how the Foundation could be involved. The comment period closed on 31 December 2020 and feedback confirmed an urgent need for such standards and broad support for the Foundation to play a role in their development. The Trustees are therefore continuing their work in considering whether to establish an international sustainability reporting standards board within the existing governance structure of the Foundation.



Funding providers

Jurisdiction	Organisation	
Australia	£561,300	Financial Reporting Council (FRC)
Brazil	£132,000	
	£50,000 +	Itaúsa S.A.
	£50,000 +	Itaú Unibanco S.A.
	Less than £25,000	Petróleo Brasileiro S.A. (Petrobras) B3 S.A.
Canada	£534,812	
	£500,000 +	Chartered Professional Accountants of Canada
	Less than £25,000	Office of the Superintendent of Financial Institutions
Chinese Taipei	£62,000	
	Less than £25,000	Accounting Research and Development Foundation Taiwan Futures Exchange
		Taipei Exchange Taiwan Stock Exchange
		Taiwan Depository & Clearing Corporation
EU	£4,284,140	European Commission
France	£895,335	Ministry for the Economy and Finance—Autorité des Normes Comptables
Germany	<i>Voluntary levy through the Accounting Standards Committee of Germany (DRSC)</i>	
	£584,068	
	£25,000+	Allianz SE Deutsche Telekom AG
		BASF AG Fresenius Medical Care AG & Co. KGaA
		Bayer AG Merck KGaA
		BMW AG Münchener Rückversicherungs-Gesellschaft AG
		Continental AG RWE AG
		Daimler AG SAP AG
		Deutsche Börse AG Siemens AG
		Deutsche Post AG Volkswagen AG
	Less than £25,000	Aareal Bank AG K+S AG
		Aixtron SE Kion Group AG
		Commerzbank AG Knorr-Bremse AG
		DekaBank Lanxess AG
		Deutsche Beteiligungs AG Metro AG
		Deutz AG MTU Aero Engines AG
		Drägerwerk AG & Co. KGaA Norma Group SE
		Dürr AG Patrizia AG
		Fielmann AG SAF-Holland S.A.
		Fraport AG Sartorius AG
		Hornbach Holding AG & Co. KGaA Schaeffler Technologies AG & Co. KG
		Indus Holding AG SGL Carbon SE
		Infineon Technologies AG Siemens Healthineers AG
		Instone Real Estate Group AG Südzucker AG



Jurisdiction	Organisation	
Hong Kong SAR		
	£20,213	Hong Kong Monetary Authority
India		
	£489,500	Ministry of Corporate Affairs
Indonesia		
	£68,000	
	£25,000 +	Financial Services Authority (OJK) Indonesia Stock Exchange
International		
	£19,835	Bank for International Settlements
Israel		
	£17,000	Israel Securities Authority
Italy		
	£670,631	Organismo Italiano di Contabilita
Japan		
	£2,061,134	Financial Accounting Standards Foundation
	£358,000	Financial Accounting Standards Foundation—Restricted contribution for the Asia-Oceania office
Kazakhstan		
	£7,580	National Bank of Kazakhstan
Malaysia		
	£65,000	Malaysian Accounting Standards Board
Netherlands		
	£400,549	
	£250,000 +	Ministry of Finance
	Less than £25,000	De Nederlandsche Bank
New Zealand		
	£77,219	External Reporting Board
Norway		
	£83,088	Financial Supervisory Authority of Norway
People's Republic of China	<i>Through system created by the Ministry of Finance</i>	
	£2,143,913	
	£500,000 +	China Ministry of Finance
	£100,000 +	Chinese Institute of Certified Public Accountants Shenzen Stock Exchange Shanghai Stock Exchange
	£50,000 +	China Investment Corporation
	£25,000 +	China Communications Construction Company Ltd China Petroleum & Chemical Corporation China National Offshore Oil Corporation PetroChina Company Limited China Pacific Insurance (Group) Co., Ltd.
	Less than £25,000	Bank of Communications Co., Ltd. China Unicom Corporation China Merchants Bank Huaneng Power International, Inc. China Mobile Communication Co., Ltd. PICC Property and Casualty Company Limited China Telecom Corporation Limited
Portugal		
	£18,949	Banco de Portugal



Jurisdiction	Organisation	
Republic of Korea	<i>Contributions organised through Korea Accounting Standards Board</i>	
£502,776		
£100,000 +	Korea Accounting Standards Board (KASB)	
£50,000 +	Financial Supervisory Service	Samsung Electronics Co Ltd
£25,000 +	Samsung C&T Corporation	Samsung SDS Co Ltd
	Samsung Life Insurance Co Ltd	
Less than £25,000	Hana Financial Group Inc	Samsung Card Co Ltd
	Kakao Corp	Samsung SDI Co Ltd
	KB Financial Group Inc	Samsung Securities Co Ltd
	LG Corp	Shinhan Financial Group Co Ltd
	NongHyup Financial Group Inc	POSCO
Russia		
£427,700	Ministry of Finance of the Russian Federation	
Saudi Arabia		
£150,000	Saudi Organization for Certified Public Accountants (SOCPA)	
Singapore		
£70,000	Ministry of Finance	
South Africa		
£7,350	Johannesburg Stock Exchange	
Spain		
£68,126	Bolsas y Mercados Españoles	
Switzerland		
£17,050		
Less than £25,000	LLQ Management SA	
Thailand		
£81,251	Federation of Accounting Professions (TFAC)	
United Kingdom	<i>Levy system organised by Financial Reporting Council</i>	
£828,000		
United States of America		
£397,051		
£50,000 +	AICPA	Oracle
	Bank of America Corporation	CFA Institute
£25,000 +	Morgan Stanley	
Less than £25,000	PepsiCo	
International accounting firms		
£2,346,662		
(US\$50,000 each)	Deloitte Touche Tohmatsu Limited	KPMG
	Ernst & Young	PricewaterhouseCoopers
£100,000 +	BDO (Brussels Worldwide Services BVBA) (US\$300,000)	
	Grant Thornton (US\$300,000)	
	Mazars (US\$200,000)	

Cumulative amount raised by a jurisdiction appears below the jurisdiction's name. Amounts translated into sterling on date received.



IFRS Advisory Council

As at 31 December 2020

Chair

Bill Coen

Represented body	Represented by	Position
Accounting Standards Committee of Germany (DRSC)	Andreas Barckow	President
ACTEO & MEDEF	Olivia Larmaraud	Deputy Corporate Accounting Director, PSA Group
AIA Group	Garth Jones	Group Chief Financial Officer
Banco Bilbao Vizcaya Argentaria	María Ángeles Pelaez Moron	Chief Accounting Officer
Basel Committee on Banking Supervision	Carolyn Rogers	Secretary General and Chair of the Committee's Policy Development Group
Bayer	Martin Schloemer	Vice President, Head of Closing & External Reporting
BDO	Ehud (Udi) Greenberg	Head of Professional Practice, BDO Israel; partner in BDO Global's International Financial Reporting Advisory Group and member of BDO's Global IFRS Working Party
BusinessEurope	Kristian Koktvedgaard	Head of VAT, accounting, and auditing with the Confederation of Danish Industry and a member of the Danish Accounting Council; Chair of International Ethics Standards Board for Accountants (IESBA) Consultative Advisory Group (CAG) and representative for BusinessEurope in the International Auditing and Assurance Standards Board CAG
Capital Markets Board of Turkey	Sibel Ulusoy Tokgöz	Representative of the regulatory and supervisory authority in charge of the securities markets in Turkey
CFA Institute	Giuseppe Balocchi	Partner at Alpha Governance Partners
Corporate Reporting Users' Forum	Greig Paterson	Managing Director writing equity research covering the UK listed Life and General Insurance sectors
Council of Institutional Investors	James Andrus	Investment Manager, Sustainable Investments, at the California Public Employees' Retirement System; Chair of the International Corporate Governance Network's Disclosure and Transparency Committee and the Co-Chair of the Council of Institutional Investors' International Committee
Deloitte	Trevor Derwin	IFRS Advisor at the JSE and the South African Council for Medical Schemes; member of the JSE's Financial Reporting Investigations Panel and member of the Board of Trustees and the Audit Committee of the Chartered Accountant's Medical Aid Fund
Eumedion	Martijn Bos	Policy Advisor on Reporting and Audit
European Accounting Association	Ann Jorissen	Professor of Accounting at the University of Antwerp and at the Antwerp Management School
European Central Bank	David Grünberger	Head of the Prudential Regulation and Accounting Section
European Federation of Financial Analysts Societies (EFFAS)	Javier de Frutos	Partner at Sailbridge Capital; Chair of the Commission on Financial Reporting of the European Federation of Financial Analysts' Societies (EFFAS)



Represented body	Represented by	Position
European Financial Reporting Advisory Group	Jean Paul Gauzès	Board President
European Securities and Markets Authority (ESMA)	Isabelle Grauer-Gaynor	Corporate Finance and Reporting Team Leader
External Reporting Board (XRB), New Zealand	Ken Warren	Chief Accounting Advisor for the New Zealand Treasury
EY	James Luke	Africa Technical Partner
Fédération Internationale des Experts-Comptables Francophones	Aziz Dièye	Representative and founder, Chair and CEO of Cabinet Aziz Dièye
Financial Executives International	Ron Edmonds	Co-Controller of DowDuPont; Controller and Vice President of Controllers and Tax for Dow Chemical
Financial Reporting Standards Council of South Africa	Garth Coppin	Member
Grant Thornton	Daniel Civit	Partner, Head of the Accounting Practice Group in the Paris Office of Grant Thornton and a member of the GTIL's global IFRS Interpretation Group
Insurance Europe (European Insurance and Reinsurance Federation)	Anna Vidal Tuneu	Vice-Chair of the Financial Reporting Working Group (FRWG); Director of Group Accounting Policies and Regulation at CaixaBank Group
International Actuarial Association	Andrew Chamberlain	Chair of the Actuarial Standards Committee
International Association for Accounting Education and Research (IAAER)	Leslie Hodder	Representative and Conrad Prebys Endowed Professor of Accounting at Indiana University's Kelley School of Business
International Association of Insurance Supervisors (IAIS)	Romain Paserot	Deputy Secretary General
International Co-operative Alliance	Isabelle Ferrand	Chief Financial Officer of the central body of Credit Mutuel
International Corporate Governance Network	Ian Burger	Head of Corporate Governance at Newton Investment Management
International Federation of Accountants	Russell Guthrie	Executive Director – External Affairs and Chief Financial Officer
International Monetary Fund	Ellen Gaston	Senior Financial Sector Expert in the Financial Supervision and Regulation Division of the Monetary and Capital Markets Department
International Organization of Securities Commissions (IOSCO)	Ton Meershoek	Representative and Technical Expert in Financial Reporting at the Netherlands Authority for the Financial Markets (AFM)
International Organization of Securities Commissions (IOSCO)	Areewan Aimdilokwong	Representative and Specialist in the Accounting Supervision Department of the Securities and Exchange Commission of Thailand
Investment Association	Emma Millar	Representative and Director of EMEA Accounting Policy at BlackRock
Japanese Institute of Certified Public Accountants (JICPA)	Aiko Sekine	Adviser
KPMG	Andrew Marshall	Head of the Accounting and Reporting team



Represented body	Represented by	Position
Lukoil	Sergey Epifanov	Head of Department for International and Consolidated Reporting
Malaysian Accounting Standards Board (MASB)	Bee Leng Tan	Executive Director
Ortec Finance	Tessa Kuijl	Oversees Ortec Finance activities for institutional investors in the Nordics and insurance companies in the UK
PwC	Henry Daubeney	Global IFRS leader
S&P Global Ratings	Osman Sattar	Director and Accounting Specialist
The Institute of Chartered Accountants of India	M P Vijay Kumar	Council member, Chairman of Accounting Standards Board and Vice-Chairman of Expert Advisory Committee and Valuation Standards Board
The Securities Analysts Association of Japan (SAAJ)	George Iguchi	Chief Corporate Governance Officer and Senior General Manager of the Equity Investment Department at Nissay Asset Management
World Bank	Pam O'Connell	Director and Chief Accountant
Xiamen University	Feng Liu	Minjiang Chair of Accounting

Observer organisations:

- European Commission
- Japan Financial Services Agency
- US Securities and Exchange Commission

More information about the Advisory Council can be found at www.ifrs.org/groups/ifrs-advisory-council.



IFRS Interpretations Committee

As at 31 December 2020

Non-voting Chair

Sue Lloyd, Vice-Chair, International Accounting Standards Board

Name	Title	Organisation	Term ends
Renata Bandeira	Controllership and Tax Director, Brazil	Azul Airlines	30 June 2023
Lisa Bomba	Managing Director	Deutsche Bank	30 June 2022
Jens Freiberg	Public auditor and Head of Accounting Advisory and Technical Accounting Groups, Germany	BDO	30 June 2022
Karsten Ganssaue	Senior Partner, Accounting Consulting Services	PwC Global	30 June 2022
Jongsoo Han	Board Member	Korea Accounting Standards Board (KASB)	30 June 2021
Guy Jones	Partner, Professional Practice Group, Canada	EY	30 June 2021
Goro Kumagai	Senior Fellow, Markets Strategic Intelligence Department	Mizuho Financial Group	30 June 2021
Sophie Massol	Head of Group Accounting Policies, France	AXA	30 June 2023
Jon Nelson	Vice President and Corporate Controller, United States of America	Fiat Chrysler Automobiles	30 June 2023
Brian O'Donovan	Partner	KPMG	1 July 2022
Bertrand Perrin	Director, Accounting Standards & Special Projects at the Group Consolidation & Financial Reporting Department	Vivendi	30 June 2022
Donné Sephton	Head of Advisory Services	FirstRand Limited group	30 June 2023
Robert Uhl	Partner	Deloitte & Touche LLP	30 June 2021
Yang Zheng	Vice President	New China Life Insurance Company	30 June 2022

Observer organisations

- Basel Committee on Banking Supervision
- European Commission
- International Organization of Securities Commissions

Carl Douglas (Corporate Controller, CCR S.A.), Mikael Hagström (Senior Vice President and CFO, Dongfeng Commercial Vehicles), Bruce Mackenzie (Managing Director, W Consulting International) and Bonnie Van Etten (Group Chief Accounting Officer Fiat Chrysler Automobiles NV) completed their terms on 30 June 2020.

More information about the IFRS Foundation Interpretations Committee, including member biographies, can be found at www.ifrs.org/groups/ifrs-interpretations-committee.

Thank you

The Trustees of the IFRS Foundation thank all staff, volunteers and partners around the world for contributing to the delivery of the Foundation's mission during 2020, especially:

- our funding providers;
- those who have contributed with comments to our consultations;
- event partners, participants and hosts; and
- our customers.



International Financial Reporting Standards®

IFRS Foundation®

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SIC®

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Contact the IFRS Foundation for details of countries where its trade marks are in use or have been registered.

IFRS® Foundation

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