

## PRESS RELEASE

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### **IASB publishes IFRS Practice Statement on Management Commentary**

The International Accounting Standards Board (IASB) has today published an International Financial Reporting Standard (IFRS) Practice Statement *Management Commentary*, a broad, non-binding framework for the presentation of narrative reporting to accompany financial statements prepared in accordance with IFRSs.

Management commentary fulfils an important role by providing users of financial statements with a historical and prospective commentary on the entity's financial position, financial performance and cash flows. It serves as a basis for understanding the management's objectives and strategies for achieving those objectives.

The Practice Statement permits entities to adapt the information provided to particular circumstances of their business, including the legal and economic circumstances of individual jurisdictions. This flexible approach will generate more meaningful disclosure about the most important resources, risks and relationships that can affect an entity's value, and how they are managed.

The Practice Statement is not an IFRS. Consequently, an entity need not comply with the Practice Statement to comply with IFRSs.

Sir David Tweedie, Chairman of the IASB, said:

Management commentary is one of the most interesting parts of the annual report. It provides management with an opportunity to add context to the published financial information, and to explain their future strategy and objectives. It is also becoming increasingly important in the reporting of non-financial metrics such as sustainability and environmental reporting.

The publication of this Practice Statement will benefit both users and preparers by enhancing the international consistency of this important source of information.

**Ends**

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**Notes to editors*****About the IASB***

The IASB was established in 2001 and is the standard-setting body of the IFRS Foundation, an independent, private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality global accounting standards that provide high quality transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. The IASB currently has 15 full-time members drawn from 10 countries and a variety of professional backgrounds. By 2012 the Board will be expanded to 16 members. Board members are appointed by and accountable to the Trustees of the IFRS Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience. In their work the Trustees are accountable to a Monitoring Board of public authorities.