


3 July 2009


International Financial Reporting Standards



Advancing Financing
for a global standard-setter
- supplementary papers

7th July 2009

The views expressed in this presentation are those of the presenter,
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Introduction

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- Attached are supplementary papers which support the Monitoring Board pack Advancing financing for a global standard setter.



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Resource Requirements: Overview

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Resource requirements fall into four main areas:

- **Standard setting:** additional headcount to support the work resulting from the financial crisis, the agreed work programme for the next wave of IFRS adoption, and to ensure additional capacity exists to address urgent issues as they arise
- **XBRL activities:** required development of IFRS XBRL taxonomy to ensure consistent application of XBRL internationally for financial reporting purposes
- **Outreach activities:** increased stakeholder outreach in direct response to calls for enhanced stakeholder engagement (G20 and others) and for next wave of adoption beginning in 2011
- **Infrastructure activities:** increased headcount to maintain operational controls in increasingly complex business environment and replacement of obsolete infrastructure



Expenditure Increases

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£000's	Critical	Important	Optional
Standard Setting			
Staff	680	455	
Travel	55	55	
Outreach			
Staff	185	65	500
Travel		50	
Satellite Infrastructure			480
Professional Stakeholder Management	130	95	
Technology	50	50	
Infrastructure			
Staff	48	65	98
Technology	103	26	47
Total Funding Requirement	1,251	861	1,125

Notes

- Critical staff costs - additional board member and one new Senior Project Manager
- Optional costs - staff and infrastructure for satellite offices
- Critical technology costs – replacement servers and upgrade of MicroSoft Office



Resource Priorities: Timing

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- The current plan anticipates initiatives commencing at the beginning of 2010
- The majority of initiatives represent ongoing obligations, therefore once committed spend will continue in future years
- Even critical initiatives could be phased to the 2nd half of 2010 or deferred until 2011, reducing the expenditure in a given budget year



Foreign Exchange Volatility

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- A large element of the IASC Foundation revenues are received in US dollars and euro, whilst expenses are mainly sterling
- Approximately 90% of US dollars and 50% of euro are forward sold for 2009 and 2010
- At this time, no forward sales are in place for 2011 through 2013
- Given continued FX volatility FX rates have been revised for 2010 through 2013, to reflect rates at 9th June 2009

Presentation date	Exchange Rates	US Dollar	Percentage change	Euro	Percentage change
April 2009	31 December 2008	1.4619		1.0503	
July 2009	09 June 2009	1.61712	10.62%	1.15848	10.30%



Revenue: Details

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£000's	Actual 2008	Budget 2009	Plan			
			2010	2011	2012	2013
Contributions	12,747	17,562	16,072	16,072	16,072	16,072
Interest	553	441	441	441	441	441
Staff / board honoraria	42	42	42	42	42	42
Publications (net)	3,957	2,819	2,750	2,759	2,809	2,651
Total Revenue	17,299	20,864	19,305	19,314	19,364	19,206
Change in Fair Value			969			
Adjusted revenue	17,299	20,864	20,274	19,314	19,364	19,206

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