IFRS® Foundation

Annual Report 2023

Better information for better decisions

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About this report

This annual report by the Trustees of the IFRS Foundation covers the financial year ended 31 December 2023; it was authorised for issue in April 2024.

If you have questions or feedback on the report, please email **communications@ifrs.org.** Detailed information about the IFRS Foundation can be found on **www.ifrs.org.**

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At a glance

Who we are

IFRS Foundation

The IFRS Foundation is a not-for-profit organisation created in 2001 to develop—in the public interest—high-quality, understandable, enforceable and globally accepted standards for general purpose financial reporting, and to promote and facilitate their adoption.

The Standards—IFRS® Accounting Standards and IFRS® Sustainability Disclosure Standards—are collectively referred to as IFRS® Standards. They are set by the Foundation's two independent standard-setting bodies, the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), using a rigorous, inclusive and transparent due process.

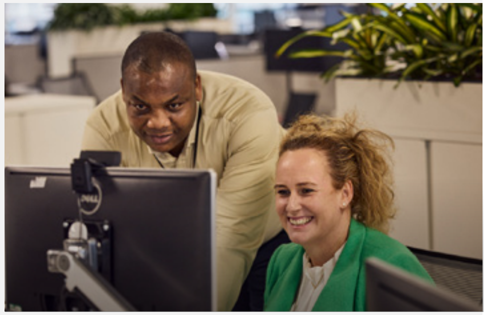
Oversight

The IFRS Foundation Trustees oversee the two boards and are accountable to a Monitoring Board of public authorities.

Locations

The Foundation has offices in Beijing, Frankfurt, London, Montreal, San Francisco and Tokyo.

What we do



Our mission

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

Our values

- **We serve the public interest**—to deliver our mission, we act with integrity, transparency and accountability.
- **We shape the future**—we help shape the future of financial reporting to promote a sustainable and resilient global economy.
- **We deliver as one**—we deliver as one Foundation, connected by our shared commitment to our mission and goals.
- **We thrive together**—we create a supportive environment for all colleagues to do their best work and thrive.

Our objectives

The IFRS Foundation's objectives, as set out in our *Constitution*, are:

- to develop—in the public interest—high-quality, understandable, enforceable and globally accepted IFRS Standards for general purpose financial reporting based on clearly articulated principles;
- to promote the use and rigorous application of IFRS Standards;
- to take account of the needs of varied sizes and types of entities in diverse economic settings when developing and promoting use of IFRS Standards; and
- to promote and facilitate adoption of IFRS Standards.

London

How we enable better decisions

Better information for better decisions

The IFRS Foundation's founding principle is that better information leads to better decisions. Investors need reliable, transparent and globally comparable information about companies to make better investment decisions.

IFRS Standards meet this need by enabling companies worldwide to provide such information to their investors.

How we enable better decisions continued

Beijing

Promoting efficient capital markets

We are all affected by how well the global capital markets work. They enable governments to borrow money for development and companies to finance business and manage risks.

Capital markets need transparent and reliable information to function efficiently—investors must be able to trust the information they receive from the companies they invest in. IFRS Standards enhance the transparency and quality of the information provided and help investors identify opportunities and risks globally, thus improving capital allocation.

By providing a common reporting language, IFRS Standards reduce both the cost of capital and reporting costs for companies.

In a challenging and ever-evolving global environment, companies' interactions with each other and their surroundings are constantly changing. In developing our Standards for global capital markets, we adapt and respond to emerging and evolving information needs.

Frankfurt

Collaborating to develop global standards

Developing standards that can be applied in a consistent manner by companies around the world is a collaborative process. To ensure that our Standards are of the highest possible quality, we gather ideas and views from all those affected by and with an interest in standard-setting for the capital markets.

We bring parties together to assist us in finding the best possible solutions. We engage, consult and listen to inform our independent standard-setting boards.

Our recognised due process for standard-setting is rigorous, inclusive and transparent. It builds trust in and global acceptance of our Standards.

How we enable better decisions continued

Tokyo

How we create and preserve value

Inputs

- Intellectual capital (IFRS Standards and related materials, brand, due process)
- Staff
- Stakeholder relationships (including advisory bodies and consultative groups)
- Financial capital
- Manufactured capital (IT and offices)

Activities

- Develop and maintain IFRS Standards and related materials
- Deliver guidance and services that support adoption of IFRS Standards
- Support rigorous and consistent application of IFRS Standards
- Consult and engage with stakeholders
- Train and support staff

Outputs

- High-quality IFRS Standards and related materials
- Engaged stakeholders and worldwide organisational support

Outcomes

- Widespread use of IFRS Standards around the world
- Increased transparency, accountability and efficiency in the world's capital markets
- Improved trust, growth and long-term stability in the global economy
- Engaged and high-performing staff

Better information for better decisions

Key accomplishments in 2023

Montreal

- **Completed** technical discussions on two new IFRS Accounting Standards to improve companies' financial performance reporting (IFRS 18 *Presentation and Disclosure in Financial Statements*) and reduce disclosures for subsidiary companies (IFRS 19 *Subsidiaries without Public Accountability: Disclosures*), due to be issued in 2024.
- **Amended** our Accounting Standards to improve transparency of supplier finance arrangements, help companies respond to international tax reform and increase consistency in accounting when a currency cannot be exchanged.
- **Launched** two inaugural IFRS Sustainability Disclosure Standards—IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.
- **Amended** the SASB Standards, which facilitate the application of IFRS S1, to enhance their international applicability.
- **Secured** endorsement of IFRS Sustainability Disclosure Standards by market regulators.
- **Opened** our office in Beijing, following the signing of a Memorandum of Understanding with the Chinese Ministry of Finance in 2022.
- **Signed** an agreement with the Financial Accounting Standards Foundation in Japan, extending Japan's long-term financial commitment to the IFRS Foundation and our office in Tokyo.

Report from the Chair of the IFRS Foundation Trustees
One Foundation, two boards

For more than two decades, widespread adoption of IFRS Standards has resulted in investors gaining access to high-quality, globally comparable financial information.

As investors' information needs have evolved, so have IFRS Standards—we have updated and enhanced them to reflect changing business models, technology-driven innovation and, more recently, investors' desire to understand sustainability-related risks and opportunities.

Our *Constitution* requires the Trustees to ensure the IFRS Foundation has the strategy, resources and governance necessary for IFRS Standards to meet the ever-changing needs of the global markets. I am pleased to report that, in 2023, we continued to make important progress towards meeting those needs.

The creation of the International Sustainability Standards Board (ISSB) in 2021, to sit alongside the International Accounting Standards Board (IASB), represented the most significant change to the IFRS Foundation since its formation in 2001. Both boards serve the public interest—providing global capital markets with better information that allows investors to make better decisions. Therefore, it is essential that all parts of the IFRS Foundation, the two boards and staff in all locations, continue to work together towards this common purpose.

In 2023 the One Foundation programme enabled us to finish consolidating the Climate Disclosure Standards Board and the Value Reporting Foundation's (VRF) systems and processes. Our investment in technology transformation in recent years greatly eased this integration.

We also prioritised work to ensure all staff, regardless of function or location, feel part of one organisation with a common culture and shared values. The resulting culture framework will serve as an important reference point as the organisation continues to grow and evolve during 2024.

Enhancing financial reporting

As Trustees, we have overseen and worked with the leadership of the IASB and the ISSB to support the achievement of their respective goals.

The ISSB made further substantial progress, building on the pledges made by the IFRS Foundation at the time of its launch. In 2023 the ISSB issued its inaugural IFRS Sustainability Disclosure Standards and, importantly, had them validated and endorsed by the International Organization of Securities Commissions (IOSCO)—mirroring IOSCO's endorsement of the Accounting Standards of the IASB's predecessor body in May 2000.[1] The Trustees have overseen the creation and appointment of various advisory and consultative bodies to the ISSB and ensured that necessary resources were provided to enable the ISSB to develop capacity-building activities.

In 2024 we will work with partners to roll out a capacity-building programme to support markets, with a focus on emerging and developing economies, in preparing to apply IFRS Sustainability Disclosure Standards. We will also seek to advance jurisdictional adoption by working with public authorities at an international and jurisdiction level—including with colleagues at the Financial Stability Board and IOSCO.

The IASB has continued to adapt IFRS Accounting Standards in line with the evolving information needs of investors. Among various innovations, an important project is the overhaul of the requirements for financial statements—with a focus on the statement of profit or loss and the notes—which for decades have served as the cornerstones of investment decision-making. The new requirements will be issued in 2024 and represent the first new IFRS Accounting Standard in several years. The IASB also expects to start two new projects about the reporting of cash flows and intangibles, responding to investors' information needs.

The Trustees will continue to assess the strategic direction of corporate reporting by both boards.

Erkki Liikanen

1. The International Accounting Standards Committee was restructured to become the IASB in 1999–2000; the IASB held its first meeting in 2001.

Report from the Chair of the IFRS Foundation Trustees continued

Both boards serve the public interest—providing global markets with better information that allows investors to make better decisions.

Resources for the organisation

None of this work would be possible without a well-resourced organisation—another vital Trustee responsibility. Ensuring the financing of the Foundation to support growth and development will continue to be a priority for the Trustees. In 2023 we worked to maintain funding for the IASB while initiating different funding approaches for the ISSB, supported by our partners, to gradually replace the seed funding. However, continued focus and engagement are necessary to ensure appropriate diversity, strength and stability in funding sources.

The Trustees have overseen the further development of our multi-location model (see page 25). In 2023 we opened the ISSB's Beijing office and appointed new Office Directors for our offices in Frankfurt, Montreal and Tokyo.

In 2024 we will move from our temporary home in Montreal to our new, permanent location in the city.

At a leadership level, Linda Mezon-Hutter commenced her role as Vice-Chair of the IASB, alongside two new board members—bringing the IASB to its full complement of 14 members. I was also delighted to confirm the reappointment of Emmanuel Faber to serve a second term as ISSB Chair from 2025—thus providing stability and certainty to the ISSB.

We have also made a conscious effort to ensure the composition of the Trustees reflects the breadth of the Foundation's responsibilities, with an appropriate balance between expertise in accounting and sustainability matters.

The cohort of Trustees who joined in 2023 have helped to provide this balance. We have also made some changes to the Trustee committees, with the formation of a Budget and Finance Committee, which is now separate from the Audit and Risk Committee.

Erkki Liikanen
Chair of the IFRS Foundation Trustees

Thank you

Our progress this year is the result of the hard work and dedication of many people. I thank Jean-Paul Servais for his leadership as Chair of the Monitoring Board, and his successor, Takashi Nagaoka, for his excellent cooperation and collaborative relationship. I also thank my Trustee Vice-Chairs, as well as Dame Colette Bowe, Michel Madelain, Ross McInnes, Larry Leva, Vinod Rai and Lucrezia Reichlin, who all stepped down as Trustees in 2023 following completion of their second terms, and whose work was fundamental to all that has been achieved.

I would particularly like to thank Lee White, who will step down as IFRS Foundation Managing Director in February 2024, and who will be missed by all.[1] The search for Lee's successor is well under way and Andrea Pryde, Executive Operations Director, will serve as Acting Managing Director until a new Managing Director has been appointed.

Finally, I would like to thank our staff and stakeholders around the world for your tireless work. Our success is your success.

1. This report was written on 31 December 2023, at the end of the reporting period.

Report from the Chair of the International Accounting Standards Board

Improving decision-making

In 2023 capital markets faced geopolitical tensions, technological disruptions and fluctuating market conditions. Consequently, reliable information became even more crucial to facilitating well-informed decisions.

Remarkably, 2023 also marked 50 years of international accounting standard-setting. This achievement was made possible by the dedicated commitment of individuals and jurisdictions alike to improving the function of capital markets to enable efficient capital allocation, connect economies and support growth.

Technical work plan

I am pleased to report that in 2023 we have made significant progress throughout our work plan. Notably, we concluded our discussions on the Primary Financial Statements project, which will lead to a new IFRS Accounting Standard in 2024. Intended to improve the financial performance information that companies provide to investors, this Accounting Standard will affect almost all companies that report using IFRS Accounting Standards and benefit investors in those companies.

We also finished redeliberating our proposals for reduced disclosure requirements for subsidiaries of parent companies that apply IFRS Accounting Standards. This project will also lead to a new Accounting Standard in 2024. It will simplify financial reporting and thereby reduce costs for eligible companies that choose to apply it.

Furthermore, we issued amendments to our Accounting Standards to address supplier finance arrangements and the issue of lack of exchangeability in foreign exchange rates.

We carried out two post-implementation reviews, which are integral to understanding whether IFRS Standards are effectively achieving their intended goals. Stakeholder feedback is paramount in such reviews. We moved to the second phase of our review of IFRS 9 *Financial Instruments*, which concentrated on impairment requirements. We also sought stakeholder feedback on IFRS 15 *Revenue from Contracts with Customers*. Looking ahead to 2024, our focus will shift towards reviewing IFRS 16 *Leases*.

We upheld our commitment to timely action. For instance, we promptly amended our financial reporting requirements for taxes to align with the Organisation for Economic Co-operation and Development's reform of the international tax regime. Our swift action gave certainty to companies and investors. The ability to respond effectively when required remains an important part of our duty to serve stakeholders' interests.

Engagement

In 2023 we advanced several projects to the next phase. I wish to highlight two specific examples.

- We proposed amendments to clarify reporting on 'hybrid' financial instruments containing both debt and equity features. The complex nature of these instruments has led to varied accounting practices, making it difficult for investors to evaluate and compare companies' financial positions and performance.
- In 2023, we decided to publish a package of proposals in 2024, designed to enhance disclosures about acquisitions and improve goodwill impairment testing. In developing this package, the IASB carefully considered the balance between providing better information for investors and the cost and risk implications for companies.

Andreas Barckow

2023 marked 50 years of international accounting standard-setting, made possible by the dedicated commitment of people and jurisdictions alike.

To effectively address uncertainties and set priorities, ongoing engagement with our stakeholders remains fundamental. Throughout the year my fellow IASB members and I had the privilege of meeting and actively listening to many of our stakeholders—regulators, companies, investors, auditors and academics—through various forums. We value their contributions, which guide our work.

Consistent application

For IFRS Accounting Standards to fulfil their purpose it is essential that they are applied consistently worldwide. The IASB works with the IFRS Interpretations Committee to foster consistent application of our Accounting Standards. In addressing questions about the application of our Accounting Standards, the Committee ensures that its decisions and guidance are widely applicable, helping companies to report consistently so that investors can make well-informed decisions.

Cross-cutting work

Some of our work bridges several of our Accounting Standards and other materials. Examples of projects that we progressed in 2023 and will continue into 2024 and beyond include our work:

- on climate-related matters—we have started a project to explore whether and how we can support companies in their reporting on climate-related matters and other uncertainties in the financial statements, recognising this is an area about which investors and companies are asking questions;
- on digital reporting—we continue to monitor developments in how investors use technology in their analysis and investment decisions, develop our digital Accounting Taxonomy and work with regulators to facilitate digital reporting for investors; and
- with the ISSB—to assist in providing investors with connected information in companies' general purpose financial reports (see page 33).

Andreas Barckow
Chair of the IASB

Thank you

On behalf of my fellow IASB members and staff, I thank you for the confidence and trust you have vested in us. This is essential for us to continue the work we do for the stakeholders we serve.

I thank my fellow board members for their contribution in 2023, and IASB Vice-Chair Linda Mezon-Hutter for great collaboration. Thanks also to the Trustees for bringing the IASB back up to a full complement of 14 members.

The 50th anniversary of international accounting standards reminds us of our collective capacity and determination to address challenges. We look forward to earning your continued support in the upcoming year and beyond.

Report from the Chair of the International Sustainability Standards Board
From creation to implementation

Welcoming a new year offers an opportune moment to reflect on the significant progress made in 2023 towards a global baseline of sustainability-related financial disclosures.

We had an ambitious list of strategic priorities for 2023, and I'm pleased to say that we made significant progress on all of them. The year saw us move from creation to a new phase of our work, focused on adoption and implementation, with a real sense of anticipation for 2024.

Our accomplishments in 2023 provide a solid basis for the work to come. We successfully developed our first two IFRS Sustainability Disclosure Standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, which we issued in June. IFRS S1 and IFRS S2 help to provide a common language for disclosing material information about sustainability-related risks and opportunities that affect companies' prospects, starting with climate-related disclosures. We now look forward to seeing IFRS S1 and IFRS S2 applied in practice so that the benefits of consistent, comparable decision-useful information can be felt around the world.

Global collaboration and support

The progress we have made thus far would not have been possible without the support of and collaboration with stakeholders globally. Their participation has greatly enhanced the quality and pace of our work. We are grateful for their close involvement, which has included participation in international events such as COP28 and regional climate weeks.

Our inaugural IFRS Sustainability Disclosure Standards have gained support from companies and investors around the world, and—crucially—have been endorsed by IOSCO.

In July, IOSCO called on its 130 member jurisdictions—capital market authorities that regulate more than 95% of the world's securities markets—to consider how they might adopt, apply or otherwise be informed by IFRS Sustainability Disclosure Standards within the context of their jurisdictional arrangements to deliver consistent and comparable sustainability-related disclosures worldwide.

Furthermore, the Financial Stability Board announced that the ISSB's Standards represented the culmination of the work of the Task Force on Climate-Related Financial Disclosures (TCFD), with its climate-related financial disclosures having been integrated into the ISSB's Standards. This announcement represented further momentum towards a cohesive disclosure landscape.

Supporting adoption and application

With IFRS S1 and IFRS S2 coming into effect in January 2024, our priority is to support application of the Standards.

So far, we have:

- enhanced the international applicability of the SASB Standards—an important source of guidance for those applying IFRS S1;
- published educational material to help companies apply IFRS S2;
- launched the knowledge hub, bringing together resources to support understanding of the Standards; and
- formed the Transition Implementation Group to act as a public forum for stakeholders to submit implementation-related questions.

We are also developing the IFRS Sustainability Disclosure Taxonomy to enable the digital consumption of information that has been disclosed by companies applying IFRS Sustainability Disclosure Standards. Using the feedback from our 2023 consultation on the proposed Taxonomy, we expect to publish the Taxonomy in 2024.

Emmanuel Faber

Report from the Chair of the International Sustainability Standards Board continued

The progress made thus far would not have been possible without the support and collaboration of stakeholders globally.

Priorities for 2024 and beyond
2024 promises to be another important year for us.

Having consulted on our future priorities to help create a two-year work plan, we will continue to discuss feedback on this consultation with a view to agreeing on the work plan in the first half of 2024.

We will continue to focus on supporting and encouraging adoption of the IFRS Sustainability Disclosure Standards throughout 2024. In the course of this work, we will continue to prioritise discussions about the interoperability of our Standards with the work of others—including with jurisdictional and voluntary initiatives focused on stakeholders beyond investors—and to coordinate our work with that of our sister board, the IASB.

Emmanuel Faber
Chair of the ISSB

Thank you

We are truly grateful to our stakeholders worldwide for your unwavering support. During 2023 the ISSB met in Frankfurt, Montreal, Beijing and London, and we were grateful for both the warm welcome we received from local stakeholders and the advocacy, insights and constructive feedback provided.

I thank my Vice-Chairs Sue Lloyd and Jingdong Hua for their leadership during the year—and all the board members for constructive discussions and effective collaboration.

As we step into 2024, we reaffirm our dedication to driving better understanding of the risks and opportunities posed by sustainability-related issues.

Report from the Chair of the IFRS Foundation Monitoring Board
Engagement for better disclosure in the public interest

Throughout 2023 the IFRS Foundation addressed important issues to ensure that the information provided to the capital markets through corporate disclosure is relevant and decision-useful for investors.

To this end, in coordination with the Trustees of the IFRS Foundation, the Monitoring Board has overseen the governance and process of standard-setting at the Foundation from the public interest point of view. I would like to take this opportunity to pay tribute to the consistent and proactive endeavours of the Trustees as well as those of the leadership and staff of the IASB and the ISSB.

High-quality standard-setting

The creation of the ISSB in 2021 represented a major change for the Foundation. Accordingly, the Monitoring Board updated the Memorandum of Understanding with the Trustees to reflect the Foundation's expanded role.

After two years of intensive work, in June 2023 the ISSB issued its first IFRS Sustainability Disclosure Standards, IFRS S1 and IFRS S2, which were later endorsed by IOSCO. Having achieved this important milestone, the next phase for the ISSB is to advance jurisdictional consideration to adopt, apply or otherwise be informed by IFRS Sustainability Disclosure Standards to promote consistent and comparable information for investors.

In May 2023 the ISSB sought feedback on the priorities for its two-year work plan commencing in 2024. As the ISSB considers its future priorities, the Monitoring Board discussed the expectations for moving beyond climate and into other sustainability topics, including other environmental and social topics.

These ISSB initiatives are expected to improve transparency and comparability of information in the global capital markets, thereby meeting the needs of investors. The Monitoring Board continues to collaborate with the Trustees to ensure that the work to support implementation of IFRS S1 and IFRS S2 and the development of the ISSB's work plan follow the same robust governance and due process as for IFRS Accounting Standards. In this context, it is essential to its success that the ISSB engages proactively with relevant stakeholders, including jurisdictions.

At the same time, the Monitoring Board highlights the continued importance of the work of the IASB, standing side by side with the ISSB under the new structure of the Foundation. The Monitoring Board welcomes the progress made by the IASB in developing IFRS Accounting Standards in a wide range of areas, with projects including Primary Financial Statements and Business Combinations—Disclosures, Goodwill and Impairment. The Monitoring Board also appreciates the collaboration under way between the IASB and the ISSB to facilitate connectivity between financial statements and sustainability-related financial disclosures.


Takashi Nagaoka

Report from the Chair of the IFRS Foundation Monitoring Board continued

The Monitoring Board highlights the importance of the work of the IASB, standing side by side with the ISSB, under the Foundation.

Nominations and due process

Essential to the work of both the IASB and the ISSB is that they have the right people to support them as Trustees as well as to lead the respective boards.

In this context, the Monitoring Board approved the appointments of new Trustees and the reappointments of Trustees who had reached the end of their terms. I would like to thank the Trustees who have completed their mandates for their past contributions, and I look forward to working with the new Trustees. The Monitoring Board supported the reappointment of the ISSB Chair, and reaffirmed the importance of the continuity and stability his reappointment brings to the ISSB at this important juncture.

The Monitoring Board welcomes the ongoing work of the Trustees to update the *Due Process Handbook* following the formation of the ISSB, and will continue to monitor this work to ensure it proceeds effectively, providing a solid basis for the proper functioning of both boards.

Takashi Nagaoka
Chair of the IFRS Foundation Monitoring Board

Thank you

I would like to express my deep respect to Jean-Paul Servais, who served as Chair of the Monitoring Board for six years until March 2023, and who made significant contributions in the public interest. I am proud to succeed him in this important role. Notably, in 2023 we welcomed the Financial Conduct Authority of the United Kingdom as a new member—an important step in making our membership more inclusive.

Finally, I would like to express my appreciation to the principals, deputies and secretariat of the Monitoring Board for their continued support for and commitment to the activities of the Monitoring Board.

The Monitoring Board will continue to support the Trustees and the two boards in setting the strategic direction for their future work to achieve our shared objective—ensuring the provision of high-quality financial and sustainability information that is useful to stakeholders in the world's capital markets.

How we work—Due process

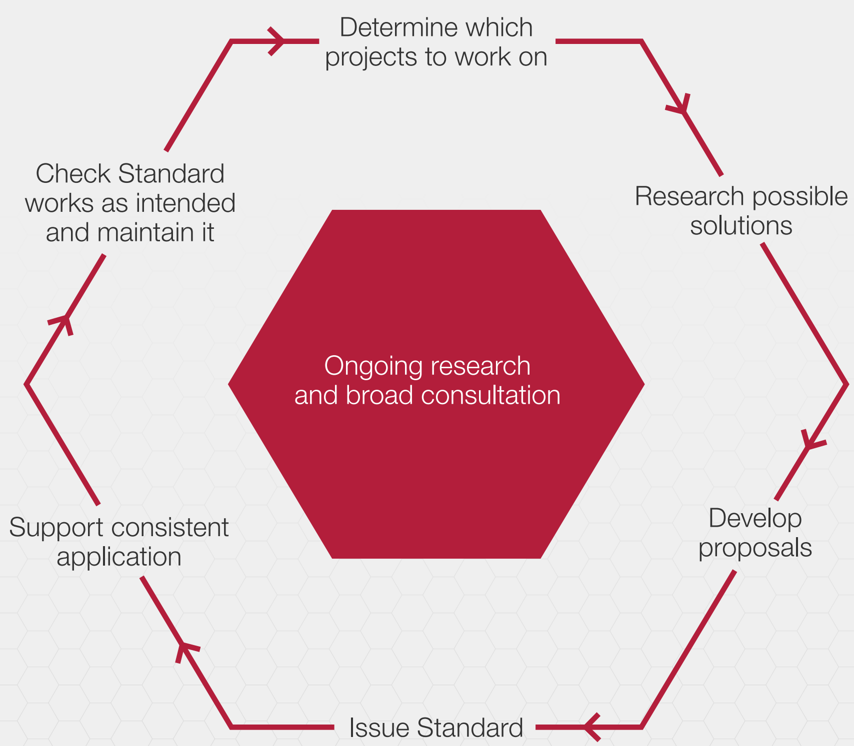
The IFRS Foundation has a highly regarded, inclusive and transparent due process for developing IFRS Standards. This due process is outlined in our *Constitution* and in more detail in the *Due Process Handbook*.

The due process enables our diverse group of stakeholders to inform and scrutinise the standard-setting, helping us ensure that the requirements in IFRS Standards reflect the best thinking worldwide.

Transparency, full and fair consultation, and accountability are the essential principles of our due process. By following these principles our due process builds trust in and global acceptance of IFRS Standards.

The Trustees are responsible for the governance of the IFRS Foundation. As part of this role, they ensure that the IASB, the ISSB and the IFRS Interpretations Committee follow our due process. The Trustees do so via their Due Process Oversight Committee. See page 39.

Our standard-setting process



Our people

Our staff numbers have grown in 2023, primarily due to the need for further resources to drive sustainability disclosure-related activities.

These activities include supporting regulatory adoption, capacity building and stakeholder engagement, as well as corresponding revenue generation and operations functions, which assist the work of both boards. We will continue to assess and address the resources needed to support the Foundation.

The workforce continued to grow in 2023 but at a slower rate than the previous year when the Foundation almost doubled in size. The expansion in 2022 was due to the formation of the ISSB, the establishment of the multi-location model, and the consolidation with the Climate Disclosure Standards Board and the Value Reporting Foundation.

We have now turned our attention to the tools and processes that will help staff to grow and thrive in their roles. To support the development of our people across all locations, we have recruited for specialist roles in talent acquisition and development, under the leadership of a new Chief People Officer, based in Frankfurt.

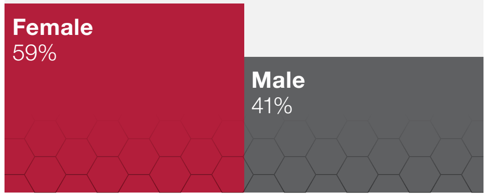
Staff As at 31 December 2023

353

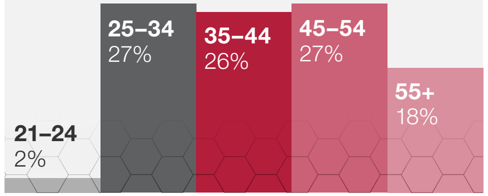
Nationalities

46

Gender

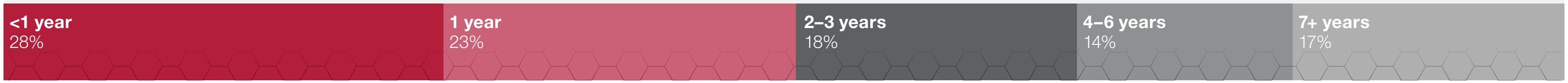


Age



Function

Length of service



1. Implementation includes engagement, adoption and capacity-building functions.

Our people continued

A milestone in 2023 was the launch of our new culture framework. The framework links to the objectives in our *Constitution* and sets out our culture ambition and the values and behaviours to which we aspire. The launch of the culture framework follows extensive engagement with staff throughout the organisation supported by a culture expert agency. We have an inclusive and collaborative culture, built on trust and committed to serving the global public interest. We strive to ensure that our colleagues are empowered and supported to bring their best and to learn continuously (see 'Our values' on page 3).

Staff profile

Oleg Chiriac

Technology Operations Analyst

From: Canada

Location: Montreal

Joined: January 2023

I am the technology lead for the Montreal office. In my role, I partner and collaborate with all departments to ensure information, technology resources and solutions are available.

As new employees join, I ensure that they have a good onboarding experience and are able to work effectively. During ISSB meetings, I collaborate with the organising team to ensure the technology aspects of the meetings and live broadcast go as planned. Good communication, collaboration, relationship management and planning are key to the success of my role.

Staff profile

Carol Wong

ISSB Technical Staff

From: Hong Kong SAR/US

Location: San Francisco

Joined: June 2023

I support the development of IFRS Sustainability Disclosure Standards, which includes research and analysis, developing staff recommendations to the ISSB, stakeholder outreach to gather feedback informing the technical work and supporting implementation of IFRS Sustainability Disclosure Standards.

My current focus is the development of the ISSB's work plan. I actively collaborate with both internal and external stakeholders and work closely with other project teams to ensure relationships between technical projects are identified. I also work with several of our operations teams to publish materials.

Our products and services

The IFRS Foundation offers a range of products and services—including education, events, licensing and membership programmes—developed to facilitate global adoption and application of IFRS Standards.

These products and services also generate income to help us deliver on our mission.

Our core IFRS Standards—and a range of educational materials and guidance, including the IFRS Sustainability knowledge hub—are available free of charge to registered users on our website for non-commercial use. A licence is required for all other types of usage, such as reporting software, investment analysis tools, data services and product development. Additional materials are also available to paying subscribers. Jurisdictions wishing to adopt and translate IFRS Standards sign licensing agreements with the Foundation.

Standards and related materials

IFRS® Accounting Standards and the *IFRS for SMEs®* Accounting Standard	Available in book format (bound volumes) and through subscription to IFRS Digital. Bound volumes of full IFRS Accounting Standards come in 'issued', 'required' and 'annotated' editions. Can be licensed for commercial use.
IFRS® Sustainability Disclosure Standards	Available in digital format to registered users on our website for non-commercial use and can be licensed for commercial use.
SASB® Standards	Seventy-seven industry-based standards that are free to download for non-commercial use and can be licensed for commercial use.
Integrated Reporting	The Integrated Reporting Framework and the Integrated Thinking Principles are free to download for non-commercial use and can be licensed for commercial use.
IFRS digital taxonomies	The IFRS digital taxonomies consist of a suite of elements used to tag companies' disclosures, making them more easily accessible to users of digital reports. The IFRS Accounting Taxonomy can be licensed for commercial use. The IFRS Sustainability Disclosure Taxonomy is under development.

Education

FSA® Credential	Self-study training programme equipping professionals with the knowledge and skills to understand the link between sustainability and a company's financial performance.
Integrated Reporting Training Partner	Training programme for professionals who want to develop skills and build capacity to support their organisation in implementing integrated reporting.

Engagement

Conferences and events	The Foundation organises several free and chargeable events and conferences, including the IFRS Foundation Conference and the IFRS Sustainability Symposium (see page 36).

Membership

IFRS Sustainability Alliance	Membership programme providing professionals with knowledge of best practice in sustainability disclosures and integrated reporting, peer-to-peer learning and updates on IFRS Sustainability news and events.
IFRS Sustainability Consultant Content Programme	Membership programme for corporate sustainability consultants that keeps them informed on trends in the use of IFRS Sustainability resources.

Our sustainability

The Trustees are keen to ensure that the Foundation manages its sustainability performance credibly and that we meet our stakeholders' expectations in this regard.

Laying the foundations

In 2022 we created a Trustee task force to guide discussions on the Foundation's approach to our own sustainability performance. The term of the task force has been extended to 31 March 2025 to provide continued support, guidance and governance oversight.

We made good progress in 2023, putting in place an appropriate governance structure and resources to enable us to make further advancements in 2024.

We benchmarked our sustainability performance, created a new sustainability-focused team, updated various policies including our staff travel and expense and procurement policy to include sustainability considerations, and set out a three-year work plan. Among other sustainability initiatives, we are:

- preparing to implement an environmental management system with a view to achieving ISO14001 certification;
- measuring our greenhouse gas emissions to set a 2023 baseline that, once verified, will be used to develop decarbonisation targets for the Foundation;
- developing internal training on sustainability to manage risks and to provide continuing professional development opportunities for staff; and
- reviewing and developing our social sustainability policies.

2024 outlook

Our ambition is that in 2024 we will start to embed good practices throughout the Foundation so that ultimately the internal sustainability project becomes business as usual. To ensure transparency on our sustainability journey, we will work with a cross-functional team at the Foundation to finalise a sustainability reporting approach proportionate to the nature and size of the Foundation. The Trustees will continue to provide oversight and support to Foundation staff as we finalise our sustainability strategy and work programme.

Our structure

The IFRS Foundation has a three-tier governance structure.

The IFRS Foundation Trustees oversee the two independent standard-setting boards of experts—the IASB and the ISSB—and are accountable to the IFRS Foundation Monitoring Board.

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

IFRS Foundation Monitoring Board

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 approves all Trustee appointments. See page 77.
Chair: Takashi Nagaoka

IFRS Foundation Trustees

The Trustees are appointed from varied countries and professional backgrounds. They are responsible for governance and organisational strategy; for maintaining the Foundation's *Constitution* and the *Due Process Handbook*; for appointing members to the IASB, the ISSB, the IFRS Interpretations Committee and various advisory bodies; and for funding. See page 38.
Chair: Erkki Liikanen

International Accounting Standards Board (IASB)

The IASB is an independent accounting standard-setting body of the IFRS Foundation. Its 14 members are appointed from various countries and professional backgrounds, including academia, accountancy, investment, reporting companies, regulation and standard-setting. The IASB issues IFRS Accounting Standards, the *IFRS for SMEs* Accounting Standard and the IFRS Accounting Taxonomy, which enables digital reporting. See page 23.
Chair: Andreas Barckow

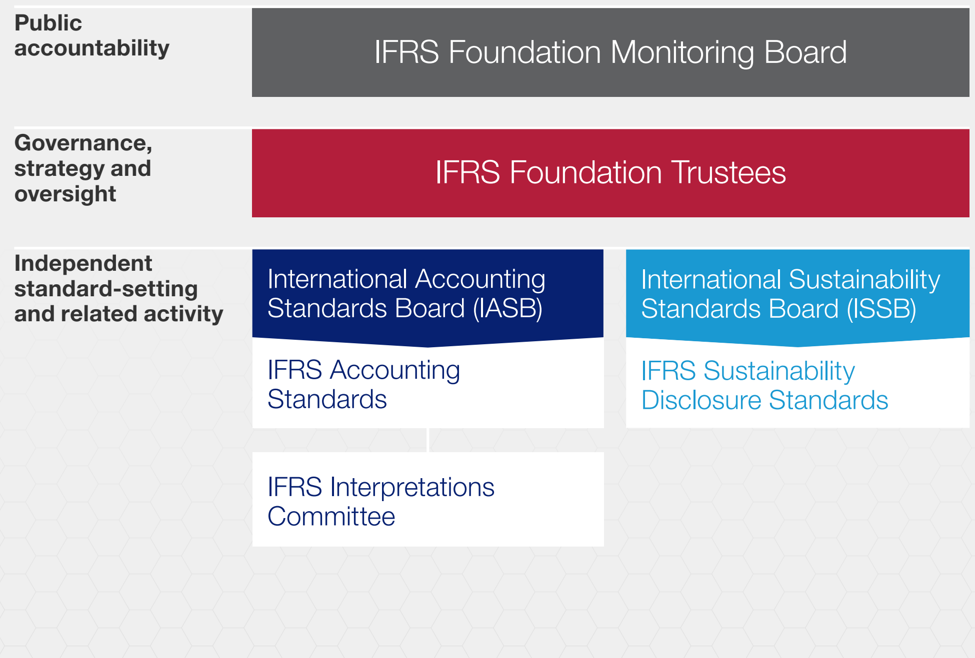
International Sustainability Standards Board (ISSB)

The ISSB is an independent sustainability disclosure standard-setting body of the IFRS Foundation. Its 14 members are appointed from various countries and professional backgrounds, including academia, accountancy, investment, sustainability, market or financial regulation and reporting companies. The ISSB issues IFRS Sustainability Disclosure Standards and the IFRS Sustainability Disclosure Taxonomy, which enables digital reporting. The ISSB also maintains the SASB Standards. See page 24.
Chair: Emmanuel Faber

IFRS Interpretations Committee

The IFRS Interpretations Committee comprises 14 external members and a non-voting chair. The Committee works with the IASB to support consistent application of IFRS Accounting Standards by responding to stakeholders' application questions. The Committee proposes that the IASB make narrow-scope amendments to the Accounting Standards, develops IFRIC® Interpretations of the Accounting Standards and publishes agenda decisions. See page 78.
Chair: Bruce Mackenzie

IFRS Foundation governance structure



Thank you

Thank you to departing Managing Director Lee White
In February 2024 we bid farewell to Lee White, who is departing the IFRS Foundation to take up the role of Chief Executive Officer at the International Federation of Accountants (IFAC).[1]

Lee joined the Foundation in 2018 and during his tenure has worked with the Trustees to effect substantial changes throughout the Foundation. These changes include the transition in leadership of the IASB, the creation of the ISSB, the consolidation with the Climate Disclosure Standards Board and the Value Reporting Foundation, the digital transformation of the Foundation's activities and the creation of several new offices.

Lee has provided inspirational leadership to the Foundation during a period of significant organisational transformation. The Trustees would like to thank him for his commitment and contribution to the Foundation's mission and for serving as a trusted partner to the Trustees, the IASB and the ISSB, and as a leader and colleague to all the Foundation's staff. We wish him well in his new role.

1. This text was written on 31 December 2023, at the end of the reporting period.

International Accounting Standards Board

As at 31 December 2023

Andreas Barckow
Chair

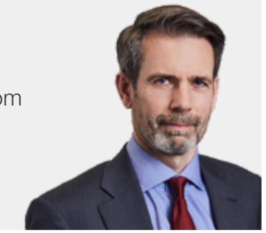
From: Germany
Region: At large
First term ends
30 June 2026

Linda Mezon-Hutter
Vice-Chair

From: Canada
Region: Americas
First term ends
31 August 2027

Nick Anderson

From: United Kingdom
Region: Europe
Second term ends
31 August 2025



Patrina Buchanan

From: Ireland
Region: Europe
First term ends
30 November 2027

Tadeu Cendon

From: Brazil
Region: Americas
Second term ends
30 June 2029[1]

Florian Esterer

From: Switzerland
Region: Europe
First term ends
31 March 2028

Zach Gast

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

Hagit Keren

From: Israel
Region: Asia-Oceania
First term ends
29 February 2028

Jianqiao Lu

From: China
Region: Asia-Oceania
Second term ends
31 August 2025

Bruce Mackenzie

From: South Africa
Region: Africa
First term ends
30 September 2025

Bertrand Perrin

From: France
Region: Europe
First term ends
30 June 2026

Rika Suzuki

From: Japan
Region: Asia-Oceania
Second term ends
30 June 2029[1]

Ann Tarca

From: Australia
Region: Asia-Oceania
Second term ends
30 June 2025

Robert Uhl

From: United States
Region: Americas
First term ends
31 August 2027

The required composition of the IASB is set out in our *Constitution*.

Member biographies are available at www.ifrs.org/groups/international-accounting-standards-board/.

All IASB members are based in the London office.

1. Tadeu Cendon and Rika Suzuki have been reappointed to serve a second five-year term starting 1 July 2024.

International Sustainability Standards Board

As at 31 December 2023

Sue Lloyd
Vice-Chair

From: New Zealand
Region: At large
Location: Frankfurt
First term ends
28 February 2026

Emmanuel Faber
Chair

From: France
Region: At large
Location: Frankfurt
Second term ends
31 December 2027[1]

Jingdong Hua
Vice-Chair

From: China
Region: At large
Location: Montreal
First term ends
30 September 2026

Richard Barker

From: United Kingdom
Region: Europe
Location: Frankfurt
First term ends
30 September 2026

Jenny Bofinger-Schuster

From: Germany
Region: Europe
Location: Frankfurt
First term ends
30 November 2027

Verity Chegar

From: United States
Region: Americas
Location: San Francisco
First term ends
30 June 2027

Jeffrey Hales[2]

From: United States
Region: At large
Location: Montreal
First term ends
30 June 2027

Michael Jantzi[2]

From: Canada
Region: Americas
Location: Montreal
First term ends
30 September 2025

Hiroshi Komori

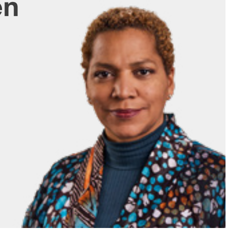
From: Japan
Region: Asia-Oceania
Location: Tokyo
First term ends
30 September 2025

Bing Leng

From: China
Region: Asia-Oceania
Location: Beijing
First term ends
30 September 2026

Ndidi Nnoli-Edozien

From: Nigeria
Region: Africa
Location: Frankfurt
First term ends
30 September 2026

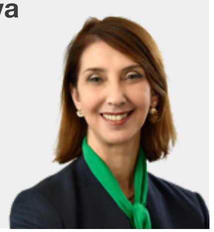


Tae-Young Paik

From: South Korea
Region: Asia-Oceania
Location: Tokyo
First term ends
30 September 2025

Veronika Pountcheva

From: Bulgaria
Region: Europe
Location: Frankfurt
First term ends
30 September 2027



Elizabeth Seeger

From: United States
Region: Americas
Location: Montreal
First term ends
30 September 2025

The required composition of the ISSB is set out in our *Constitution*.

Member biographies are available at www.ifrs.org/groups/international-sustainability-standards-board/.

1. Reappointed to serve a second three-year term starting 1 January 2025.
2. Serves part-time.

Our locations

To facilitate stakeholder engagement and adoption of IFRS Sustainability Disclosure Standards worldwide, it is essential that the ISSB has a global and multi-location presence.

We are grateful to our stakeholders for their valuable support in increasing our global presence, and particularly for the seed funding that has allowed us to open our new offices.

London

The IFRS Foundation's London office is our longest-serving office. All IASB members are based in the London office together with most of the IASB technical staff and the implementation, revenue generation and operations teams. Some ISSB technical staff members are also located in London.

Beijing

The Beijing office supports the ISSB's work, leading and executing the ISSB's strategy for emerging and developing economies. It acts as a hub for stakeholder engagement in Asia, facilitating deeper cooperation and engagement with stakeholders, and capacity building for emerging economies, developing countries and SMEs.

Frankfurt

Frankfurt is the seat of the ISSB, housing the office of the Chair and serving as the hub for the Europe, Middle East and Africa regions. The office serves as a base for ISSB members, and supports key functions of the ISSB and deeper cooperation with regional stakeholders.

Montreal

The Montreal office serves as the hub for the Americas region, focusing on standard-setting and market engagement. The office acts as a base for ISSB members, and supports key functions of the ISSB and deeper cooperation with regional stakeholders.

San Francisco

The San Francisco office provides technical support for the ISSB as well as platforms for market engagement and deeper cooperation with regional stakeholders.

Tokyo

The Tokyo office has historically supported the IFRS Foundation and the IASB's work. The office is now also the base for some ISSB members and serves as a dedicated regional point of contact and platform for stakeholders in the Asia-Oceania region.

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 a wide range of stakeholder groups, tailoring that engagement to our stakeholders' needs.

Stakeholders	Their needs	How we respond
Academia	Contribute to standard-setting through research. Access to materials and resources about IFRS Standards, meetings, conferences and events to inform research	Annual academic research forum, tailored engagement, literature reviews as part of the standard-setting work by the boards
Accounting profession and auditors	Access to materials and resources about IFRS Standards, input into the standard-setting process, conferences and events—and having IFRS Foundation speakers participate at their events to educate professionals	Joint conferences and events, regular meetings, cooperation with the International Federation of Accountants
Civil society	Have a keen interest in the transparency of financial reporting and sustainability matters	Consultations, events and news (website and social media)
Companies	Recognised standards that can be applied globally and are trusted by investors around the world	Meetings with the Global Preparers Forum (see page 27), regular educational events, conferences, guidance and explanatory materials
Customers	Superior products and services	Products, services, licensing material and intellectual property
Funding providers	Reputable standard-setting projects that will benefit their jurisdictions and clienteles	Regular updates and engagements
Investors	Consistent, comparable and reliable financial and sustainability disclosures that enable them to make informed decisions	Meetings with the Capital Markets Advisory Committee (see page 27) and the ISSB Investor Advisory Group (see page 28), dedicated investor relations team and regular meetings
Media	New information that engages their audiences, thought leadership	Press office, regular communications and briefings
Multilateral institutions	Transparency and trust in information disclosures worldwide, particularly to support the global south	Engagements bilaterally and via our Sustainability Consultative Committee
Policy makers and regulators	Well-regulated capital markets where information flows seamlessly, and investments thrive; globally recognised standards that are applicable to and suitable for their jurisdictions, which they can adopt, endorse and enforce	Events, cooperation and regular meetings with bodies including the Basel Committee on Banking Supervision, IOSCO and jurisdictional regulators and authorities, including the Jurisdictional Working Group[1]
Standard-setters	Involvement in the development of globally accepted standards, represent their stakeholders to the IFRS Foundation and in international debate, share information and ideas with other standard-setters	Annual conference for standard-setters, as well as meetings with the Accounting Standards Advisory Forum, the Emerging Economies Group, the International Forum of Accounting Standard-setters and the Sustainability Standards Advisory Forum, regular engagement with individual standard-setters

1. The Jurisdictional Working Group consists of jurisdictional representatives and representatives from the IFRS Foundation. It was created in 2022 and met throughout 2023 to discuss strategic matters including interoperability between IFRS Sustainability Disclosure Standards and other major sustainability-related regulations that have been developed in parallel.

Our consultative groups

Developing accounting and sustainability-related disclosure standards for the global economy is a collaborative exercise founded on transparency, full and fair consultation, and accountability.

Our *Due Process Handbook*—the blueprint for the standard-setting process, which ensures that IFRS Standards are developed free from undue influence—requires that the boards consider the perspectives of those affected by IFRS Standards globally. See page 17.

To help us gather those perspectives, we work closely with a network of advisory committees and other bodies representing the many stakeholder groups that have an interest in and are affected by financial reporting.

These groups and bodies enable us to consult efficiently with interested parties from a range of professional backgrounds and geographical regions. Their input is essential for standard-setting.

IFRS Advisory Council
The Advisory Council is the formal strategic advisory body to the Trustees, the IASB and the ISSB, consisting of representatives from a wide range of groups affected by and interested in the Foundation's work. It is chaired by Bill Coen.
www.ifrs.org/groups/ifrs-advisory-council

Integrated Reporting and Connectivity Council (IRCC)
The IRCC provides guidance to the Trustees, the IASB and the ISSB on integrating the reporting required by the two standard-setting boards, and applying the principles and concepts from the Integrated Reporting Framework to IASB and ISSB projects. It is chaired by Charles Tilley.
www.ifrs.org/groups/integrated-reporting-and-connectivity-council

IFRS Taxonomy Consultative Group (ITCG)
The ITCG is an expert consultative group that advises both the IASB and the ISSB on the development of their digital taxonomies, the IFRS Accounting Taxonomy and the IFRS Sustainability Disclosure Taxonomy, and related activities. It is co-chaired by IASB member Ann Tarca and ISSB member Bing Leng.
www.ifrs.org/groups/ifrs-taxonomy-consultative-group

Advisory and consultative groups for the IASB

The IASB meets publicly with its advisory bodies, standing consultative groups and transition resource groups. Papers and webcasts from these meetings are available on our website. In addition to project-specific consultative groups, the standing consultative groups are:

Accounting Standards Advisory Forum (ASAF)
The ASAF was established to formalise and streamline our engagement with the global community of national standard-setters and regional bodies to ensure a broad range of national and regional input on major technical issues.
www.ifrs.org/groups/accounting-standards-advisory-forum

Capital Markets Advisory Committee (CMAC)
The CMAC was created to provide the IASB with regular views from investors around the world. Investors are important stakeholders because they use financial reports prepared using IFRS Accounting Standards. They provide important information and feedback for standard-setting.
www.ifrs.org/groups/capital-markets-advisory-committee

Emerging Economies Group (EEG)
The EEG aims to enhance the participation of emerging economies in the development of IFRS Accounting Standards. The EEG also considers whether, and how, the IASB could provide educational guidance at the right level for interested parties in emerging economies and what the best delivery system for this would be. The secretariat for the EEG is provided by the Chinese Ministry of Finance.
www.ifrs.org/groups/emerging-economies-group

Global Preparers Forum (GPF)
The GPF was set up to provide the IASB with regular views from companies that use IFRS Accounting Standards to prepare their financial statements. These preparers provide valuable comments on our consultations and feedback on the practical application of IFRS Accounting Standards.
www.ifrs.org/groups/global-preparers-forum

Our consultative groups continued

Islamic Finance Consultative Group (IFCG)
The IFCG was established to focus on potential challenges in applying IFRS Standards to sharia-compliant instruments and transactions, highlighting matters that might warrant consideration by the IASB and/or the IFRS Interpretations Committee.
www.ifrs.org/groups/islamic-finance-consultative-group

SME Implementation Group (SMEIG)
The SMEIG considers questions about applying the *IFRS for SMEs* Accounting Standard and determines which questions can be addressed with published educational materials (Q&As) and which questions point to a need to amend the Standard.
www.ifrs.org/groups/sme-implementation-group

The IASB also has project-specific consultative groups.

Advisory and consultative groups for the ISSB

The ISSB also draws on external expertise through advisory bodies and consultative groups. These groups include:

ISSB Investor Advisory Group (IIAG)
The IIAG is a group of asset owners and asset managers in various markets who are committed to improving the quality and comparability of sustainability-related financial disclosures. The IIAG provides strategic guidance on the development of IFRS Sustainability Disclosure Standards and helps to ensure that the investor perspective is clearly articulated and considered in the standard-setting.
www.ifrs.org/groups/issb-investor-advisory-group

ISSB Technical Reference Group (TRG)
The TRG was a group of subject matter experts from the former Climate Disclosure Standards Board and Value Reporting Foundation and external working groups who provided technical support to ISSB members and technical staff for the development of IFRS S1 and IFRS S2. The group was retired on 31 December 2023. It will be succeeded by a new IFRS Sustainability Reference Group.
www.ifrs.org/groups/issb-technical-reference-group

Sustainability Consultative Committee (SCC)
The SCC provides advice to the ISSB on priority sustainability matters and related technical protocols. Members include the International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, the World Bank and additional experts drawn from public, private and non-governmental organisations.
www.ifrs.org/groups/sustainability-consultative-committee

Sustainability Standards Advisory Forum (SSAF)
The SSAF provides a mechanism for formal engagement between the ISSB and jurisdictional representatives. It contributes technical advice to the ISSB on the development of IFRS Sustainability Disclosure Standards.
www.ifrs.org/groups/ifrs-sustainability-standards-advisory-forum

Transition Implementation Group on IFRS S1 and IFRS S2 (TIG)
The TIG discusses, in a public forum, implementation questions that arise when companies implement the two IFRS Sustainability Disclosure Standards.
www.ifrs.org/groups/tig-ifrs-s1-and-ifrs-s2

Staff profile

Matthias Schueler
IASB Technical Staff

From: Germany
Location: London
Joined: September 2020

I am a member of the IASB technical team working in the Financial Instruments team.

My main projects are Power Purchase Agreements and Dynamic Risk Management, as part of which we often look at complex accounting challenges.

Collaboration is an important part of my role because we are only able to propose standard-setting solutions to challenges raised if we work together as a team both within the organisation and with our stakeholders.

As a result, we spend a large amount of our time working with all stakeholders to understand the issues fully and come up with a solution together.

2023 review and 2024 priorities—IFRS Accounting

The IASB develops and maintains IFRS Accounting Standards—including the *IFRS for SMEs* Accounting Standard—supports their consistent application and responds to new developments and trends that affect financial reporting globally.

2023 review

Developing IFRS Accounting Standards
We advanced our standard-setting agenda in 2023 by:

- publishing the Exposure Draft *Financial Instruments with Characteristics of Equity—Proposed amendments to IAS 32, IFRS 7 and IAS 1*, which clarifies how a company should distinguish debt instruments from the equity instruments it issues;
- completing our deliberations on the Primary Financial Statements and Subsidiaries without Public Accountability projects, with a plan to issue two new IFRS Accounting Standards in 2024; and
- completing our deliberations on the Business Combinations—Disclosures, Goodwill and Impairment project, with an exposure draft published in 2024.

We also continued our deliberations on the Dynamic Risk Management, Equity Method, Management Commentary, Rate-regulated Activities and Second Comprehensive Review of the *IFRS for SMEs* Accounting Standard projects.

To complete our Targeted Standards-level Review of Disclosures project, we published *Guidance for Developing and Drafting Disclosure Requirements in IFRS Accounting Standards* and a project summary and feedback statement was also published.

Not all our research projects result in standard-setting. In 2023 we stopped work on two projects on our work plan, Business Combinations under Common Control and Extractive Activities, based on an assessment of research and feedback indicating that the costs of proceeding outweighed the benefits. A project summary on Extractive Activities was published to complete that project and a project summary on Business Combinations under Common Control is planned for publication in 2024.

As part of our due process, a few years after an Accounting Standard has come into effect, we carry out a Post-implementation Review (PIR). PIRs assess the effects of applying requirements in IFRS Accounting Standards on investors, companies, auditors and regulators. In 2023 we:

- published requests for information for the PIR of IFRS 15 *Revenue from Contracts with Customers* and the PIR of impairment requirements in IFRS 9 *Financial Instruments*;
- started discussing stakeholders' views on impairment requirements in IFRS 9 in response to the request for information in the PIR for those requirements; and
- decided to start the PIR of IFRS 16 *Leases* in 2024 and to defer the PIR of hedge accounting requirements in IFRS 9 until we conclude our work on the accounting for power purchase agreements.

Maintenance and supporting consistent application
In 2023 the IFRS Interpretations Committee, which helps companies to apply our Accounting Standards consistently, published four agenda decisions and four tentative agenda decisions, most including explanatory material. These agenda decisions focused on a wide range of topics, from Definition of a Lease—Substitution Rights (IFRS 16 *Leases*) to Climate-related Commitments (IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*).

The Committee referred two narrow-scope standard-setting projects to the IASB for consideration and we decided to add these to our work plan—Power Purchase Agreements and Use of a Hyperinflationary Presentation Currency by a Non-hyperinflationary Entity. The Committee also provided input to several projects on our work plan.

Progress on our maintenance projects included:

- fast-tracking the issue of International Tax Reform—Pillar Two Model Rules, which amended IAS 12 *Income Taxes*—publishing an Exposure Draft in January and issuing the final amendment in May. We issued similar amendments to the *IFRS for SMEs* Accounting Standard. The amendments provide companies temporary relief from accounting for deferred taxes arising from the implementation of the Organisation for Economic Co-operation and Development's (OECD) Pillar Two model rules.
- issuing amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* in the Supplier Finance Arrangements project and to IAS 21 *The Effects of Changes in Foreign Exchange Rates* in the Lack of Exchangeability project.
- publishing the Exposure Draft *Annual Improvements to IFRS Accounting Standards—Volume 11*, which seeks to clarify the wording in IFRS Accounting Standards or to correct relatively minor unintended consequences, oversights or conflicts related to requirements in the Accounting Standards.
- publishing an exposure draft on the Amendments to Classification and Measurement of Financial Instruments project, in which we decided to make narrow-scope amendments to IFRS 9 and IFRS 7 to respond to some of the findings from the PIR of classification and measurement requirements in IFRS 9.
- deliberating on the Provisions—Targeted Improvements project.

To help our stakeholders understand and use IFRS Accounting Standards, we publish various materials including podcasts, webcasts and educational materials, and provide translations. For example, in 2023 we published updated educational materials on the effects of climate-related matters on financial statements, translated into Chinese, French and Japanese. We also started a series of webcasts providing insights into one of the forthcoming IFRS Accounting Standards, IFRS 19 *Subsidiaries without Public Accountability: Disclosures*.

Other developments and trends

Working with the ISSB
Now that the ISSB is fully operational, we have the opportunity to collaborate with the Foundation's newest standard-setter on matters, such as climate change, that can affect a company's financial prospects. See page 33. One example of a connection between the IASB and the ISSB is our narrow-scope project on Climate-related and Other Uncertainties in the Financial Statements. This project complements the work of the ISSB, connecting IFRS Accounting Standards with IFRS Sustainability Disclosure Standards.

2023 review and 2024 priorities—IFRS Accounting continued

Digital reporting
Digital financial information is increasingly important to capital markets and we assist companies in reporting digitally by developing and maintaining the IFRS Accounting Taxonomy. In 2023 we amended the IFRS Accounting Taxonomy to reflect new or amended presentation and disclosure requirements arising from narrow-scope amendments to IFRS 16 and IAS 1 *Presentation of Financial Statements* (issued in 2022). We also made amendments to reflect common reporting practices of companies that apply IFRS Accounting Standards and to improve the Taxonomy.

We've also proposed changes to the IFRS Accounting Taxonomy to reflect amendments to IFRS Accounting Standards that have been issued in 2023 (specifically IAS 12, IAS 21, IAS 7 and IFRS 7). Furthermore, we've proposed changes to the IFRS Accounting Taxonomy to reflect common reporting practices relating to the presentation of financial instruments in digital financial statements prepared by financial institutions and other improvements.

This cycle of improvement and maintenance ensures the IFRS Accounting Taxonomy remains up to date; it also facilitates the use of digital information in financial reporting.

Horizon scanning
We regularly scan the financial reporting ecosystem to identify any developments or trends that warrant consideration. Our stakeholders play an important role in helping us to decide what to focus on and stakeholder engagement is therefore of paramount importance in this area. The project on the OECD's Pillar Two model rules (see the section on 'Maintenance and supporting consistent application') is a good example of our response to one such development.

2024 priorities

Developing IFRS Accounting Standards
In 2024 we will advance our standard-setting agenda by:

- issuing IFRS 18 *Presentation and Disclosure in Financial Statements* and IFRS 19 *Subsidiaries without Public Accountability: Disclosures*;
- completing discussions related to the *Third edition of the* IFRS for SMEs *Accounting Standard*;
- completing the Business Combinations under Common Control project through the publication of a summary of our findings;
- consulting with stakeholders on the Business Combinations—Disclosures, Goodwill and Impairment and Equity Method projects via exposure drafts;
- completing our deliberations on the Rate-regulated Activities project, continuing deliberations on the Dynamic Risk Management project and exploring how to improve reporting on climate-related and other uncertainties in the financial statements;
- discussing the feedback on the Exposure Draft *Financial Instruments with Characteristics of Equity—Proposed Amendments to IAS 32, IFRS 7 and IAS 1*; and
- deciding on the direction of the Management Commentary project.

We also expect that in 2024 we will complete PIRs of IFRS 15 and of the impairment requirements in IFRS 9, and start the PIR of IFRS 16.

We will also start our pipeline projects on intangible assets and on the statement of cash flows in 2024.

Maintenance and supporting consistent application
As well as continuing our work with the Committee, in 2024 we expect to issue narrow-scope amendments to the classification and measurement of financial instruments (IFRS 9) and narrow-scope amendments arising from the latest volume of annual improvements to IFRS Accounting Standards.

We also plan to publish exposure drafts on:

- amending the *IFRS for SMEs* Accounting Standard to accommodate recent amendments to the full IFRS Accounting Standards for supplier finance arrangements and lack of exchangeability;
- power purchase agreements;
- use of a hyperinflationary foreign currency by a non-hyperinflationary entity;
- provisions—targeted improvements; and
- amending IFRS 19 for new or amended disclosure requirements added or amended in other IFRS Accounting Standards after 28 February 2021.

We will also support the implementation and consistent application of the new Accounting Standards we plan to issue in 2024, including through education sessions, webcasts, outreach and dedicated webpages of resources. We will monitor implementation and develop resources to meet stakeholders' needs.

Staff profile

Iliriana Feka
IASB Technical Staff

From: Kosovo
Location: London
Joined: October 2018

I am from Kosovo and have worked in Kosovo, New Zealand and the UK. I work on projects about financial instruments and I am the technical staff member in charge of the IASB's Post-implementation Review of impairment requirements in IFRS 9.

An important part of my role is to evaluate stakeholder feedback and provide the IASB with recommendations on how to solve accounting challenges.

In 2023 I connected with many stakeholders via meetings, conferences and academic workshops to understand stakeholders' experiences with the requirements in IFRS 9.

I also coach our talented Assistant Technical Staff in their two-year programme at the Foundation. In 2024, I will be supporting the IASB's deliberations on stakeholder feedback and exploring potential solutions to accounting challenges.

2023 review and 2024 priorities—IFRS Sustainability

In June 2023, following extensive engagement and consultation with stakeholders globally, the ISSB issued its inaugural standards—IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

2023 review

Developing standards

We developed IFRS S1 and IFRS S2 in response to:

- the demand of investors and other market participants for rigorous, reliable and comparable information from companies about sustainability-related risks and opportunities; and
- the identification by global policy making and regulatory bodies, such as the G7, the G20, IOSCO and the Financial Stability Board, of high-quality sustainability information as essential to the proper functioning of capital markets, building trust, resilience, efficiency, transparency and accountability.

IFRS S1 and IFRS S2 aim to facilitate the transition from fragmented voluntary sustainability-related disclosures—which are costly, complex and add risk for both companies and investors—to a regime in which companies disclose sustainability-related information to meet the needs of capital markets in accordance with globally accepted standards operating within a regulatory framework.

As demonstrated by IFRS Accounting Standards, globally accepted standards improve access to capital for companies and facilitate foreign direct investment. By applying globally accepted standards, companies could also avoid increased risk premiums arising from global investors' potential lack of understanding of local standards or variations or adaptations of international standards.

In June 2023 we also issued amendments to the SASB Standards to align their climate-related disclosure topics and metrics with IFRS S2, in line with our remit to maintain and improve the SASB Standards.

Supporting application

International applicability of the SASB Standards
In December 2023 we issued amendments to the SASB Standards to support companies in implementing IFRS S1. The SASB Standards are an important source of guidance for companies, helping them to provide relevant and comparable information when applying IFRS S1 in the absence of specific disclosure requirements in an IFRS Sustainability Disclosure Standard. The project on the International Applicability of the SASB Standards sought to improve the international applicability of the non-climate-related metrics in the SASB Standards by identifying and revising jurisdiction-specific terms of reference that might limit their suitability in other jurisdictions.

Companies are required to refer to the amended SASB Standards when applying IFRS S1. In doing so, these companies should be able to use the relevant metrics regardless of the jurisdiction in which they operate or the generally accepted accounting principles or practices they use in preparing their financial statements. The amendments preserve the metrics' decision-usefulness for users of general purpose financial reports and their cost-effectiveness for new and current users of the SASB Standards.

The amendments were based on the Exposure Draft *Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates*, published in May 2023, and built on the work undertaken when finalising the climate-related SASB Standards content used to develop the industry-specific guidance in IFRS S2.

IFRS Sustainability Disclosure Taxonomy
We consulted on the Proposed IFRS Sustainability Disclosure Taxonomy. The IFRS Sustainability Disclosure Taxonomy would facilitate structured digital reporting and effective ways to extract and analyse sustainability-related financial information when IFRS S1 and IFRS S2 are applied. It aims to improve global accessibility and comparability and to facilitate connections between companies' financial information and their sustainability-related risks and opportunities. We will issue the IFRS Sustainability Disclosure Taxonomy after considering the feedback on the Proposed IFRS Sustainability Disclosure Taxonomy.

Educational materials
Educational materials we published in 2023 included a comparison of the requirements in IFRS S2 with the TCFD recommendations and examples of how a company might apply requirements in IFRS S2 to disclose information about nature and social aspects of climate-related risks and opportunities.

Knowledge hub
In December we launched the knowledge hub, which hosts content developed by the IFRS Foundation and more than 100 resources developed by third-party organisations. Materials will be added over time in response to market needs and emerging practices. Although the hub has been designed primarily to help companies prepare their disclosures applying IFRS Sustainability Disclosure Standards, it will also be a useful repository for auditors, investors, regulators and other stakeholders seeking to advance their understanding of the IFRS Sustainability Disclosure Standards.

2023 review and 2024 priorities—IFRS Sustainability continued

Facilitating adoption

The IFRS Foundation and the ISSB acknowledge that the adoption of IFRS S1 and IFRS S2 might pose an initial challenge for some jurisdictions and we are committed to supporting jurisdictions in their efforts to adopt IFRS Sustainability Disclosure Standards consistently and without delay. So far, we have:

- introduced proportionality and scalability mechanisms in IFRS S1 and IFRS S2;
- provided transition reliefs from some disclosure requirements in IFRS S1 and IFRS S2 for the first annual reporting period in which a company applies them;
- liaised with regulators to help them prepare for the adoption of IFRS S1 and IFRS S2, enabling the application of their requirements to be phased in and scaled appropriately at a jurisdictional level; and
- provided additional support, including training and capacity-building programmes for companies and regulators.

Work plan development

Between May and September 2023, via a Request for Information, we consulted stakeholders on our priorities, considering the strategic direction and balance of our activities and the criteria for adding projects to the work plan.

We also sought feedback on four possible research projects—biodiversity, ecosystems and ecosystem services, human capital, human rights and integration in reporting—to explore how to integrate information in financial reporting beyond the requirements related to connected information in IFRS S1 and IFRS S2.

We received more than 400 responses to the consultation and met with more than 2,700 stakeholders. We also discussed the Request for Information with our advisory bodies. We will continue discussing the consultation feedback in the first half of 2024, including in a first joint meeting with the IASB in January 2024.

2024 priorities

Support application of IFRS S1 and IFRS S2

We will continue to develop and provide resources to help companies apply IFRS S1 and IFRS S2, including:

- the Transition Implementation Group—the group, formed in September 2023, provides a public forum for stakeholders to submit implementation questions; the resulting discussions inform the ISSB in determining whether and how to address those questions;
- educational materials—such as webinars and case studies; and
- the IFRS Sustainability Disclosure Taxonomy—the Taxonomy enables digital reporting of the information required by IFRS S1 and IFRS S2.

We will also continue our work to ensure that IFRS S1 and IFRS S2 are interoperable with other standards; for example, by:

- mapping emissions requirements in Global Reporting Initiative (GRI) Standards and IFRS Sustainability Disclosure Standards; and
- explaining the alignment and interoperability between European Sustainability Reporting Standards and IFRS Sustainability Disclosure Standards, including the choices a company needs to make to improve alignment in its disclosures and how it can avoid duplicative reporting.

Connections

We continue to coordinate the work of the ISSB with that of the IASB to ensure connections in processes and products that can lead to better general purpose financial reporting (see page 33).

Collaborate with other standard-setters

We will continue to collaborate with other standard-setters, including:

- with GRI to align work programmes and standard-setting activities—as per the March 2022 Memorandum of Understanding between the IFRS Foundation and GRI. Our joint initiatives include capacity building via the Sustainability Innovation Lab, and continued technical exchange to make reporting consistent globally and to simplify the process for companies that report on a multi-stakeholder basis.
- the International Public Sector Accounting Standards Board, which is working to advance public sector sustainability reporting.
- the Basel Committee on Banking Supervision and the International Association of Insurance Supervisors, who are working on climate-related disclosure frameworks for banks and insurers.
- the International Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants, who are working to enhance standards to support the assurance of sustainability-related information.

Define future work plan

We expect to publish our two-year work plan in the first half of 2024, once we have finished discussing the consultation feedback.

Staff profile

Sevin Gurarda
ISSB Technical Staff

From: Türkiye
Location: Frankfurt
Joined: August 2023

I have a PhD in Business Administration and over the past 18 years I have worked in a variety of accounting, finance and sustainability roles as well as being a part-time accounting professor.

I am part of the ISSB technical team supporting the implementation of IFRS S1 and IFRS S2, finalising changes to the SASB Standards for international applicability and analysing comment letters and surveys received in response to the ISSB's consultation on its future priorities.

I also support the jurisdiction strategy team in facilitating the adoption of the IFRS Sustainability Disclosure Standards in Türkiye.

Connecting IFRS Accounting and IFRS Sustainability

Investors need both financial statements and sustainability-related financial disclosures to make informed decisions.

Connected information for capital markets

The IASB and the ISSB are committed to developing IFRS Standards that enable companies to prepare general purpose financial reports that tell investors a holistic, comprehensive and coherent story. Our stakeholders have consistently emphasised the importance of connected information for capital markets.

2023 highlights:

- The ISSB's inaugural Standards, IFRS S1 and IFRS S2, set out requirements for companies to provide connected information and to disclose the current and anticipated financial effects of sustainability-related risks and opportunities on their performance.
- The IASB initiated a project on Climate-related risks and Other Uncertainties in the Financial Statements, which is exploring ways to improve connections in general purpose financial reports.

Connected products

To meet stakeholder demand for connected information, we work to ensure connections in our products, IFRS Accounting Standards and IFRS Sustainability Disclosure Standards, as well as in our digital taxonomies. To connect our products, we use consistent language and compatible concepts, and avoid conflicts, inconsistencies, gaps and unintended overlaps. Our goal is to ensure that, although IFRS Accounting Standards and IFRS Sustainability Disclosure Standards can be applied separately, the two sets of Standards work well as a package.

2023 highlights:

- IFRS S1 and IFRS S2 build on the concepts in IFRS Accounting Standards and use language that is consistent with those Standards.
- Consistent with the IFRS Accounting Taxonomy, the IFRS Sustainability Disclosure Taxonomy builds on best taxonomy design practice, which allows the taxonomies to work well together.

Connected working

To deliver connected products, we have processes in place to ensure that we work independently but in a connected manner. Connected working is at the heart of everything we do and is firmly embedded in our culture. Examples of connected working include information and knowledge sharing between the boards and their technical staff, sharing technical staff and coordinated stakeholder engagement.

2023 highlights:

- Senior IASB and ISSB technical staff were designated to be responsible for ensuring connections in our work and our products.
- IASB technical staff members were involved in the development of IFRS S1.
- ISSB technical staff members are involved in the IASB's project on Climate-related risks and Other Uncertainties in the Financial Statements.
- IASB and ISSB technical staff worked together to analyse feedback on the ISSB's Request for Information *Consultation on Agenda Priorities* in preparation for the inaugural joint IASB—ISSB meeting in January 2024.

Connecting IFRS Accounting and IFRS Sustainability

Connected information for capital markets	Financial statements	Sustainability-related financial disclosures
Connected products	IFRS Accounting Standards	IFRS Sustainability Disclosure Standards
Connected working	IASB and its technical staff	ISSB and its technical staff

2023 review and 2024 priorities—Implementation

Implementation, which includes engagement, adoption and capacity-building functions, supports the ISSB in:
- developing and maintaining strategic relationships; and
- promoting and maintaining the use, understanding and rigorous application of IFRS Sustainability Disclosure Standards.

2023 review

Notable successes in 2023 included:

- IOSCO's endorsement of IFRS S1 and IFRS S2, which is a resounding validation of the ISSB's work to develop robust, proportionate IFRS Sustainability Disclosure Standards fit for capital market use globally. The publication of *The jurisdictional journey towards implementing IFRS S1 and IFRS S2—Adoption Guide overview* was an important contributor to securing this endorsement.
- the Financial Stability Board's announcement that the IFRS Sustainability Disclosure Standards represent the culmination of the TCFD's work, with the IFRS Foundation to be fully responsible for monitoring companies' progress on their climate-related disclosures from 2024.
- the launch of the knowledge hub and development of training in conjunction with the United Nations Sustainable Stock Exchanges Initiative (SSE).
- the development and launch of the Sustainability Innovation Lab in Singapore in conjunction with GRI.
- the delivery of a programme of events and speaking engagements as part of COP28 and Climate Week in New York, London, Africa, Latin America and the Caribbean, and Ireland, to raise awareness of the IFRS Sustainability Disclosure Standards and our work.
- engagement with and securing support from multilateral development banks and the World Economic Forum's Preparers Group.
- responding to market interest in sustainability education by thoroughly overhauling the FSA Credential based on IFRS S1 and IFRS S2, with hundreds of candidates from more than 30 jurisdictions registering in the first month.

2024 priorities

In 2024 we will focus on strategies to assist the activities of both the IASB and the ISSB by:

- engaging with and supporting regulators and other relevant authorities in adopting IFRS Sustainability Disclosure Standards, in coordination with IOSCO and the Financial Stability Board; and
- supporting companies, investors and other capital market stakeholders in their use of IFRS Standards.

Staff profile

Zhengwei Zhang
Beijing Office Director and Special Adviser to ISSB Chair Emmanuel Faber

From: China
Location: China
Joined: November 2022

My background is in accounting and finance. Before joining the IFRS Foundation, I served as the Director-General at the Ministry of Finance of China.

Thanks to great collaboration with various Chinese government agencies, we opened our Beijing office on 19 June 2023, following an efficient registration process.

I oversee the ISSB's stakeholder engagement in China and the wider region. Working with our many partners and stakeholders, we launched our online ISSB Introductory Programme in China in the second half of 2023, garnering more than five million views.

We also launched a Partners for Early Awareness of Sustainability Standards Today programme with more than 300 participants.

I work with colleagues globally to deliver on the Beijing office's remit to build capacity for emerging and developing economies.

2023 review and 2024 priorities—Revenue generation and operations

The organisation is supported by teams covering revenue generation and operational functions including finance, governance, human resources, legal, office support, technology, and communications and external affairs.

2023 review

Revenue generation
Our aim is to build a revenue base providing stable and sustainable funding to support the IASB and the ISSB's long-term success.

For this purpose, the Trustees created a new Funding Committee, supported by a funding team. The funding team explored new funding initiatives such as our Corporate Champions Network, possible support from philanthropic organisations and developing future funding streams.

Operations
We developed and improved operational functions and processes by:

- supporting the Trustees in the appointment of an Executive Operations Director.
- opening an office in Beijing in June 2023, further enhancing the IFRS Foundation's global reach. The Foundation now has offices in Beijing, Frankfurt, London, Montreal, San Francisco and Tokyo.
- creating an internal audit function, appointing a Director of Internal Audit and developing an internal audit strategy and proposed delivery model, which will include working with an external partner.
- appointing a Chief People Officer and other senior HR specialists to support our strategic focus on people.
- creating an internal sustainability team to support our focus on the Foundation's own sustainability.
- globalising the finance function and implementing a new organisation-wide finance system.
- strengthening compliance, due diligence and procurement processes—for example, establishing a compliance function.
- exploring how artificial intelligence (AI) could benefit and challenge the Foundation.

2024 priorities

In 2024 we will:

- continue to increase our presence in the jurisdictions where we have offices, and to develop the way these offices operate;
- develop and embed the culture framework in all aspects of our people strategy; and
- focus on developing a broad funding base.

Staff profile

Angela Grenham
HR Manager

From: UK
Location: London
Joined: February 2011

In my role as an HR Manager in London I work alongside colleagues throughout the organisation, supporting them in their roles and responsibilities.

Having the opportunity to collaborate with others is a highlight of my job, as well as being an effective way to deliver vital business-as-usual services such as an accurate payroll, recruiting new people to join our teams and onboarding them successfully.

I also get involved in cross-functional projects—a good example being the collaborative approach we took when creating our wellbeing toolkit in 2023.

Another aspect of my job is to build productive working relationships with external partner organisations; for example, to ensure that we have in place the required specialist support for our range of benefits and insurances.

Our conferences and speaking engagements

Organising and participating in conferences are important ways for the IFRS Foundation to engage with our many stakeholders around the world in support of advancing our mission.

Trustees, members of the IASB and the ISSB, and staff regularly deliver keynote speeches, presentations and training sessions at online and in-person conferences. In 2023 we participated in approximately 500 external events around the world to raise awareness of IFRS Standards, to increase understanding of our requirements and to encourage stakeholders' involvement in our work.

In addition to participating in conferences organised by third parties, in 2023 we invited our stakeholders to attend several IFRS Foundation conferences:

IFRS Sustainability Symposium

- February 2023
- Montreal, Canada

The inaugural IFRS Sustainability Symposium built on the success of Value Reporting Foundation and SASB symposiums in previous years. More than 1,000 global businesses, investors and policy makers from 45 countries came together in person and online to discuss progress towards a global baseline of sustainability disclosures to inform investment decisions. Mark Carney, UN Special Envoy for Climate Action and Finance and Co-Chair for the Glasgow Finance Alliance for Net Zero, was the keynote speaker.

IFRS Integrated Thinking & Reporting Conference

- June 2023
- Frankfurt, Germany

More than 300 people from 18 countries attended in person or online to learn about integrated thinking and reporting, and how they are informing the work of the IASB and the ISSB. Takashi Nagaoka, Deputy Commissioner of the Financial Services Agency of Japan and Chair of the IFRS Foundation Monitoring Board, gave the keynote address.

IFRS Foundation Conference

- June 2023
- London, UK

Five hundred people—the majority responsible for companies' reporting—attended the hybrid event to learn about important developments at the IFRS Foundation, highlighting the work of both the IASB and the ISSB. IASB Chair Andreas Barckow spoke about the role of financial reporting in uncertain times and how the IASB is supporting companies and investors. ISSB Chair Emmanuel Faber officially launched the inaugural IFRS Sustainability Disclosure Standards, IFRS S1 and IFRS S2.

Our conferences and speaking engagements continued

World Standard-setters Conference

- September 2023
- London, UK

This 22nd annual conference brought together delegates from standard-setting organisations in 70 jurisdictions to hear from a range of experts in accounting and sustainability reporting. Conference sessions were also broadcast on LinkedIn and via the IFRS Foundation website, attracting around 10,000 views.

IASB Research Forum

- November 2023
- Paris, France

The 2023 Research Forum was held at the IÉSEG School of Management and was organised in partnership with the European Accounting Association and its journals *Accounting in Europe* and *European Accounting Review*. The Research Forum gives academics, practitioners and standard-setters a platform for discussing academic papers with relevance to standard-setting, which helps to ensure the IASB's work is informed by academic research.

In addition to these conferences, we worked with partners to support and host several events, including:

The International Conference on Sustainability Disclosure

- March 2023
- Tokyo, Japan

Co-hosted with the Financial Services Agency of Japan, the conference brought together companies, investors, stock exchanges, audit firms, standard-setters, regulators and policy makers to exchange views on jurisdictional approaches and the progress towards a global baseline of sustainability disclosures. Prime Minister of Japan Fumio Kishida gave the opening remarks.

Beijing International Sustainability Conference

- November 2023
- Beijing, China

Organised in conjunction with the ISSB's first meeting in Beijing following the opening of the Beijing office in June 2023, the conference was attended by 300 guests who received updates on the ISSB's work from the ISSB leadership. Invited speakers and delegates also discussed the importance of high-quality sustainability information and how such information can be achieved through adoption of the IFRS Sustainability Disclosure Standards.

Staff profile

Norie Takahashi
Integrated Thinking Fellow

From: Japan
Location: Tokyo
Joined: Seconded to the former International Integrated Reporting Council from 2016 and to the IFRS Foundation from August 2022 (following the consolidation with the VRF)

As an Integrated Reporting Fellow in the Asia-Oceania office, I have organised several events in the Asia-Oceania region, including the IFRS Sustainability Alliance event in Tokyo, the IR Communities event to discuss the ISSB's Agenda Consultation and regional integrated reporting events.

Through these events, I have had the pleasure of working with colleagues both within and outside the Connectivity and Integrated Reporting team, as well as colleagues from various continents.

Trustees of the IFRS Foundation

As at 31 December 2023

Erkki Liikanen
(Europe) Chair

From: Finland

Former Governor of the Bank of Finland

Second term ends 31 December 2024[1]

Attendance 2023: 3/3

Teresa Ko
(Asia-Oceania) Vice-Chair

From: Hong Kong

China Chair and Senior Partner, Freshfields Bruckhaus Deringer

Third term ends 31 December 2024

Attendance 2023: 3/3

Larry Leva
(Americas) Vice-Chair

From: USA

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

Second term ended 31 December 2023

Attendance 2023: 3/3

Sarah J. Al Suhaimi (at large)
From: Saudi Arabia
Chair of Tadawul (the Saudi Stock Exchange), member of the Board of Directors of the Saudi Cultural Development Fund and the Board of Directors of Saudia
Second term ends 31 December 2024
Attendance 2023: 3/3

Colette Bowe (Europe)
From: UK
Member of the Bank of England's Financial Policy Committee and former Chair of the UK Banking Standards Board
Second term ended 31 December 2023
Attendance 2023: 2/3

Koushik Chatterjee (Asia-Oceania)
From: India
Executive Director and Chief Financial Officer, TATA Steel Ltd
First term ends 31 December 2025
Attendance 2023: 1/3

Jorge Familiar (Americas)
From: Mexico
Vice President and Treasurer of the World Bank
First term ends 31 December 2024
Attendance 2023: 3/3

Suresh P. Kana (Africa)
From: South Africa
Former Chair of the Financial Reporting Standards Council of South Africa
Second term ends 31 December 2024
Attendance 2023: 3/3

Masamichi Kono (at large)
From: Japan
Member of Global Advisory Board, Mitsubishi UFJ Financial Group Bank, Former Deputy Secretary General of the Organisation for Economic Co-operation and Development
Second term ends 31 December 2026
Attendance 2023: 3/3

Sukjoon Lee (Asia-Oceania)
From: South Korea
Chairman and Chief Executive Officer, NongHyup Financial Group Inc.
First term ends 31 December 2025
Attendance 2023: 3/3

Michel Madelain (at large)
From: France
Former Vice-Chair and President of Moody's Investors Service
Second term ended 31 December 2023
Attendance 2023: 3/3

Steven Maijoor (Europe)
From: The Netherlands
Executive Board Member, De Nederlandsche Bank
First term ends 31 December 2025
Attendance 2023: 3/3

Ross McInnes (Europe)
From: France
Chair, Safran
Second term ended 31 December 2023
Attendance 2023: 2/3

Robert Pozen (Americas)
From: USA
Senior lecturer, MIT Sloan School of Management
Second term ends 31 December 2026
Attendance 2023: 3/3

Vinod Rai (Asia-Oceania)
From: India
Former Comptroller and Auditor General of India
Second term ended 31 December 2023
Attendance 2023: 3/3

Lucrezia Reichlin (Europe)
From: Italy
Professor of Economics, London Business School
Second term ended 31 December 2023
Attendance 2023: 2/3

Ken Robinson (Americas)
From: USA
Board of Directors, Abercrombie and Fitch, Paylocity Corporation, Board of Directors, Morgan Stanley US Banks, Board of Directors, Occidental
Second term ends 31 December 2026
Attendance 2023: 3/3

Isabel Saint Malo (Americas)
From: Panama
Advisor to the Administrator of the UN Development Programme, Member of the Advisory Council of the SEK International Institution
First term ends 31 December 2025
Attendance 2023: 3/3

Erhard Schipporeit (Europe)
From: Germany
Former Chief Financial Officer and Chairman of VARTA
Second term ends 31 December 2026
Attendance 2023: 3/3

Keiko Tashiro (Asia-Oceania)
From: Japan
Deputy President, Daiwa Securities Group Inc.
First term ends 31 December 2024
Attendance 2023: 3/3

Maria Theofilaktidis[2] (Americas)
From: Canada
Executive Vice President and Chief Auditor, Bank of Nova Scotia
Second term ends 31 December 2025
Attendance 2023: 3/3

Wencai Zhang (Asia-Oceania)
From: China
Vice President, Export-Import Bank of China
First term ends 31 December 2025
Attendance 2023: 2/3

Trustees who stepped down on 31 December 2023

Larry Leva (Vice-Chair), Colette Bowe, Michel Madelain, Ross McInnes, Vinod Rai and Lucrezia Reichlin

New Trustees appointed to serve from 1 January 2024

Bertrand Badré, Rudolf Bless, Morgan Després, Chong-Tee Ong and Richard Sexton

For more information on Trustees, see www.ifrs.org/groups/trustees-of-the-ifrs-foundation/#members.

1. Early in 2024 the IFRS Foundation Monitoring Board approved Erkki Liikanen's reappointment for a third term to end on 30 September 2027.
2. Early in 2024 Maria Theofilaktidis was appointed as Vice-Chair.

Trustee committees

The Trustees meet several times a year and operate through committees. These committees met in 2023.

Audit, Finance and Risk Committee

Chair: Larry Leva
Members: Colette Bowe, Jorge Familiar, Sukjoon Lee, Erhard Schipporeit, Maria Theofilaktidis, Wencai Zhang
Meetings in 2023: Five

Activities and decisions:
- reviewed the Foundation's annual budget, accounts and related forecasts
- advised the Trustees on whether the financial statements are fair, balanced and reasonable
- reviewed the Foundation's risk reports and monitored the integrity, adequacy and effectiveness of the Foundation's system of risk management and internal controls
- oversaw the management of the Foundation's multi-class asset investment portfolio by Barclays Wealth
- reviewed and formally established a policy that outlines the structured procedure required for evaluating and accepting offers of donations received by the Foundation
- appointed a Director of Internal Audit and endorsed the plan and delivery model for the Foundation's new internal audit function

Digital Technology Oversight Committee

Chair: Suresh Kana
Members: Vinod Rai, Lucrezia Reichlin, Ken Robinson, Erhard Schipporeit
Meetings in 2023: Three

Activities and decisions:
- received regular updates on the ongoing progress, investment and implementation of digital and technology strategies
- received regular updates on key developments such as:
  - consolidation of data, updating of hardware throughout the organisation, and progress on important system consolidations like the Customer Relationship Management and e-commerce platforms
  - provision of technical solutions for publishing the ISSB's inaugural IFRS Sustainability Disclosure Standards, creating the IFRS Sustainability Standards Navigator and revising the SASB Standards
  - collaboration with the capacity-building and communications team to deliver the knowledge hub
  - technology planning for the Montreal and Beijing office launch efforts
  - AI-related pilots carried out with the aim of rolling out new capabilities to the entire Foundation
- reviewed an independent cybersecurity assessment and received updates on related actions
- received regular updates on the Foundation's strategy for the digital consumption of information

Due Process Oversight Committee

Chair: Teresa Ko
Members: Koushik Chatterjee, Masamichi Kono, Larry Leva, Michel Madelain, Steven Maijoor, Ross McInnes, Robert Pozen, Vinod Rai
Meetings in 2023: Six

Activities and decisions:
- received regular updates on the technical activities of the IASB, the ISSB and the IFRS Interpretations Committee
- reviewed the due process applied in developing IFRS S1, IFRS S2 and IFRS 18 following completion of the boards' technical discussions
- reviewed and approved requests for shortened comment periods for consultations on:
  - the international applicability of SASB Standards
  - OECD tax reform-related amendments to the *IFRS for SMEs* Accounting Standard
- considered the staff's annual reviews of the IFRS Foundation's consultative groups, due process for the educational materials published by the Foundation to support the consistent application of IFRS Accounting Standards, and various reporting matters relating to comment letters, board papers and dialogue with regulators
- reviewed the composition of the IFRS Taxonomy Consultative Group and the TIG on IFRS S1 and IFRS S2
- approved the due process to be applied to developing materials to support the interoperability of the IFRS Sustainability Disclosure Standards with other relevant standards
- considered materials to enhance communications about the ISSB's due process
- considered plans to update the *Due Process Handbook* to reflect the creation of the ISSB

Trustee committees continued

Ethics Committee

Chair: Vinod Rai
Members: Larry Leva, Maria Theofilaktidis
Meetings in 2023: Six

Activities and decisions:
The committee met on an ad hoc basis to review and provide confidential advice to the Trustees on ethical questions, as and when they arose.

Executive Committee

Chair: Erkki Liikanen
Members: Colette Bowe, Suresh Kana, Teresa Ko, Larry Leva, Michel Madelain, Lucrezia Reichlin, Isabel Saint Malo
Meetings in 2023: Four

Activities and decisions:
- supported the Chair and the Vice-Chairs in ensuring priorities and key decisions are advanced on behalf of the Trustees
- provided regular oversight and strategic advice to the One Foundation programme
- discussed strategies to increase the resilience of the medium- to long-term funding base for the Foundation
- discussed the strategy to support the adoption of IFRS Sustainability Disclosure Standards globally
- reviewed the agendas ahead of each in-person meeting of the Trustees

Funding Committee

Chair: Isabel Saint Malo
Members: Koushik Chatterjee, Jorge Familiar, Sukjoon Lee, Erkki Liikanen, Michel Madelain, Ross McInnes, Keiko Tashiro
Meetings in 2023: Nine

Activities and decisions:
- proposed and approved the ISSB funding model
- monitored fundraising efforts in target jurisdictions and identified additional actions to advance progress
- received updates on fundraising initiatives, including the Corporate Champions Network and the IFRS Sustainability Alliance
- received regular updates on the ISSB's contributed revenue position
- reviewed and commented on a policy setting out the process to be followed for assessing and accepting offers of donations received by the Foundation or either of its boards
- discussed general elements for a future endowment fund
- reviewed and commented on the philanthropic fundraising efforts
- discussed the need to strengthen the fundraising capacity of the IFRS Foundation
- participated in fundraising activities, notably Climate Week in New York City and Council of the Americas annual meetings
- participated in bilateral meetings between the Trustees and potential donors in various jurisdictions

Human Capital Committee

Chair: Colette Bowe
Members: Sarah Al Suhaimi, Jorge Familiar, Robert Pozen, Keiko Tashiro, Wencai Zhang
Meetings in 2023: Five

Activities and decisions:
- discussed and made decisions on the annual review of remuneration in association with the Audit, Finance and Risk Committee
- received updates and made suggestions for further work on the project to create an appropriate organisational culture throughout the consolidated organisation and recommended the approval of the project's next phase and related third-party supplier costs
- considered resource and recruitment plans for the IASB and ISSB technical staff
- received updates and made suggestions for further actions in response to the staff engagement survey conducted in 2022
- reviewed board members' annual effectiveness self-evaluation process and procedure

Nominating Committee

Chair: Michel Madelain
Members: Colette Bowe, Suresh Kana, Masamichi Kono, Teresa Ko, Ken Robinson
Meetings in 2023: Eight

Activities and decisions:
- recommended the appointment or reappointment of 10 Trustees
- recommended the reappointment of the Chair of the ISSB
- recommended the reappointment of two IASB members
- recommended the reappointment of seven IFRS Interpretations Committee members
- recommended the appointment or reappointment of 15 organisations and representatives of the IFRS Advisory Council
- began work with a global executive search firm to identify a successor to our departing Managing Director, Lee White

Organisational risks and mitigation

The IFRS Foundation's Executive Risk Committee has the responsibility for identifying, managing and mitigating risks faced by the Foundation that may affect the achievement of its operational and strategic objectives.

The Committee has a robust process in place to assess the impact of risk on the Foundation and to set the appropriate risk appetite for the Foundation's activities.

The Committee comprises senior executives representing all parts of the Foundation. The Committee meets bi-monthly and identifies, assesses and monitors key risks for the Foundation and appropriate mitigating actions. Identification and assessment of individual risks are embedded in management and operational processes throughout the Foundation.

The Trustees' Audit, Finance and Risk Committee[1] provides oversight of the Foundation's risk management processes and systems and reports to the full board of the Foundation's Trustees, who bear the ultimate responsibility for monitoring risk.

The corporate risk register records the cross-cutting risks and uncertainties that the Committee believes the IFRS Foundation faces. The main risk areas identified by the Committee, and the actions taken to mitigate them, are set out in the table.

	Risk	Key mitigations
People	Failure: • to attract and retain high-calibre people • to develop a One Foundation-appropriate organisational culture under the multi-location model	• Dedicated budget allocated to staff training and development • Leadership and managers focus on staff wellbeing and development • Staff engagement survey carried out bi-annually • IFRS Foundation culture framework launched to encourage the organisational values and behaviours to which we aspire • Created Director of Talent and Director of Talent Acquisition roles to oversee staff development and recruitment
Funding	Insufficient funding to maintain the IFRS Foundation's operations	• Trustees' Funding Committee created to develop a medium- to long-term funding model • Alternative sources of funding being explored • New commercial strategy being developed to increase earned revenue
Technology	Failure to develop appropriate systems and policies that support effective operations and protect the IFRS Foundation from cyber attacks	• Business continuity plans developed to be followed in the event of a cyber attack • IFRS Foundation and legacy organisation systems have been consolidated • Dedicated budget allocated to maintaining and updating systems
Support	Loss of policy-level support for the IFRS Foundation	• Important policy-level contacts mapped and monitored throughout the organisation • Relationship owners identified for important policy-level contacts • Ongoing communication of the case for global accounting and sustainability disclosure standards • IFRS Foundation Trustees continue to engage with all important stakeholders to promote a single set of global accounting and sustainability disclosure standards
Adoption	Uneven pace of adoption of IFRS Sustainability Disclosure Standards by jurisdictions	• Sustainability Standards Advisory Forum created • IFRS Sustainability Disclosure Standards have been endorsed by IOSCO, the FSB, G7 and G20 • Adoption strategy for IFRS Sustainability Disclosure Standards being developed • Monitoring of jurisdictional consultations with regard to regulatory adoption of IFRS S1 and IFRS S2 being advanced • Proactive engagement with stakeholders to explain the differences between a regulatory adoption proposal and IFRS S1 and IFRS S2

1. The Committee was split into two, effective 1 January 2024: the Audit and Risk Committee and the Budget and Finance Committee.

Summary of financial results 2023

The results for the financial year 2023 cover the operations of the IFRS Foundation including its subsidiaries (Foundation) as constituted on 31 December 2023. The Foundation's structure did not substantively change in 2023. During 2022 the Foundation consolidated with the Climate Disclosure Standards Board (CDSB) and the Value Reporting Foundation (VRF). The consolidated financial statements for 2022 included the results of the newly consolidated operations and entities for the period from 1 August 2022.

The Foundation is reporting income before tax of £1.2 million for 2023 (2022: £8.5 million). The year-on-year decrease of £7.3 million is mainly attributable to the gain of £7.8 million recognised in 2022 on consolidating with the VRF.

Total revenue increased year on year from £48.5 million to £68.4 million, an increase of 41%. The growth in revenue was partly due to the recognition of income for the newly consolidated operations being included for the full 12-month period in 2023 (compared to five months in 2022), along with the benefits of the Foundation's revenue growth initiative.

Contributed revenue includes ongoing jurisdictional funding for both the IASB and the ISSB. It also includes £18.4 million in annual seed funding for the formation of the ISSB and support of its offices in Frankfurt, Montreal, Tokyo and Beijing. Earned revenue includes revenue from subscriptions, memberships, licensing and publications. Total revenue comprised:

- contributed revenue: £42.2 million (2022: £32.5 million ▲30%); and
- earned revenue: £26.2 million (2022: £16.0 million ▲64%).

Total operating expenses increased from £48.0 million to £67.5 million year on year, an increase of 41%. This substantial rise was primarily due to:

- the recognition of expenses for the consolidated operations over the full 12-month period (compared to five months in the prior year);
- increases in staffing and other capacity to deliver on the Foundation's expanded objectives;
- the expenses incurred in creating enhanced technology, finance, risk and compliance processes commensurate with the expanded scale of the organisation; and
- legal and professional fees related to the operationalisation of the ISSB and the multi-location model.

Extensive engagement with stakeholders contributed to the increase in travel and meeting costs. Inflation also contributed to the overall increase in operating costs.

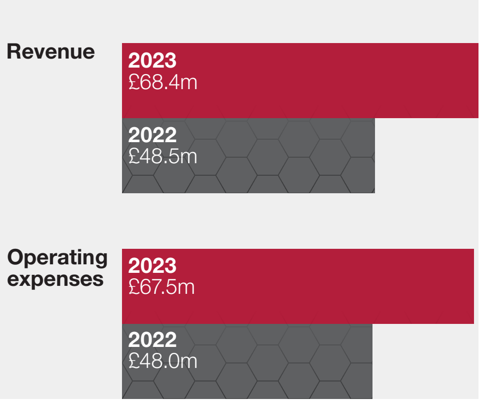
The net gain from financing activities, including exchange gains and losses, amounted to £279,000 (2022: £104,000). The net exchange losses of £743,000 (2022: gain of £652,000) mainly resulted from foreign exchange revaluations on yen and Canadian dollar cash balances. Fair value gains on investments of £416,000 (2022: losses of £671,000) reflect appreciation of our diversified investment fund and the increase in value of government bond prices due to falling interest rates.

Tax charges of £357,000 (2022: £406,000) brought our income for the year after tax to £834,000 (2022: £8.1 million).

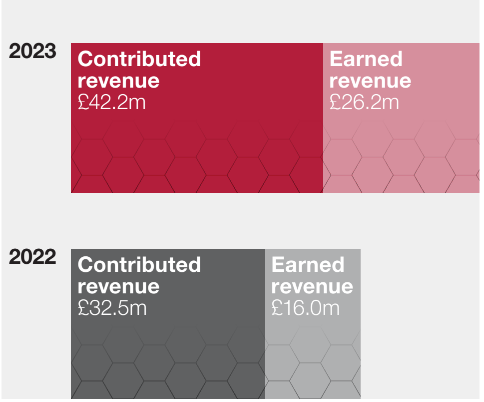
After accounting for exchange differences arising from translating foreign operations (a loss of £374,000 against a gain of £163,000 in 2022), the Foundation reported comprehensive income for 2023 of £460,000 (2022: £8.3 million).

Net assets have increased year on year from £49.0 million to £49.5 million due to the operating surplus recognised during the year.

Income and expenditure



Revenue



Operating expenditure

2023 review

Bedding in the ISSB and the multi-location model

In 2022 the Foundation completed the key steps to establish the global presence of the ISSB—consolidating with the CDSB and the VRF; opening new offices in several locations; and appointing ISSB members and staff.

During 2023 the Foundation further expanded its global presence by opening an office in China, and now operates from offices in Beijing, Frankfurt, London, Montreal, San Francisco and Tokyo. Following the publication of the first IFRS Sustainability Disclosure Standards in June 2023, the Foundation expanded its activities to support adoption and implementation of the new Sustainability Disclosure Standards. The Foundation also maintained focus and support for the IASB as it progressed towards the release of two new Accounting Standards in 2024.

At an operational level, a major focus in 2023 was creating the support infrastructure for the combined operations and for the multi-location model. This work included building a suitably scaled control and operating environment for the expanded activities.

The ISSB members and technical staff are mostly based in the new offices. The IASB members and technical staff are mostly based in the London office, with a small number based in Tokyo. The number of staff employed by the Foundation increased from 298 to 353 as a result of the consolidation, the associated support infrastructure and the increased adoption and implementation activities.

Revenue

Total revenue increased year on year from £48.5 million to £68.4 million, an increase of 41%, reflecting the first full year of income from the consolidated activities and the benefits of the Foundation's revenue growth initiatives. The Foundation aims to create a reliable and diversified revenue base to ensure financial stability and continuity for the Foundation's long-term operations. That revenue base should provide:

- revenue diversified by geography, source and type;
- multi-year, flexible funding for changing circumstances;
- unrestricted funds that allow the Foundation to fully fund operating costs and prevent cash-flow issues; and
- a balanced combination of contributed revenue and earned revenue.

In 2023 the Foundation received 62% of revenue from contributed revenue and 38% from earned revenue. Contributed revenue includes contributions from jurisdictions (32%); seed funding for the ISSB from Canada, China, Germany and Japan (47%); philanthropic grants (8%); and individual contributions from corporates (13%). Earned revenue was generated from publications and subscriptions services (10%); licensing of intellectual property (75%); membership fees for the IFRS Sustainability Alliance (9%); education programmes (3%); and conferences (3%). This revenue base represents a major and positive step towards creating a diversified, reliable and sustainable revenue base. Efforts are ongoing at both Trustee and operational levels to enhance this base further.

Conferences in 2023 generated income of £734,000, significantly more than the prior year, aligning with expectations following a planned expansion of in-person events. Looking ahead, the Foundation anticipates a more moderate increase in income from conferences in 2024, given similar planned events for the upcoming year.

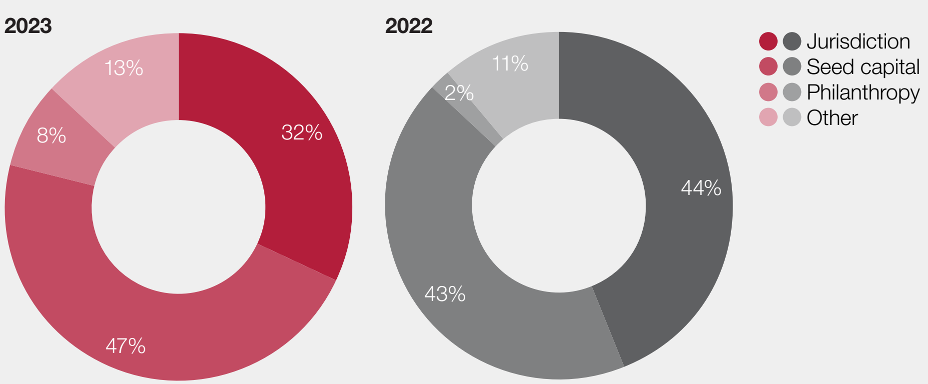
Other income

Other income in 2022 included the non-recurring initial gain of £7.8 million on consolidating with the VRF.

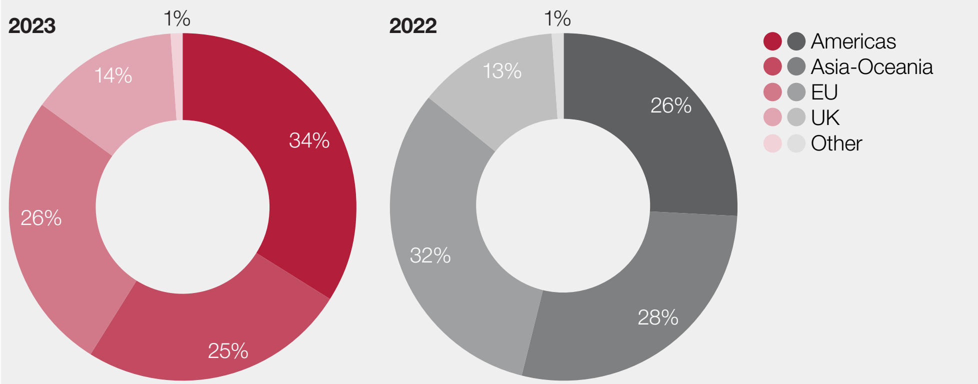
Operating expenses

In 2023 annual expenditure rose significantly compared to 2022 due to the full-year effect of the prior year's consolidation and the build-out of the multi-location model. The increase was largely in staff costs from the increased headcount associated with setting up the multi-location model, expanding technical activities and implementing enhanced controls, infrastructure and systems.

Contributed revenue by source



Contributed revenue by jurisdiction



2023 review continued

Annual expenditure breaks down into three main categories—staff costs, office costs and travel and engagement costs.

Staff salaries and related costs remain the most significant cost for the Foundation and at £49.5 million (2022: £32.3 million) represent 73% of the Foundation's total costs. The year-on-year increase of £17.2 million is mainly attributable to the first full-year inclusion of the new ISSB members and technical staff, staff onboarded as part of the 2022 consolidation and the additional staff recruited during the year, along with annual pay rises.

Other costs increased overall by £1.7 million, which is mostly due to:

- the first full-year inclusion of operating costs from the consolidated entities and operations; and
- costs related to setting up the multi-location model.

Expenses related to earned revenue activities increased by £2.5 million year on year due to the full-year inclusion of the newly consolidated activities and inflation-related increases in publication costs and overheads.

Investments

The Foundation invests the majority of its surplus funds in fixed-interest, highly liquid investments, all of which are of short duration (two to five years) and high credit quality. In June 2022 the Foundation invested £2.5 million into the Barclays Medium-Low Risk Multi Asset Class Sustainable Portfolio. The portfolio broadens the Foundation's investment range by introducing new assets, including equities, commodities and real estate. Since its inception in the prior year it has appreciated in value by £276,000.

Fair value gains on investments in bonds amounted to £164,000 in 2023—an improvement from the loss of £695,000 in 2022. This gain reflects the increase in value of government bond prices following the decrease in interest rates towards the end of 2023.

Reserves policy

The Foundation operates a balanced budget policy. The objective of the Foundation's reserves policy is to hold an appropriate level of accessible funds. The Foundation holds reserves to provide cover for unexpected changes in income and expenditure, allowing the Foundation to continue its activities in the event of any unforeseen costs or shortfall in income. The Trustees may allow the reserve fund to be used for one-time, non-recurring expenses to build long-term capacity, such as staff development, research and development or investment in infrastructure. The Trustees may also allow the reserve fund to be used for opportunities that further the mission of the organisation. Consistent with the balanced budget policy, reserve funds are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

Net assets have increased year on year from £49.0 million to £49.5 million due to the operating surplus achieved during the year.

2024 outlook

The Foundation appreciates the continuing support from the funding providers listed on pages 69 to 76. The Foundation remains committed to managing its operating expenditure prudently and effectively, and is pursuing further initiatives to enhance the organisation's operational stability and efficiency.

The Foundation's 2024 budget, as approved by the Trustees, estimates that in 2024 contributed and earned revenue will increase by 10% to £75 million. Operating expenses in 2024 are also expected to increase reflecting inflation, the continuing integration of Foundation operations and the inclusion of the full-year costs of systems and processes implemented during 2023. Costs will also be affected by initiatives to promote wider adoption and implementation of the IFRS Sustainability Disclosure Standards.

In 2023 the Foundation created a Trustee task force that is working closely with staff to develop and finalise a sustainability strategy and approach proportionate to the nature and size of the Foundation.

Trustees’ responsibilities statement

The Trustees are responsible for preparing the annual financial statements in accordance with applicable law and regulations.

The Trustees have prepared financial statements that give a true and fair view of the state of affairs and profit or loss of the Foundation for that period in accordance with IFRS Accounting Standards. In preparing these financial statements, the Trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- applied IFRS Accounting Standards with no material departures; and
- prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation’s transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with applicable laws and regulations. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation’s website.

Going concern

The Trustees have reviewed the Foundation’s financial performance and the general reserves position for 2023. The Foundation’s planning process for 2024 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.

The Foundation is focused on building the medium- to long-term funding strategy for both contributed and earned revenue.

There continues to be strong global support for the Foundation and the work of both the IASB and the ISSB. To support the ISSB and its new offices, the Foundation has secured five-year seed-funding commitments from Canada, Germany, Japan and China, along with other multi-year funding commitments from Korea, New Zealand and the United Kingdom.

The Foundation has reviewed the financial cash flow projections for the 18 months after the end of the reporting period and has performed stress testing on these cash flows. The Foundation has a reasonable expectation that it will be able to continue to operate and meet its liabilities as they fall due for the 18 months after the end of the reporting period (see the detailed information on pages 54–55 of the financial statements).

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 2023. They have been prepared in compliance with the IFRS Accounting Standards.

The financial statements were approved and authorised for issue by the Trustees of the Foundation on 22 April 2024. At that date there had been no events since 31 December 2023 that required an adjustment to the financial statements.

Erkki Liikanen

Erkki Liikanen
Chair of the IFRS Foundation Trustees

Independent auditor's report to the Trustees of IFRS Foundation

Opinion

Our opinion on the group financial statements is unmodified

We have audited the group financial statements of the IFRS Foundation ('Foundation') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the consolidated statement of comprehensive income, consolidated statement of changes in retained surplus, consolidated statement of financial position, consolidated statement of cash flows and notes to the consolidated financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

In our opinion, the group financial statements give a true and fair view of the state of the group's affairs as at 31 December 2023 and of the group's income for the year then ended in accordance with IFRS Accounting 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 group financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the group 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 group'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 group to cease to continue as a going concern.

Our evaluation of the Trustees' assessment of the group's ability to continue to adopt the going concern basis of accounting included assessing management's cash flow forecasts for a period of at least 12 months from the expected date of approval of the financial statements together with balance sheets at relevant dates within the forecasts, reviewing key assumptions and sensitivities as stated by management, reviewing the reverse stress test produced by management and reviewing the paper setting out the Trustees' conclusions.

In our evaluation of the Trustees' conclusions, we considered the inherent risks associated with the group's business model including effects arising from macroeconomic uncertainties such as increases in the cost of living, higher inflation rates and other macroeconomic circumstances relevant to the group. We assessed and challenged the reasonableness of estimates made by the Trustees and the related disclosures and analysed how those risks might affect the group's financial resources or ability to continue operations over the going concern period.

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.

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 group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Our approach to the audit

Overview of our audit approach

Overall materiality: Group: £1.7m, which represents 2.5% of the group's total income at the fieldwork stage of audit.

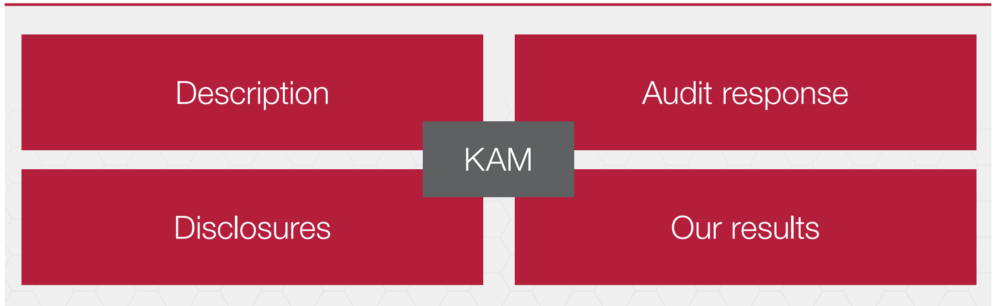
One key audit matter was identified:
- contributions received after the reporting date (equivalent to the previous year's 'unpaid contributions').

Our auditor's report for the year ended 31 December 2022 included one key audit matter that has not been reported as a key audit matter in our current year's report. This matter relates to the fair value of assets and liabilities acquired upon merger with the Value Reporting Foundation (VRF). This merger occurred during the previous year, and therefore the key audit matter is not relevant for the year ended 31 December 2023.

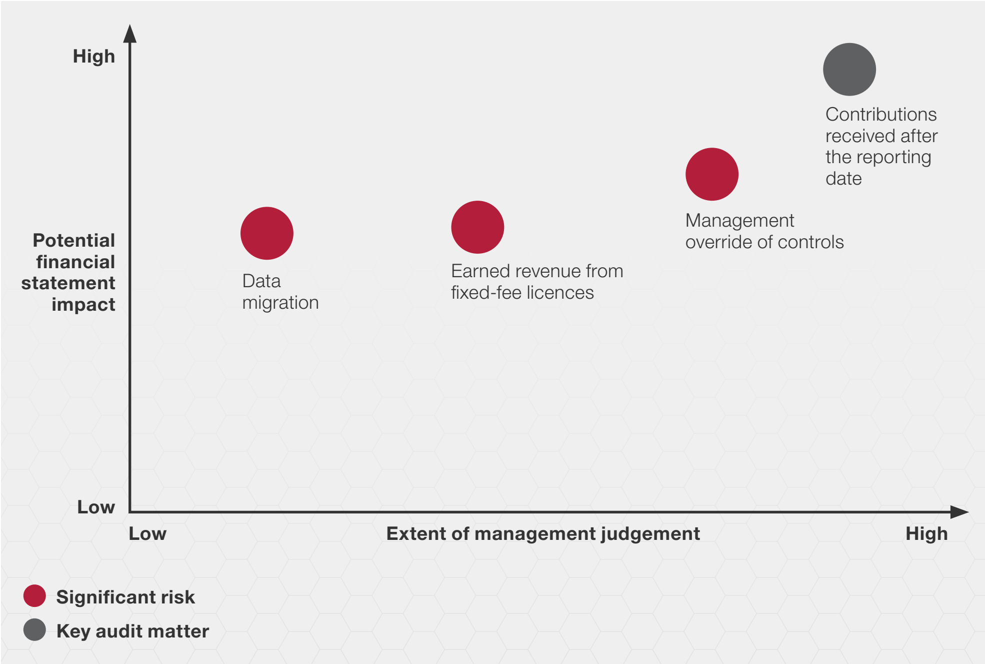
The engagement team evaluated the scoping and significance of each component of the group. The year ended 31 December 2023 is the first full year of consolidated operations of the Foundation, which is a key change from the prior year. No mergers took place during fiscal year 2023, which is another change in the scope of the audit from the prior year.

Key audit matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group 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 group 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 below, we have presented the key audit matters and significant risks relevant to the audit. The graph is not a complete list of all the risks identified by our audit.



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

Key audit matter	How our scope addressed the matter
Contributions received after the reporting date We identified contributions received after the reporting date (unpaid contributions) as a significant risk, which was one of the most significant assessed risks of material misstatement due to fraud and error. A significant proportion of income relates to voluntary contributions, with the largest contribution relating to the European Union grant. 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. As at year end £3.2m (2022: £4.2m) is included within contributions receivable. Unpaid contributions were considered a significant risk due to the significant judgements made by management in determining whether they were recognised correctly in the current year.	In responding to the key audit matter, we performed the following audit procedures: • selected a sample of unpaid contributions and obtained evidence of subsequent receipt. If the contributor has not paid after year end, the engagement team has liaised directly with the contributor; • inspected correspondence with the donor to determine whether they had provided a firm commitment to the group to pay the funds due and whether the contribution related to the correct financial year; • performed a non-substantive analytical review of contributions income year on year by contributor and jurisdiction and identified any unusual movements in balances; and • checked post-year-end bank statements and identified whether a sample of unpaid contributions have been received post year end.
Relevant disclosures in the annual report The group's accounting policy on contributed revenue is shown in Note 3 to the financial statements and related disclosures are included in this note.	**Our results** Based on our audit work, we did not identify any material misstatements concerning contributions received after the reporting date.

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.

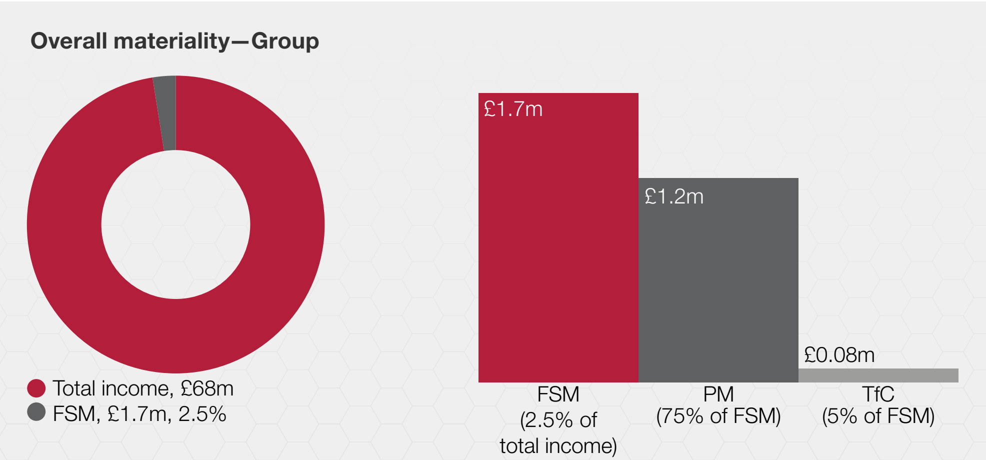
Materiality was determined as follows:

Materiality measure	Group
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	£1.7m (2022: £1m), which is 2.5% of total income.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the significant judgement that 2.5% of income is the most appropriate benchmark because the group is not a profit-oriented organisation. Materiality for the current year is higher than the level we determined for the year ended 31 December 2022 to reflect an entire fiscal year of consolidated income earned from the group's subsidiaries. Prior-year materiality was set at 2% of total 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	£1.2m (2022: £0.74m), which is 75% of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made significant judgements based on • our understanding of the group during the performance of risk assessment procedures; and • our experience with auditing the financial statements of the group in the prior year. These judgements are that the group has stable business activities and a stable control environment. Limited adjustments were identified during the previous years' audit engagements and limited control findings were identified in previous audit engagements. Additionally, the group did not enter into similarly complex transactions as in the prior year with the assets and liabilities acquired upon merger with the VRF. These factors have led us to our judgements of determining a higher performance materiality than for the prior year.

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

Materiality measure	Group
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We determine a lower level of specific materiality for: • fees payable to the external auditor—audit services; • fees payable to the external auditor—non-audit services; and • related party transactions.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.
Threshold for communication	£0.08m (2022: £0.05m), which represents 5% of the financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.



FSM, financial statement materiality; PM, performance materiality; TfC, threshold for communication to the audit committee.

An overview of the scope of our audit

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

Understanding the group, its components and their environments, including group-wide controls

- The engagement team obtained an understanding of the group and its environment, including group-wide controls, and assessed the risks of material misstatement at the group level.
- The engagement team also gained an understanding of the group organisational structure and group financial reporting system.

Identifying significant components

- The Foundation was subject to audit of its components' financial information using the UK approach to component materiality.
- Having assessed the significance of the group's components by reference to total income for the year, no other components were assessed as being individually significant to the group.
- The group audit team evaluated each of the components' total income to assess its significance and our planned audit response based on a measure of materiality. Significance was determined as a percentage of the group's total income and the group audit team considered any qualitative factors such as the nature of the component.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matter)

- The engagement team performed a full-scope audit of the Foundation (parent) and identified specific-scope audit and analytical procedures required for other components. The audit of the Foundation and its subsidiaries included the procedures described earlier for the key audit matter of contributions received after the reporting.
- Based on the group significance and assessment of audit risk, the engagement team performed:
  - an audit of the financial information of the components using component materiality (full-scope audit);
  - an audit of one or more account balances, classes of transactions or disclosures of the components (specific-scope audit); and
  - analytical procedures at group level (analytical procedures).

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

Performance of our audit

- We performed a full-scope audit for one component, the IFRS Foundation (parent), which amounted to 93% of total income for the group and 96% of total assets. We performed a specific-scope audit for one component, the IFRS (ISSB) Foundation Montreal, which amounted to 5% of total income for the group.

- The engagement team visited one location. Most of the Foundation's subsidiaries are dormant and therefore do not have a physical location. The visited location represents 93% of the income for the group and the engagement team visited this location to perform the audit work.

Audit approach	No. of components	% coverage income	% coverage total assets
Full-scope audit	1 (2022: 1)	93% (2022: 99%)	96% (2022: 99%)
Specific-scope audit	1 (2022: 2)	5% (2022: 1%)	2% (2022: 1%)
Analytical procedures	8 (2022: 0)	2% (2022: 0%)	2% (2022: 0%)
Total	10	100%	100%

Changes in approach from previous period

- The year ended 31 December 2023 is the group's first full year of consolidated operations, which is a key change from the prior year. No mergers occurred during fiscal year 2023 among the group, which is another change in scope from the audit of the prior year.

- No business combinations occurred during the year ended 31 December 2023. Therefore, it was not deemed necessary for the engagement team to engage component auditors to perform specific-scope audit procedures.

- Further subsidiaries were incorporated into the group during the year, all but one of which were non-trading during the year. Therefore, we performed analytical procedures at a component level for these newly created subsidiaries.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 45, 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 group financial statements, the Trustees are responsible for assessing the group'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 group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the group financial statements

Our objectives are to obtain reasonable assurance about whether the group 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 group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- The group is subject to many laws and regulations for which the consequences of non-compliance could have a material effect on amounts or disclosures in the group financial statements. The significant laws and regulations we have identified as the most likely to have a material effect if non-compliance were to occur are 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 group'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. These procedures were performed for all components of the group. 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 and management; and consideration of the volume and nature of complaints received through whistleblowing during the year;

Independent auditor’s report to the Trustees of IFRS Foundation continued

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely it is that we would become aware of it;
- The engagement partner’s 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 group including:
    - the provisions of the applicable legislation;
    - the regulator’s rules and related guidance, including guidance issued by relevant authorities that interprets those rules; and
    - the applicable statutory provisions.
- No matters of non-compliance with laws and regulations were communicated to the engagement team and no matters of fraud were communicated to the engagement team. Team communication in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through the manipulation of contributions received after the reporting date. This is also reported as a key audit matter in the key audit matter section of our report where the matter and the specific procedures we performed in response to the key audit matter are described in more detail. We communicated relevant laws and communications and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Use of our report

This report is made solely to the Foundation’s Trustees, as a body, in accordance with our letter of engagement dated 16 October 2023. 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 Foundation’s Trustees as a body, for our audit work, for this report or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
London
22 April 2024

Consolidated statement of comprehensive income

Year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Income			
Contributed revenue	3	42,174	32,499
Earned revenue	4	26,168	15,972
Other income		24	213
		68,366	**48,684**
Gain on consolidation of Value Reporting Foundation	2	**–**	**7,752**
Operating expenses			
Technical and operational activities			
Board members and staff costs	5	(46,587)	(30,679)
Other technical and operating costs	5	(11,169)	(10,486)
IFRS Advisory Council, IFRS Interpretations Committee and other advisory bodies	5	(512)	(281)
Earned revenue activities	4	(5,304)	(2,827)
Trustee oversight	6	(1,135)	(1,128)
Premises, occupancy and related expenses	7	(2,747)	(2,606)
		(67,454)	**(48,007)**
Net operating income		**912**	**8,429**
Finance and net foreign exchange income	12	1,182	961
Finance and net foreign exchange costs	12	(903)	(857)
		279	**104**
Income before tax		**1,191**	8,533
Income tax charge	9	(357)	(406)
Income for the year after tax		**834**	**8,127**
Other comprehensive income—items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(374)	163
Total comprehensive income for the year		**460**	**8,290**

The notes on pages 54–68 form part of these financial statements.

Consolidated statement of financial position

As at 31 December 2023

	Note	2023 £'000	2022 £'000
Assets			
Current assets			
Cash and cash equivalents		37,663	35,958
Contributions receivable	3	3,156	4,218
Trade and other receivables	4	4,030	3,772
Prepaid expenses		2,055	1,316
Inventories		41	320
Bonds at amortised cost, including accrued interest	11	561	–
Bonds at fair value, including accrued interest	11	4,990	6,920
		52,496	**52,504**
Non-current assets			
Bonds at amortised cost, including accrued interest	11	4,375	–
Bonds at fair value, including accrued interest	11	2,948	7,721
Investment portfolio	11	2,776	2,524
Leasehold improvements, furniture and equipment	7	1,830	1,850
Right-of-use assets	8	4,368	4,488
Intangible assets	5	698	1,000
		16,995	**17,583**
Total assets		**69,491**	**70,087**
Liabilities			
Current liabilities			
Trade and other payables		1,803	2,000
Payroll taxes payable		959	1,383
Accrued expenses		3,607	4,336
Lease liability	8	887	398
Tax liability	9	278	149
Revenue received in advance	4	5,524	5,239
Contributions received in advance	3	1,770	2,515
		14,828	**16,020**
Non-current liabilities			
Lease liability	8	4,530	4,349
Reinstatement provision	7	517	539
Deferred tax liability	9	132	155
		5,179	**5,043**
Total liabilities		**20,007**	**21,063**
Net assets / retained surplus		**49,484**	**49,024**

Erkki Liikanen
Chair of the IFRS Foundation Trustees

Consolidated statement of changes in retained surplus

Year ended 31 December 2023

	Retained surplus before translation differences £'000	Translation reserve £'000	Total £'000
Balance at 1 January 2023	48,861	163	49,024
Income for the year after tax	834	–	834
Other comprehensive income			
Exchange differences on translating foreign operations	–	(374)	(374)
Balance at 31 December 2023	**49,695**	**(211)**	**49,484**
Balance at 1 January 2022	40,734	–	40,734
Income for the year after tax	8,127	–	8,127
Other comprehensive income			
Exchange differences on translating foreign operations	–	163	163
Balance at 31 December 2022	**48,861**	**163**	**49,024**

Consolidated statement of cash flows

Year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Operating activities			
Cash received			
Contributions		42,491	33,784
Earned revenue		26,640	14,961
Cash inflow from Value Reporting Foundation business combination		–	13,411
Interest		677	317
Other receipts		24	223
Cash paid			
Salaries, wages and benefits		(48,320)	(30,283)
Earned revenue-related activities expenses		(4,856)	(2,349)
Trustees' fees		(680)	(662)
Other operating expenses		(14,285)	(11,445)
Net cash from operating activities		**1,691**	**17,957**
Investing activities			
Matured bonds receipts		6,956	5,805
Purchase of investments		(4,936)	(2,500)
Purchase of leasehold improvements, furniture and equipment		(536)	(130)
Purchase of intangible assets		–	(39)
Net cash from investing activities		**1,484**	**3,136**
Financing activities			
Payments of principal on lease liabilities	8	(231)	(1,091)
Payments of interest on lease liabilities	8	(159)	(128)
Net cash used in financing activities		**(390)**	**(1,219)**
Effects of exchange rate changes on cash and cash equivalents		(1,080)	809
Net increase in cash and cash equivalents		**1,705**	**20,683**
Cash and cash equivalents at the beginning of the year		35,958	15,275
Cash and cash equivalents at the end of the year		**37,663**	**35,958**

Notes to the consolidated financial statements

Year ended 31 December 2023

Basis of accounting, significant accounting policies, and judgements and estimates

General information

The IFRS Foundation is a not-for-profit corporation under the General Corporation Law of the State of Delaware, US 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 bodies, the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), are set out in the IFRS Foundation's *Constitution*.

The Climate Disclosure Standards Board (CDSB) was consolidated with the IFRS Foundation with effect from 1 February 2022. As part of the consolidation, CDSB staff were transferred to the Foundation, with intellectual property and technical assets to support the ISSB.

The Value Reporting Foundation (VRF) (including its Integrated Reporting Framework and SASB Standards) was consolidated with the Foundation and the separate existence of the VRF ceased with effect from 1 August 2022. The VRF (incorporated under the California Nonprofit Public Benefit Corporation Law) was a global not-for-profit organisation whose mission was to establish and improve industry-specific disclosure standards across financially material environmental, social and governance topics. The VRF included three affiliated entities incorporated in England and Wales—Value Reporting Foundation UK, Value Reporting Charity UK and the International Integrated Reporting Council (VRF UK Structure). As part of the consolidation, the VRF's ownership of the VRF UK Structure was transferred to the IFRS Foundation.

The consolidation of the Foundation and VRF from a legal perspective was structured as a merger with the Foundation being the successor and sole surviving corporation. The effect of the merger is that, from and after 1 August 2022, the Foundation succeeded to all the assets, rights, privileges, powers and franchises and all of the liabilities, restrictions, disabilities and duties of the VRF.

Basis of preparation

The consolidated financial statements are presented in British pound sterling (GBP), which is the functional currency of the parent company.

Foreign currency transactions are translated into the functional currency of the respective reporting entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from settling such transactions and from remeasuring monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at the period end; they are measured at historical cost (translated using the exchange rates at the transaction date).

The Foundation has prepared the consolidated financial statements in accordance with IFRS Accounting Standards, as issued by the IASB. The consolidated financial statements are based on the historical cost principle, with the exception of financial assets and financial liabilities measured at fair value.

Assets acquired and liabilities assumed as part of a business combination are measured at their acquisition fair values.

As disclosed in Note 14, there have been no events since 31 December 2023 that required an adjustment to the financial statements.

Going concern

The Trustees are responsible for overseeing the Foundation's financial reporting 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 depends on its ability to generate sufficient cash flows from its contributions and publications and related activities to meet its liabilities. The Foundation produces annual budgets and forecasts that take into account the Foundation's activities, operations and known cash requirements.

The Foundation has reviewed its financial performance and the general reserves position for 2023. The Foundation's planning process 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. The Foundation has reviewed the financial cash flow projections for the 18 months after the end of the reporting period and has performed stress testing on these cash flows. The Foundation has a reasonable expectation that it will be able to continue in operation and meet its liabilities as they fall due for the 18 months after the end of the reporting period.

There continues to be strong global support for the Foundation and the work of the IASB and the ISSB. To support the ISSB and its new offices, the Foundation secured five-year seed funding commitments from Canada, Germany and Japan in 2022, which have another three years to run at £11.3 million a year. In December 2022 the Foundation signed a Memorandum of Understanding with China to provide multi-year funding. Other multi-year funding commitments have been secured from Korea, New Zealand and the United Kingdom.

The Foundation has reviewed cash flow projections for the 18 months after the end of the reporting period.

Notes to the consolidated financial statements continued

Year ended 31 December 2023

Cash flow projections for the 12 months to 31 December 2024 are based on the Foundation's formal and approved budgeting process:

- cash inflows for contributed income are based on agreed and expected amounts. The Foundation maintains detailed cash flow forecasts for these amounts, and deviations from expectations are escalated for follow-up action as soon as they are identified.
- cash inflows for earned revenue are based on historical patterns of recognition for both the Foundation and the consolidated entities. Earned revenue follows the pattern of effective dates of standards and is therefore seasonal.
- cash outflows include committed and uncommitted expected payments including capital expenditure.

For the period beyond 31 December 2024, the Foundation carries out a roll-forward exercise adjusting for known and expected variances in the business model and economic conditions. For the 2025 cash flow roll forward, it was assumed that interest rates and inflation would remain similar to current period rates.

The Foundation also performed a stress test on these cash flows.

For the purposes of the stress test, the Foundation assumed that expenditure levels would remain consistent with that assumed in the base level. No management action in mitigation was assumed. The stress test assumes that the Foundation would use its existing liquidity reserves, and focuses on revenue receipts because this variable is considered to be partly outside the Foundation's control. It considers three scenarios:

- reduction of all revenue by 10%;
- reduction of all revenue by 25%; and
- reduction of non-agreed contributed revenues to zero.

In all the scenarios selected and using existing reserves, the Foundation remains solvent over the full 18-month period.

The Foundation therefore has a reasonable expectation that it will be able to continue to operate and meet its liabilities as they fall due for the 18 months after the end of the reporting period.

The Foundation also applied a reverse stress scenario to determine the level of revenue at which it would run out of liquidity at the end of 18 months. This scenario assumed the Foundation would:

- take no management action to reduce its cost base or otherwise supplement income;
- pay the remaining long-term liabilities (those with a term beyond 30 June 2025) at 30 June 2025; and
- receive no value for any of its assets other than financial instruments.

Applying these assumptions, the scenario concluded that a 45% reduction in revenue would reduce liquidity to zero by 30 June 2025. The Foundation considers this scenario implausible, given its business model and previously contracted and committed revenues. The Foundation also notes that it continually and actively monitors revenue flows, and that it would take management action in response to any early indications of negative variances.

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.

Current period and future changes to the accounting policies

The Foundation has concluded that no issued but as yet unapplied IFRS Accounting Standards or IFRIC Interpretations will have a material effect on the financial statements.

Cash flow statements

The cash flow statement shows cash flows grouped according to source and use. The cash flows are presented as operating activities, investment activities or funding activities. Cash and cash equivalents are defined as cash and deposits with central banks. The cash flow statement has been prepared in accordance with the direct method.

Inventories

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.

Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument.

Financial assets include trade receivables and investments. All financial assets are initially measured at fair value. Financial assets are classified into either amortised cost or fair value through profit or loss based on the characteristics of the asset and the business model applied. The Foundation assesses the characteristics of the asset and the applicable business model at initial recognition of a financial asset based on the evidence available at the time. The Foundation reassesses the business model of existing asset portfolios at each reporting date. Existing portfolios would be reclassified only if the business model changes. A significant change in the Foundation's operations that is observable to external parties would be evidence of a change in the business model.

Financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value and then held at amortised cost.

Other accounting policies

Other significant accounting policies are included in the note to which they relate.

Notes to the consolidated financial statements continued

Year ended 31 December 2023

Judgements and estimates

When preparing the consolidated financial statements, management makes estimates, judgements and assumptions about the recognition and measurement of assets, liabilities, revenues and expenses.

The key judgements made by management in applying the accounting policies of the organisation that have the most material effect on these financial statements relate to:

i. the capitalisation and/or impairment of intangible assets (software development)—to distinguish the research and development phases, including configuration or customisation of software development and to determine whether the recognition requirements for the capitalisation of software development costs meet the criteria of IAS 38 *Intangible Assets* and SIC-32 *Intangible Assets—Web Site Costs.* After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

ii. the consolidation of the VRF in 2022 (Note 2)—to determine the appropriate accounting for the transaction and to reach the conclusion that:
   a. no goodwill arises on the transaction;
   b. no intangible assets were acquired of material value;
   c. the gain on consolidation does not meet the definition of a gain on bargain purchase; and
   d. the gain on consolidation should be accounted for as income.

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

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, adoption and application of IFRS Accounting Standards and IFRS Sustainability Disclosure 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.

1. Consolidation

The consolidated financial statements for the Foundation include the IFRS Foundation and its subsidiaries. The accounting principles are applied consistently for the IFRS Foundation and its subsidiaries and are based on the same accounting periods.

Subsidiaries are defined as entities over which the IFRS Foundation, directly or indirectly, has control. Control over an entity is evidenced by the Foundation's ability to exercise its power to affect any variable returns that the Foundation is exposed to through its involvement with the entity.

When preparing the consolidated financial statements, intra-group transactions and balances, along with gains and losses on transactions between Foundation entities, are eliminated.

In the consolidated financial statements, all assets, liabilities and transactions of the Foundation's foreign operations with a functional currency other than GBP are translated into GBP upon consolidation. The functional currencies of the Foundation's foreign operations have remained unchanged during the reporting period. Assets and liabilities in foreign operations have been translated into GBP at the closing rate at the reporting date. Income and expenses in foreign operations have been translated into GBP at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity.

Composition of the Foundation

The VRF was consolidated with the Foundation and the separate existence of the VRF ceased with effect from 1 August 2022. The VRF included three affiliated entities incorporated in England and Wales—Value Reporting Foundation UK, Value Reporting Charity UK and the International Integrated Reporting Council (VRF UK Structure). As part of the consolidation, the VRF's ownership of the VRF UK Structure was transferred to the IFRS Foundation.

On 13 July 2022 the IFRS Foundation (ISSB) Montreal was incorporated in Quebec, Canada.

On 15 November 2022 the IFRS Foundation (ISSB) Frankfurt was incorporated in Frankfurt, Germany.

The International Integrated Reporting Council was dissolved on 20 September 2022.

On 2 May 2023 the IFRS Foundation Asia-Oceania Ippan Shadan Hojin was formally established in Tokyo, Japan. Subsequently, on 31 August 2023 the operations, assets and liabilities of the Foundation's Tokyo branch were transferred to this newly incorporated entity.

On 12 June 2023 the International Financial Reporting Standards Foundation (USA) Beijing Office was established in Beijing, China.

All subsidiaries are owned 100% directly by the Foundation:

Notes to the consolidated financial statements continued

Year ended 31 December 2023

1. Consolidation—continued

Name of entity	Country of incorporation	Date of incorporation	Principal activity	Status at 31 December 2023
Subsidiaries				
Value Reporting Foundation UK	UK	2011	Integrated Reporting	Active
Value Reporting Charity UK	UK	2015	Integrated Reporting	Active
IFRS Foundation (ISSB) Frankfurt	Germany	2022	Standard-setting	Active
IFRS Foundation (ISSB) Montreal	Canada	2022	Standard-setting	Active
International Financial Reporting Standards Foundation LLC	USA	2022	Standard-setting	Dormant
IFRS UK Ltd	UK	2022	Standard-setting	Dormant
IFRS Foundation Asia-Oceania Ippan Shadan Hojin	Japan	2023	Standard-setting	Active
International Financial Reporting	UK	2023	Standard-setting	Dormant
Branches of the parent company (IFRS Foundation)				
International Financial Reporting Standards Foundation (Branch Office in the UK)	UK	2001	Standard-setting	Active
International Financial Reporting Standards Foundation (USA) Beijing Office	China	2023	Standard-setting	Active

The annual reporting date of each of the subsidiaries is 31 December.
The Canadian and German entities started transacting on 1 January 2023.

2. Business combinations

2023 business combinations

There have been no acquisitions or disposals of businesses in 2023.

2022 business combinations

The consolidation of the CDSB and the Foundation was completed in February 2022.
No material assets or liabilities were received as part of this business combination. Costs related to the transaction of £165,000 were recognised as an expense in the consolidated statement of comprehensive income in 2022.

The consolidation of the VRF and the Foundation was completed in July 2022. The acquisition method was applied in accounting for the business combination. The assets and liabilities of the VRF were transferred into the control of the Foundation for no consideration. Costs related to the transaction of £181,000 were recognised as an expense in other technical and operating costs in the consolidated statement of comprehensive income in 2022.

Right-of-use assets and lease liabilities have been measured applying IFRS 16 *Leases,* and employee benefit liabilities have been measured applying IAS 19 *Employee Benefits* on acquisition date and measured subsequently applying the Foundation's accounting policies. All other identifiable assets and liabilities assumed in the VRF business combination have been measured at their fair values on acquisition date and measured subsequently applying the Foundation's accounting policies. The value of the assets received at acquisition date exceeded the value of the liabilities assumed at acquisition date by £7.8 million.

The VRF assets and liabilities with a net fair value of £7.8 million were transferred into the control of the Foundation for no consideration, resulting in a gain of £7.8 million.

3. Contributed revenue

Contributions to the Foundation are voluntary and are recognised as income in the year designated by the funding provider. Contributions that have been received but are designated for use after the reporting date are deferred and recognised as contributions received in advance. At the year end £1.8 million (2022: £2.5 million) 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. At the year end £3.2 million (2022: £4.2 million) is included within contributions receivable.

When the Trustees considered creating a new board focused on sustainability disclosure standards, they set out several carefully defined success factors. Among them were achieving the level of separate funding required to establish the ISSB and the capacity to obtain financial support. During 2022 the Foundation signed Memoranda of Understanding (MoUs) with partners in Germany, Canada and China, and in 2023 a MoU was signed with a partner in Japan.

The MoU with the German public and private sector institutions formalised the partnerships and seed funding to support the establishment and presence of the ISSB in Frankfurt for five years. Funding from the German public institutions is supported by a £1.8 million enforceable grant (€2.0 million).

The MoU with the Canadian and Quebec governments and the private sector formalised the partnerships and seed funding arrangements to support the establishment and presence of the ISSB in Montreal for five years.

The MoU with the Chinese Ministry of Finance formalised the partnership to support the establishment and presence of the ISSB in Beijing for three years.

The MoU with the Financial Accounting Standards Foundation, Japan, replaced a previous MoU and confirmed ongoing funding support for the Foundation and its Tokyo office, which supports its activities in Asia and Oceania, for five years.

Notes to the consolidated financial statements continued

Year ended 31 December 2023

3. Contributed revenue—continued

The Foundation secured new multi-year grants for ISSB-related activities in 2023. A total of £3.2 million has been recognised as contributed revenue in 2023 from these grants (2022: £580,000).

Included in contributed revenue for the year is £28,000 from a Trustee representing the waiving of the Trustee's fee (2022: £nil).

A full list of funding providers can be found on page 69.

Contributions by board

	2023 £'000	2022 £'000
IASB-related activities	16,207	17,055
ISSB-related activities	25,967	15,444
	42,174	**32,499**

Contributions by region

	2023 £'000	2022 £'000
Americas	14,227	8,625
Asia-Oceania	10,466	8,976
Europe	11,178	10,362
UK	5,767	4,300
Other	536	236
	42,174	**32,499**

The Foundation receives contributions from the different jurisdictions in a range of currencies.

Contributions by currency

	2023 £'000	2022 £'000
GBP	5,725	4,467
Canadian dollars	10,723	6,465
Euro	9,172	9,243
US dollars	11,246	7,695
Other	5,308	4,629
	42,174	**32,499**

For more information on how the Foundation manages its currency risk, see Note 10.

4. Earned revenue

Earned revenue was generated from publications and subscriptions services, licensing of intellectual property, membership fees for the IFRS Sustainability Alliance, education programmes and conferences.

The table presents the components of the net income generated by all earned revenue activities.

	Note	2023 £'000	2022 £'000
Revenues from contracts with customers			
Licensing		19,525	11,356
Publications		1,275	1,296
Subscription services		1,459	1,554
Membership services		2,376	1,285
Education services		799	328
Conferences and speaking engagements		734	153
		26,168	**15,972**
Expenses			
Staff salaries and related costs	5(a)	2,952	1,399
Cost of goods sold		1,436	733
Depreciation	7(a)	168	167
Occupancy	7(a)	125	197
Communication and technology		285	212
Other costs		338	119
		5,304	**2,827**
Net income from earned revenue activities		**20,864**	**13,145**

The Foundation enters into non-exclusive licensing contracts granting intellectual property rights to customers who wish to use it in their commercial offerings or commercial practices. The arrangements are governed by contracts that establish the fees and term. Consideration for these contracts is in the form of fixed fees. 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. 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. Customers are entitled to refunds or returns in accordance with statutory requirements, but, based on experience, such occurrences are expected to be infrequent and immaterial.

Notes to the consolidated financial statements continued

Year ended 31 December 2023

4. Earned revenue—continued

Revenue from subscription and membership services is recognised over the subscription or membership period on a time-apportioned basis. Subscriptions and memberships are generally paid for in advance. Some subscriptions and memberships renew automatically on an annual basis. Where payment is not received within a defined time, the subscription is cancelled and any revenue recognised is reversed.

Revenue from education services is recognised when the relevant exam is taken by the customer.

Revenue from conferences and speaking engagements is recognised on conclusion of the event.

Revenue received in advance arises from revenue received (for licensing, memberships, subscriptions, conferences and education services) in advance of the period in which the Foundation provides the services. The balance at the beginning of the year of £5.2 million has been recognised as revenue during the year. The balance at the end of the year of £5.5 million is expected to be recognised as revenue in 2024.

5. Technical and operational activities

(a) Staff salaries and related costs

The main costs associated with developing IFRS Accounting Standards and IFRS Sustainability Disclosure Standards are the salaries and related costs of the IASB and ISSB members and staff. The number of staff employed by the Foundation has increased from 298 to 353 during 2023. Of these, 28 are board members, 120 are technical staff, 68 work on implementation activities (including adoption and capacity building), 30 work on revenue-generating activities and 107 are operations staff.

The Trustees review, benchmark and approve salary and benefit levels.

The Foundation offers its US employees the opportunity to participate in a salary reduction retirement plan (Plan), qualified under Internal Revenue Code Section 401(k). The Plan provides employees with the opportunity to defer a portion of their salary subject to statutory limitations. Employees must meet certain age and work requirements to be eligible to participate in the Plan. The Plan provides for discretionary employer contributions, which are subject to a vesting schedule in accordance with the IRS regulations. This is a defined-contribution scheme.

For UK staff, 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. Under defined-contribution pension schemes, the Foundation does not commit itself to paying specified future pension benefits but makes monthly or annual contributions to the employees' pension savings. After paying contributions, the Foundation has no further commitments linked to employees' pension performance.

In the year £2.0 million of expenses for the defined-contribution pension schemes have been recognised in operating expenses (2022: £1.4 million).

Staff salaries and related costs are analysed as follows:

	2023 £'000	2022 £'000
Technical and operational activities	46,587	30,679
Earned revenue activities (Note 4)	2,952	1,399
Other technical and operating costs—Business Processes and Technology Programme (Note 5(b))	–	191
	49,539	**32,269**

	2023 £'000	2022 £'000
IASB member salaries and related costs	8,166	6,373
ISSB member salaries and related costs	6,671	3,510
Other staff salaries and related costs	34,702	22,386
	49,539	**32,269**

Staff salaries and related costs by region were as follows:

	2023 £'000				
	UK and other	Asia-Oceania	Europe	Americas	Total
Board	8,100	1,447	3,178	2,112	**14,837**
Technical and operational	22,113	563	2,477	9,549	**34,701**
	30,213	**2,010**	**5,655**	**11,661**	**49,538**

	2022 £'000				
	UK and other	Asia-Oceania	Europe	Americas	Total
Board	6,373	752	1,835	924	**9,884**
Technical and operational	17,957	153	482	3,793	**22,385**
	24,330	**905**	**2,317**	**4,717**	**32,269**

The IASB had its full complement of 14 members at the end of the year (2022: 12 members). During the year no members left and two members joined.

The full complement of 14 members of the ISSB took up their positions in 2022.

Notes to the consolidated financial statements continued

Year ended 31 December 2023

5. Technical and operational activities—continued

Remuneration for board members is either:

- an annual allowance where members can choose how this balance is received in salary, pension contributions and other benefits; or
- a gross salary plus pension contributions and other benefits.

ISSB member salaries are paid in a range of currencies.

Gross remuneration covering all compensation and benefits for the Chairs and Vice-Chairs of the boards is shown under key management personnel in the table below.

The average annual gross salary (based on a full year) covering all compensation and benefits for other IASB and ISSB members is £526,000 (2022: £513,000).

Key management personnel

Key management personnel include the Chairs and Vice-Chairs of the boards, and the Managing Director. The total annual allowance including all compensation, pension contributions and benefits of these key personnel are as follows:

	2023 £'000			2022 £'000
	Short-term employee benefits	Post-employment benefits	Total benefits	Total benefits
Salary received as annual allowance				
Andreas Barckow				
IASB Chair	731	4	**735**	**711**
Emmanuel Faber				
ISSB Chair *(from January 2022)*	735	–	**735**	**711**
Sue Lloyd				
IASB Vice-Chair *(until February 2022)*	614	22	**636**	**616**
ISSB Vice-Chair *(from March 2022)*				
Linda Mezon-Hutter				
IASB Vice-Chair *(joined the IASB September 2022, Vice-Chair from January 2023)*	630	6	**636**	**182**
Salary received as gross salary plus pension and other benefits				
Jingdong Hua				
ISSB Vice-Chair *(from October 2022)*	447	–	**447**	**119**
Lee White				
Managing Director	378	39	**417**	**395**

Outstanding amounts owed to the above key management personnel at the year end totalled £3,000 (2022: £nil). Information related to the remuneration of the trustees is provided in Note 6.

(b) Other technical and operating costs

Operating expenses, which include other technical and operating costs, are recognised upon utilisation of the service or as incurred.

	2023 £'000	2022 £'000
Fees payable to the external auditor—audit services	101	117
Fees payable to the external auditor—non-audit services	23	41
Fees payable for the audit of subsidiary accounts	57	19
Other professional services	310	116
Communication and technology	2,290	1,478
Business Processes and Technology Programme—staff costs (Note 5(a))	–	191
Business Processes and Technology Programme—amortisation (Note 5(c))	302	748
Other technology programmes	–	568
Establishment of ISSB	2,751	2,694
External relations	494	249
Human resource and recruitment activities	926	1,892
Meeting video conferencing	200	184
Other office-related costs	825	349
Technical research library	231	128
Travel and meetings	2,659	1,712
	11,169	**10,486**

- Communication and technology costs include the additional costs resulting from the consolidation of the VRF and expanded operations.
- Technology programme costs in 2022 included expenditure for the development of new IT infrastructure and the purchase of computer software licences (Note 5(a)). The Business Processes and Technology Programme concluded in March 2022.
- Human resource and recruitment activities in 2022 included the recruitment and vetting fees for the new ISSB members and staff in 2022.
- Establishment of ISSB costs in 2023 relate to finalising and implementing the multi-location model and the necessary enhancement and integration of technology systems; in 2022 these costs were mainly legal fees related to the consolidation with the VRF and the set-up of the new offices, and included fees for tax, compliance and employment-related advice.

Notes to the consolidated financial statements continued

Year ended 31 December 2023

5. Technical and operational activities—continued

(c) Intangible assets

The Foundation's technology programmes include expenditure for the development of new IT infrastructure. Expenditure on computer software licences, research activities and project management costs are not recognised as intangible assets.

The Foundation's most important intangible asset is the intellectual property embodied in IFRS Standards and related content. The Foundation does not recognise its intellectual property as an intangible asset because the cost of the asset cannot be measured reliably. Expenditure related to the development of IFRS Standards and related content is recognised as an expense in the year in which it is 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.

Other intangible assets include software development expenditure. 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;
- the technical, financial and other resources to complete the development are available;
- it is probable that the software development will generate future economic benefits; and
- the Foundation has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.

Development costs of £257,000 (2022: £568,000) not meeting these criteria for capitalisation have been recognised as an expense as the costs were incurred.

In April 2021 the IFRS Interpretations Committee published its final agenda decision on accounting for configuration and customisation costs in a Software as a Solution (SaaS) arrangement. Based on this decision the Foundation determined that expenditure for the development of new software related to the customer relationship management (CRM) and finance systems does not meet the recognition criteria for an intangible asset and derecognised these intangible assets in 2022.

An amortisation charge of £302,000 has been expensed in 2023 and is included in other technical and operating costs (Note 5(b)).

	2023 £'000		
	Modern web platform	**Other**	**Total**
Cost			
1 January	1,202	324	1,526
Additions	–	–	–
31 December	**1,202**	**324**	**1,526**
Accumulated amortisation			
1 January	420	106	526
Charge for the year	240	62	302
31 December	**660**	**168**	**828**
Carrying amount	**542**	**156**	**698**

	2022 £'000				
	CRM system	**Modern web platform**	**Finance system**	**Other**	**Total**
Cost					
1 January	334	1,202	164	290	1,990
Additions	–	–	–	34	34
Derecognition of CRM / finance systems	(334)	–	(164)	–	(498)
31 December	**–**	**1,202**	**–**	**324**	**1,526**
Accumulated amortisation					
1 January	49	180	–	47	276
Charge for the year	285	240	164	59	748
Derecognition of CRM / finance systems	(334)	–	(164)	–	(498)
31 December	**–**	**420**	**–**	**106**	**526**
Carrying amount	**–**	**782**	**–**	**218**	**1,000**

Notes to the consolidated financial statements continued

Year ended 31 December 2023

5. Technical and operational activities—continued

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

The annual remuneration for the Chair of the IFRS Advisory Council was £50,000 in 2023 (2022: £48,000). The Foundation also reimburses the Chair's travel and accommodation costs. Other members of the IFRS Advisory Council do not receive 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 boards' other advisory bodies meet their own costs for attending meetings and are not remunerated by the Foundation. The increase in travel and meeting costs in 2023 reflects the gradual increase in travel post-covid-19 and the return to physical meetings that began in 2022.

Costs associated with these committees and advisory bodies are:

	2023 £'000	2022 £'000
Remuneration costs	50	48
Travel and meeting costs	462	233
	512	**281**

6. Trustee oversight

The Foundation's management and governance is overseen by the Trustees of the Foundation. There were 22 Trustees throughout the year (2022: 22). The Trustees met three times during the year, all in person (2022: six; three in person). The Chair of the Trustees receives £200,000 per year and other Trustees receive an annual fee of £20,000. There were seven active Trustee committees in 2023; committee chairs receive an additional £7,000 per year. All Trustees are reimbursed for their travel relating to Foundation business. Amounts owed to Trustees for expenses reimbursements at the year end totalled £3,000 (2022: £nil).

Costs associated with Trustee activities are:

	2023 £'000	2022 £'000
Remuneration costs	677	673
Travel and meeting costs	458	455
	1,135	**1,128**

7. Premises, occupancy and related expenses

(a) Components of premises, occupancy and related expenses

	2023 £'000	2022 £'000
Property taxes, insurance and energy	425	979
Rent—short-term leases (Note 8)	490	187
Service charges	412	382
Depreciation—fixed assets (Note 7(b))	556	551
Depreciation—right-of use asset (Note 8)	982	841
Other costs	175	30
	3,040	**2,970**
Less amounts allocated to expenses for earned revenue activities (Note 4)	(293)	(364)
	2,747	**2,606**

In 2023 we benefitted from a property tax rebate.

Lease reinstatement provision of £517,000 (2022: £539,000) is the estimated cost of returning leasehold property to its original state at the end of the lease in accordance with the lease terms. The provision is released on termination of the lease (Note 8).

	£'000
1 January 2023	539
Additions	–
Net exchange differences	(22)
Amounts used	–
31 December 2023	**517**

(b) Leasehold improvements, furniture and equipment

Leasehold improvements, furniture and equipment and other fixed assets are initially measured at cost, and then depreciated 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.

Notes to the consolidated financial statements continued

Year ended 31 December 2023

7. Premises, occupancy and related expenses—continued

Leasehold improvements at the year end include an amount of £228,000 relating to assets for which no depreciation has yet been charged as they are not yet available to use.

	2023 £'000		
	Leasehold improvements	Furniture and equipment	Total
Cost			
1 January	3,120	1,484	**4,604**
Additions	228	308	**536**
Disposals	–	–	**–**
Net exchange differences	(69)	(35)	**(104)**
31 December	**3,279**	**1,757**	**5,036**
Accumulated depreciation / amortisation			
1 January	1,599	1,155	**2,754**
Charge for the year	304	252	**556**
Disposals	–	–	**–**
Net exchange differences	(68)	(36)	**(104)**
31 December	**1,835**	**1,371**	**3,206**
Carrying amount	**1,444**	**386**	**1,830**

	2022 £'000		
	Leasehold improvements	Furniture and equipment	Total
Cost			
1 January	3,090	1,544	**4,634**
Additions	23	114	**137**
Disposals	–	(174)	**(174)**
Net exchange differences	7	–	**7**
31 December	**3,120**	**1,484**	**4,604**
Accumulated depreciation / amortisation			
1 January	1,261	1,110	**2,371**
Charge for the year	332	219	**551**
Disposals	–	(174)	**(174)**
Net exchange differences	6	–	**6**
31 December	**1,599**	**1,155**	**2,754**
Carrying amount	**1,521**	**329**	**1,850**

8. Leases

The Foundation makes use of leasing arrangements principally for the provision of office space. The Foundation also has leases for some IT and office equipment. With the exception of short-term leases and leases of low value, each lease is reflected in the statement of financial position as a right-of-use asset and a lease liability.

Right of-use assets are recognised at cost and comprise the amount of the initial measurement of the lease liability less accumulated depreciation. The Foundation depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

Lease liabilities are recognised at the present value of lease payments not yet paid discounted using the Foundation's incremental borrowing rate at the date of the lease inception—where the interest rate implicit in each lease cannot be readily determined because the fair value of the underlying asset is not known. The incremental borrowing rate used ranges from 3% to 7.69%—this range is due to the increase in interest rates from the time of our oldest lease to the newest. Interest expense on the lease liability is included in finance costs (see Note 12).

The Foundation has elected not to recognise a right-of-use asset or lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low-value assets. Payments for such leases are expensed on a straight-line basis over the lease term.

(a) Short-term leases and leases of low-value assets

The Foundation has short-term leases for office premises in Frankfurt, Montreal and Beijing, and leases of low value for some IT and office equipment. The expense relating to payments not included in the measurement of the lease liability is as follows:

	2023 £'000	2022 £'000
Short-term premises leases	490	187
Office equipment	11	11
	501	**198**

(b) Long-term leases (expected term of more than 12 months)

The Foundation has long-term leases for the office premises in London, San Francisco, Montreal and Tokyo.

The ten-year London office-premises lease commenced in January 2018. The lease includes a five-year termination clause and incentives in the form of rent-free periods both initially and in year six. In 2022 the Foundation made the decision not to exercise the termination clause and benefitted from a one-year rent-free period in 2023 (amortisation was still charged to profit or loss). The lease term has not been modified or changed.

Notes to the consolidated financial statements continued
Year ended 31 December 2023

8. Leases—continued
The ten-year Tokyo office-premises lease, which commenced in October 2012, ended in September 2022. A new five-year lease commenced on 1 October 2022.

As part of the consolidation with the VRF, the Foundation obtained a lease for office premises in San Francisco, which was scheduled to expire on 31 May 2023. In November 2022 the lease was extended for 26 months to 31 July 2025.

A Montreal office-premises lease commenced in September 2023. This includes a rent-free period for installing leasehold improvements up to 1 May 2024, during which the premises will be unoccupied, followed by a ten-year rental period. The lease includes a five-year termination clause and incentives in the form of a rent-free period and a contribution towards leasehold improvements. We have concluded that it is reasonably certain that the termination clause will not be exercised, particularly as there will be an economic incentive to remain due to the investment on leasehold improvements. No amortisation has been charged during the year as the premises was not yet available for use.

Expected useful lives for the right-of-use assets are determined by reference to the lease term.

Right-of-use assets recognised for leases are as follows:

	2023 £'000	2022 £'000
Right-of-use assets at 1 January	4,488	4,105
Received through the consolidation with the VRF	–	179
Additions	992	1,043
Depreciation charge for the year	(982)	(841)
Net exchange differences	(130)	2
Carrying amount of right-of-use assets at 31 December	**4,368**	**4,488**

Future undiscounted lease commitments under the premises leases are:

	2023 £'000	2022 £'000
Within one year	1,095	313
In two to five years	4,176	4,829
More than five years	964	–
	6,235	**5,142**
Effect of discounting	(818)	(395)
Lease liability at 31 December	**5,417**	**4,747**
Current	887	398
Non-current	4,530	4,349
	5,417	**4,747**

Total cash outflows related to leases during the year were £390,000 (2022: £1.2 million); the increase in the lease liability of £670,000 (2022: £131,000) represents additions of £992,000 for new premises leases (Montreal) and cash flows of £231,000 for the repayment of principal (see statement of cash flows).

9. Taxation
The IFRS Foundation was incorporated in February 2001 and is registered in the US as a not-for-profit corporation known as a Section 501(c) (03) tax-exempt organisation. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that the IFRS Foundation continues to satisfy all federal and state statutes to continue to qualify for continued tax exemption status. Corporations in the US are registered in the individual states; the Foundation is registered in the State of Delaware. The Foundation is required to register in any state where charitable funds have been raised.

In the US, the IFRS Foundation is required to file information tax returns with the federal and state authorities. The federal tax return, known as Form 990, provides extensive financial, governance and compliance information. The state returns are brief in comparison, but all require that Form 990 is attached to the state filings. The actual business trading activities of the Foundation surrounding its UK and US earned revenue activities do not present any US tax filing requirements.

In relation to UK operations, the IFRS Foundation registered in 2001 in the UK as an Overseas Company. Registration of an overseas company is required when there is some degree of physical presence in the UK such as a place of business or branch through which it carries on business. The IFRS Foundation, like most overseas companies, is required to send accounting and governance-related documents to Companies House.

The Foundation submits annual tax returns to the UK authorities regarding its corporate tax position in the UK.

(a) Current tax charge
In 2023 the Foundation has income before tax of £1,191,000 (2022: £8,533,000). The current tax liability is £278,000 (2022: £149,000). The tax charge of £357,000 (2022: £406,000) comprises:

	2023 £'000	2022 £'000
Current tax charge	380	134
Deferred tax (credit) charge	(23)	272
Total tax charge	**357**	**406**

Notes to the consolidated financial statements continued

Year ended 31 December 2023

9. Taxation—continued

The tax assessed for the period is analysed in the table below using the average corporation tax rate in the UK as a base rate. The 2023 average rate was 23.52% (2022: 19%). This reflects the increase to the main rate of UK corporation tax from 19% to 25% effective from 1 April 2023.

	2023 £'000	2022 £'000
Income before tax	**1,191**	**8,533**
Applicable tax rate	23.52%	19%
Tax at the applicable tax rate	**280**	**1,621**
Effects of:		
- expenses net of income not subject to UK tax	1,288	1,174
- allocated expenses deductible for UK tax purposes	(1,305)	(944)
- gain on consolidation with VRF not subject to UK tax	–	(1,473)
- expenses not deductible for UK tax purposes	18	2
- deferred tax asset not recognised, utilised in the current period	(20)	(11)
- remeasurement of deferred tax for changes in tax rate	–	37
- adjustment differences in prior years	96	–
Tax charge	**357**	**406**

'Expenses net of income not subject to tax' mainly represents voluntary contributions, US earned revenue and related expenses, and expenses that are not deductible for trading purposes.

(b) Deferred tax

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which to use the asset. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As at 31 December 2023 the Foundation has recognised a deferred tax liability of £132,000 related to temporary differences (2022: £155,000).

In 2023 the Foundation had carried forward non-trade losses of £94,000 (2022: £157,000), all of which were utilised in the year (2022: £64,000). The deferred tax assets relating to these losses were not recognised in the prior year.

Deferred taxes recognised at the balance sheet date are determined using the anticipated future tax rate. With the current enacted UK corporation tax rate of 25% expected to remain stable, deferred tax balances are calculated using this rate (2022: 25%).

Deferred taxes arising from temporary differences and unused tax losses are summarised as:

	2023 £'000		2022 £'000
	Temporary differences	Total	Total
Deferred tax (liability) / asset at 1 January	(155)	(155)	117
Deferred tax credit / (charge) for the year	23	23	(272)
Deferred tax (liability) / asset at 31 December	**(132)**	**(132)**	**(155)**

10. 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 and to safeguard the Foundation's reserves. The Trustees oversee 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.

As at 31 December 2023 the Foundation has not identified significant risks induced by climate changes that could negatively affect the 2023 consolidated financial statements.

Notes to the consolidated financial statements continued

Year ended 31 December 2023

10. Risk management—continued

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 contractual maturity analysis for lease liabilities is presented in Note 8. All other financial liabilities comprising trade and other payables are due within six months.

The Foundation holds reserves in different currencies 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 in current accounts, as short-term overnight deposits at floating rates of interest or in fixed rate deposits of short or medium-term duration. Cash at bank is held in GBP, Canadian dollar, euro, US dollar and yen accounts to meet expenditure obligations.

Surplus funds are invested in short-duration investments, all of which are of high credit quality.

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 is exposed to credit risk in relation to its fixed-interest investments and its financial assets measured at amortised cost comprising cash and cash equivalents, contributions receivable and earned revenue 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, which is not expected to change in the foreseeable future.

The Foundation is mainly exposed to credit risk from its anticipated contributions receivable and earned revenue receivables.

As at 31 December 2023 the Foundation had £3.2 million contributions receivable (2022: £4.2 million), of which £1.6 million related to two funding providers (2022: £3.5 million from four funders). Both funding providers have a high credit rating and stable outlook. The Foundation has determined these receivables have low credit risk.

Exposure to credit risk arising from earned revenue 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 immaterial.

The credit risk on fixed-interest investments is limited because the Foundation only invests in highly liquid investments, all of which are of high credit quality, and are held to maturity.

Credit risk also arises from cash and cash equivalents and deposits held with banks and financial institutions. For banks and financial institutions, only independently rated parties with high credit ratings are accepted. Counterparty credit ratings are reviewed regularly.

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, asset prices and foreign currency exchange rates that affect its assets and forecasted transactions. To manage market risk, the Foundation employs various strategies. These strategies include diversifying investments across different asset classes and regions, actively monitoring market conditions and conducting regular reviews of cash flows. Stress testing is also used to assess potential impacts of extreme events, and investment policies are regularly reviewed and adjusted to align with risk tolerance and objectives.

Interest rate risk

Interest rate risk is the risk that the fixed-income bonds will lose value due to an increase in interest rates. To mitigate this risk, the Foundation's objective is to hold sufficient cash reserves to meet its liabilities as they fall due so that it can hold bonds to maturity. The Foundation only invests in short-duration bonds, all of which are of high credit quality. The sensitivity analysis for bond prices is shown within the section on 'Price risk'.

Foreign currency management

The Foundation receives contributions and other inflows in a variety of currencies—mainly GBP, US dollar, Canadian dollar, euro and yen. Because foreign exchange rates fluctuate, the Foundation is exposed to some variability of its cash flows available in each currency to meet future staff costs, office costs and other services. To mitigate this risk the Foundation ensures that it holds sufficient cash in each currency to meet related future expenditure needs. Since 2019, the Foundation has not entered into new foreign exchange contracts due to the perceived sufficiency of its current surplus reserves to absorb foreign exchange risk. However, the implementation of the new multi-location model has significantly increased the number of cash flows in various currencies, increasing the risk of potential effects on the sufficiency of reserves. In 2023 the Trustees thoroughly reviewed its treasury and hedging policies, affirming the appropriateness of the current strategy. The Trustees will continue to monitor the Foundation's foreign exchange risk vigilantly on at least an annual basis.

Notes to the consolidated financial statements continued

Year ended 31 December 2023

10. Risk management—continued

Exposure

The Foundation's net exposure to foreign exchange risk as at 31 December is disclosed below. The exposure on translating the financial statements of overseas operations into the presentation currency is excluded from this analysis. The amounts shown are translated into GBP at the closing rate.

	2023 £'000			
	Canadian dollar	Euro	Yen	US dollar
Financial assets	5,789	5,966	4,418	4,316
Financial liabilities	(29)	(27)	(6)	(4)
Total exposure	**5,760**	**5,939**	**4,412**	**4,312**

	2022 £'000			
	Canadian dollar	Euro	Yen	US dollar
Financial assets	5,291	7,549	2,664	3,012
Financial liabilities	(301)	(373)	–	(84)
Total exposure	**4,990**	**7,176**	**2,664**	**2,928**

Sensitivity

The effect of a fluctuation in exchange rates on the Foundation's financial assets and financial liabilities carried at the reporting date, all other variables held constant, is shown in the table below. The effect of a 10% strengthening of the Canadian dollar, euro, yen and US dollar against GBP would have increased income after tax by £2.0 million (2022: £1.8 million).
A 10% weakening in the exchange rates on the same basis would have decreased income after tax by the same amount.

	£'000				
	Canadian dollar	Euro	Yen	US dollar	Total
31 December 2023	576	594	441	431	2,042
31 December 2022	499	718	266	293	1,776

Price risk

The Foundation is exposed to other price risk in respect of its listed bond securities and investment portfolio, which are held at fair value through profit or loss (Note 11). The investment portfolio includes equities, commodities and real estate. The strategy of the portfolio is low to medium risk and is globally diversified.

Sensitivity

For the listed bonds, an average volatility of 1.4% has been observed during 2023 (2022: 3%). This volatility figure is considered to be a suitable basis for estimating how income would have been affected by changes in market prices that were reasonably possible at the reporting date. If the quoted prices for these bonds increased or decreased by that amount, income after tax would have changed by £180,000 (2022: £439,000).

For the investment portfolio, an average volatility of 7% has been observed in the period (2022: 8%). If the quoted price for the securities within the portfolio increased or decreased by that amount, income after tax would have changed by £194,000 (2022: £202,000).

11. Investments

The Foundation invests in low-risk, short-duration AAA-rated bonds.

Bonds acquired prior to 2023 are recognised at fair value and subsequently measured at fair value through profit or loss. Existing portfolios would be reclassified only if the business model changes. A significant change in the Foundation's operations that is observable to external parties would be evidence of such a change.

Bonds acquired in 2023 are held under a hold-to-collect business model and are subsequently measured at amortised cost. The Foundation assesses the business model of bonds at initial recognition based on the evidence available at the time of recognition. For bond portfolio assets acquired in 2023, the Foundation has concluded that the business model is hold-to-collect.
No bonds were acquired in 2022.

Bond values 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 this table:

	2023 £'000		2022 £'000	
Bond portfolio at fair value	Fair value	Face value	Fair value	Face value
Current, including accrued interest	4,990	5,117	6,920	6,991
Non-current, including accrued interest	2,948	3,067	7,721	8,437
	7,938	**8,184**	**14,641**	**15,428**

Notes to the consolidated financial statements continued

Year ended 31 December 2023

11. Investments—continued

The bond portfolio at amortised cost includes publicly traded bonds with fixed interest rates between 4.0% and 5.5%. The bonds mature between 2024 and 2026. The carrying amounts (measured at amortised cost), fair value and face value of these bonds are presented in this table:

	2023 £'000			2022 £'000
Bond portfolio at amortised cost	**Amortised cost**	**Fair value**	**Face value**	**Amortised cost**
Current, including accrued interest	561	566	450	–
Non-current, including accrued interest	4,375	4,380	4,379	–
	4,936	**4,946**	**4,829**	**–**

In June 2022 the Foundation invested £2.5 million of its funds into the Barclays Medium-Low Risk Multi Asset Class Sustainable Portfolio (investment portfolio). The investment portfolio expands the asset class range that the Foundation has historically invested in by introducing assets such as equities, commodities and real estate. The portfolio strategy emphasises global diversification.

The investment portfolio is recognised at fair value and subsequently measured at fair value through profit or loss.

The investment portfolio valuation is quoted on active markets, described as Level 1 in IFRS 13.

The fair value of and amount invested in the investment portfolio are presented in this table:

	2023 £'000		2022 £'000	
Investment portfolio	**Fair value**	**Investment cost**	**Fair value**	**Investment cost**
Non-current, including accrued interest	2,776	2,500	2,524	2,500

12. Finance income and finance costs

	2023 £'000	2022 £'000
Finance income		
Interest income	766	285
Fair value gains on bonds	164	–
Fair value gains on investment portfolio	252	24
Net exchange gains on monetary assets and liabilities	–	652
	1,182	**961**
Finance costs		
Interest on lease liabilities	(160)	(128)
Fair value losses on forward foreign exchange contracts	–	(34)
Fair value losses on bonds	–	(695)
Net exchange losses on monetary assets and liabilities	(743)	–
	(903)	**(857)**

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

13. Fair value of financial instruments

The fair values of investments are disclosed in Note 12. All other financial instruments are initially measured at fair value and subsequently measured at amortised cost. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value. Included in financial liabilities are lease obligations with a total carrying amount of £5.4 million (2022: £4.7 million). The fair value of these obligations is £5.0 million (2022: £4.5 million).

14. Events after the reporting period

There have been no events since 31 December 2023 that required an adjustment to the financial statements, nor any material non-adjusting events.

Funding providers

Amounts converted into sterling on date received

Jurisdiction	Organisation
Australia	
£572,600	Department of the Treasury on behalf of the Commonwealth of Australia
Brazil	
£114,348	
£50,000+	Itaú Unibanco
£25,000+	Itaúsa S.A.
Less than £25,000	Instituto dos Auditores Independentes do Brasil (IBRACON) Petróleo Brasileiro S.A. (Petrobras)
Canada	
£10,735,711	
£1,000,000+	Montréal International through the contributions of the Government of Québec and the Government of Canada
£500,000+	Chartered Professional Accountants of Canada
Less than £25,000	Office of the Superintendent of Financial Institutions Canada
	Through the Coalition of Canadian Champions (individual contributions disclosed)
£250,000+	Autorité des marchés financiers Ontario Securities Commission
£100,000+	Alberta Investment Management Corporation (AIMCo) ATB Financial BDO Canada LLP Bell Canada BMO Financial Group British Columbia Securities Commission Canada Life CDPQ Deloitte LLP Desjardins Group Ernst & Young LLP (EY) First Nations Financial Management Board Healthcare of Ontario Pension Plan (HOOPP) iA Financial Group—iA Groupe Financier Intact Financial Corporation—Intact Corporation Financière KPMG Canada LLP Magna International Inc. National Bank of Canada OMERS PricewaterhouseCoopers LLP (PwC) Public Sector Pension Investment Board (PSP Investments) Royal Bank of Canada Suncor Energy Inc. TD Bank Group TELUS The Bank of Nova Scotia The Co-operators Group TMX Group
	Through the Coalition of Canadian Champions (individual contributions not disclosed)
	CIBC CPP Investments Ontario Teachers' Pension Plan Sun Life

Funding providers continued

Amounts converted into sterling on date received

Jurisdiction	Organisation
Chinese Taipei	
£65,100	
Less than £25,000	Accounting Research and Development Foundation Taipei Exchange Taiwan Depository & Clearing Corporation Taiwan Futures Exchange Taiwan Stock Exchange Corporation
EU	
£3,023,127	
£1,000,000+	European Commission
£100,000+	European Climate Foundation
Finland	
£78,039	Confederation of Finnish Industries
France	*Voluntary levy through the Ministry of the Economy, Finance and Industrial and Digital Sovereignty.* *The Foundation would like to thank the individual companies and accounting firms that contribute to the voluntary levy.*
£857,803	Ministry of the Economy, Finance and Industrial and Digital Sovereignty
Germany	
£4,131,892	
£1,000,000+	Hessisches Ministerium für Wirtschaft, Energie, Verkehr und Wohnen
£50,000+	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ)
Less than £25,000	EnBW Energie Baden-Württemberg AG
	Voluntary contribution through the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)
£100,000+	Deloitte GmbH Ernst & Young GmbH KPMG AG PricewaterhouseCoopers GmbH
£25,000+	BDO AG

Funding providers continued

Amounts converted into sterling on date received

Jurisdiction	Organisation		
Germany continued			
Less than £25,000	Baker Tilly GmbH & Co. KG Ebner Stolz GmbH & Co. KG ETL AG Genossenschaftsverband—Verband der Regionen e.V. Grant Thornton AG	Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) Mazars GmbH & Co. KG PKF Fasselt Partnerschaft mbB Rödl & Partner GmbH RSM GmbH	
	Voluntary levy through the Accounting Standards Committee of Germany (DRSC)		
£100,000+	German Investment Funds Association (BVI)		
£50,000+	Allianz SE BASF SE Bayer AG BMW AG Deutsche Bank AG Deutsche Post AG Deutsche Telekom AG Henkel AG & Co. KGaA	Interessensgemeinschaft Frankfurter Kreditinstitute GmbH Mercedes Benz Group (Daimler AG) Merck KGaA RWE AG SAP SE Siemens AG Siemens Healthineers AG	
£25,000+	Continental AG Deutsche Börse DZ Bank AG Fresenius Medical Care AG & Co. KGaA	Helaba Landesbank Hessen-Thüringen Girozentrale Infineon Technologies AG Münchener Rückversicherungs-Gesellschaft Siemens Energy AG	
Less than £25,000	Aareal Bank AG adesso SE Adidas AG AXA Konzern AG B. Metzler seel. Sohn & Co. AG BayWa AG Bilfinger SE Ceconomy AG Commerzbank AG Covestro AG DekaBank Deutsche Bahn AG Deutsche Beteiligungs AG Dürr AG EnBW Energie Baden-Württemberg AG Evonik Industries AG Fielmann AG GDV Gesamtverband der Deutschen Versicherungswirtschaft eV GEA Group AG	Generali Deutschland AG Hannover Rück Hapag-Lloyd AG Heidelberger Druckmaschinen AG Hensoldt AG Hornbach Holding AG & Co. KGaA Instone Real Estate Group SE KfW Bankengruppe Klöckner & Co. SE Knorr-Bremse AG Krones AG Lanxess AG Metro AG MTU Aero Engines AG ODDO BHF AG Patrizia SE Robert Bosch GmbH Sartorius AG Schaeffler AG	SGL Carbon SE Siltronic AG SIXT SE Softing AG Südzucker AG Symrise AG Talanx TeamViewer AG thyssenkrupp AG UBS Europe SE UniCredit Bank AG Uniper SE Villeroy & Boch AG Vitesco Technologies Group AG Vonovia SE Wacker Chemie AG Wintershall Dea AG Zürich Beteiligungs AG

Funding providers continued

Amounts converted into sterling on date received

Jurisdiction	Organisation
Hong Kong SAR	
£262,268	
£50,000+	AIA Company Limited The Securities and Futures Commission of Hong Kong
£25,000+	CLP Holdings Limited Link Asset Management Limited
Less than £25,000	Hong Kong Monetary Authority
India	
£80,196	Tata Steel Limited
Indonesia	
£71,400	
£25,000+	Financial Services Authority (OJK) Indonesia Stock Exchange
International	
£15,833	Bank for International Settlements
Ireland	
£8,363	Central Bank of Ireland
Israel	
£17,850	Israel Securities Authority
Italy	
£649,362	Organismo Italiano di Contabilità

Funding providers continued

Amounts converted into sterling on date received

Jurisdiction	Organisation
Japan	
£3,961,178	
£1,000,000+	Financial Accounting Standards Foundation
£500,000+	Financial Services Agency of Japan
Kazakhstan	
£8,684	National Bank of Kazakhstan
Malaysia	
£68,250	Malaysian Accounting Standards Board
Mexico	
£39,291	Cemex S.A.B. de C.V.
Netherlands	
£1,832,178	
£1,000,000+	Stichting IKEA Foundation
£250,000+	Ministry of Finance Porticus
Less than £25,000	De Nederlandsche Bank
New Zealand	
£274,654	External Reporting Board
Panama	
£3,943	Banco General, S.A.

Funding providers continued

Amounts converted into sterling on date received

Jurisdiction	Organisation	
People's Republic of China		
£4,130,202		
	Through system created by the Ministry of Finance	
£1,000,000+	Ministry of Finance of the People's Republic of China	
£500,000+	Chinese Institute of Certified Public Accountants Shanghai Stock Exchange Shenzhen Stock Exchange	
£50,000+	Agricultural Bank of China Bank of China China Construction Bank Corporation China Development Bank China Investment Corporation	China Petroleum & Chemical Corporation CNOOC Limited Industrial and Commercial Bank of China Limited PetroChina Company Limited
£25,000+	Bank of Communications Co., Ltd. China CITIC Bank Corporation Limited China Communications Construction Company Ltd China Merchants Bank Co., Ltd	China Mobile Communication Co., Ltd China Pacific Insurance (Group) Co., Ltd. China Telecom Corporation Limited China United Network Communications Corporation Limited
Less than £25,000	Huaneng Power International, Inc. PICC Property and Casualty Company Limited	
	Other	
£50,000+	Alibaba (China) Co., Ltd.	
Portugal		
£20,568	Banco de Portugal	
Republic of Korea		
£1,000,000		
£100,000+	Korea Accounting Institute (KAI) KPMG Samjong Accounting Corporation Samil PricewaterhouseCoopers	Shinhan Financial Group Co., Ltd Woori Financial Group Inc.
£50,000+	Deloitte Anjin LLC Ernst & Young Han Young Financial Supervisory Service	KB Financial Group Inc. KB Kookmin Bank NongHyup Financial Group Inc.
Less than £25,000	Celltrion, Inc. Hyosung Corporation	

Funding providers continued

Amounts converted into sterling on date received

Jurisdiction	Organisation
Saudi Arabia	
£149,716	Saudi Organization for Certified Public Accountants (SOCPA)
Singapore	
£73,500	Ministry of Finance
South Africa	
£136,868	
£100,000+	Department of Trade, Industry and Competition (Republic of South Africa)
Less than £25,000	Johannesburg Stock Exchange
Switzerland	
£100,753	
£50,000+	SwissHoldings
£25,000+	Holcim Technology Ltd
Thailand	
£85,314	Federation of Accounting Professions (TFAC)
United Kingdom	
£3,819,907	
£1,000,000+	Department for Business, Energy & Industrial Strategy
£500,000+	*Levy system organised by Financial Reporting Council*
£250,000+	London Stock Exchange Group
£100,000+	Unilever PLC
£50,000+	Association of Chartered Certified Accountants (ACCA) The Children's Investment Fund Foundation

Funding providers continued

Amounts converted into sterling on date received

Jurisdiction	Organisation	
United States of America		
£2,005,062		
£250,000+	Bank of America Corporation Ford Foundation	
£100,000+	CFA Institute Heising-Simons Foundation Pfizer Inc.	S&P Global Inc. Zegar Family Foundation
£50,000+	AICPA Cisco Systems, Inc. Global Accounting Alliance (GAA)	
£25,000+	ClimateWorks Foundation Salesforce, Inc.	
Less than £25,000	Board of Governors of the US Federal Reserve System Morgan Stanley PepsiCo, Inc. UN Global Compact	
International accounting firms[1]		
£3,752,142		
(US$1,327,500)	KPMG	
(US$849,335 each)	Deloitte EY PwC	
£250,000+	BDO (Brussels Worldwide Services BVBA) (US$315,000) Grant Thornton (US$315,000)	
£100,000+	Mazars (US$210,000)	
Trustee		
£28,333	One Trustee waived their fee, which has been accounted for as a contribution	

1. Deloitte, EY, KPMG and PwC have licensing agreements with the Foundation, for which annual fees are received in addition to their voluntary contributions. The firms contribute equally to the Foundation, though the allocation between licensing fees and voluntary contributions may vary. Variances in reported funding in any period may also result from differences in the timing of receipts.

IFRS Foundation Monitoring Board

As at 31 December 2023

Public authority	Member	Position
Chair		
Japan Financial Services Agency	**Takashi Nagaoka**	Deputy Commissioner for International Affairs
Members		
Brazil Securities and Exchange Commission (Comissão de Valores Mobiliários)	**João Pedro Barroso do Nascimento**	Chair
European Commission	**Mairead McGuinness**	Commissioner for Financial Stability, Financial Services and Capital Markets Union
IOSCO	**Jean-Paul Servais**	Chairman of the Financial Services and Markets Authority, Belgium
IOSCO Growth and Emerging Markets Committee	**Yusuf Kaya**	Board Member of the Capital Markets Board of Türkiye
People's Republic of China Ministry of Finance	**Zhu Zhongming**	Vice Minister
South Korea Financial Services Commission	**Jeong Kag Kim**	Standing Commissioner
United Kingdom Financial Conduct Authority	**Nikhil Rathi**	Chief Executive
United States Securities and Exchange Commission	**Gary Gensler**	Chair
Observers		
Basel Committee on Banking Supervision	**Katherine Tilghman Hill**	Chair of the Accounting Experts Group

IFRS Interpretations Committee

As at 31 December 2023

Non-voting Chair: Bruce Mackenzie, Member of the International Accounting Standards Board

Name	Position	Organisation	Current term ends
Renata Bandeira	Controllership and Tax Director, Brazil	Azul Airlines	30 June 2026
Andre Besson[1]	Head of Financial Reporting Guidelines	Nestlé SA	30 June 2024
Lisa Bomba	Head of Group Reporting–Financials	Deutsche Bank	30 June 2025
Jens Freiberg	Head of Capital Markets	BDO	30 June 2025
Karsten Ganssauge	Partner, Global Corporate Reporting Services	PwC	30 June 2025
Karen Higgins[1]	Audit and Assurance Partner	Deloitte	30 June 2024
Guy Jones	Partner, Professional Practice Group, Canada	EY	30 June 2024
Goro Kumagai	Senior Fellow, Industry-Government-Academia Collaboration Office, Global Strategy Department	Mizuho Securities Company Limited	30 June 2024
M P Vijay Kumar[1]	Executive Director and Group Chief Financial Officer	Sify Technologies Limited	30 June 2024
Yanli Liu	Executive Vice President and Chief Financial Officer	State Grid International Development Company Limited	30 June 2025
Sophie Massol	Head of Group Accounting Policies, France	AXA	30 June 2026
Jon Nelson	Senior Vice President, Vehicle Economics	Stellantis NV	30 June 2026
Brian O'Donovan	Partner, Global IFRS and Corporate Reporting Leader	KPMG	30 June 2025
Donné Sephton	Head of Advisory Services	FirstRand Limited	30 June 2026

1. Reappointed to serve a second two-year term starting 1 July 2024.

Observer organisations

- Basel Committee on Banking Supervision
- European Commission
- IOSCO

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

IFRS Advisory Council

As at 31 December 2023

Chair: Bill Coen, former Secretary General of the Basel Committee on Banking Supervision

Represented body	Represented by	Position
AFEP (French Association of Large Companies)	Le Quang Tran Van	Director for Financial Affairs
AIA Group	Garth Jones	Group Chief Financial Officer
Asian Development Bank (ADB)	Steven Beck	Head, Trade and Supply Chain Finance
Banco Bilbao Vizcaya Argentaria	María Ángeles Pelaez Moron	Head of Global Financial Accounting
Basel Committee on Banking Supervision	Neil Esho	Secretary General
Bayer	Martin Schloemer	Head of Global Accounting/ Senior Vice President, Chief Accounting Officer
BDO	Ehud (Udi) Greenberg	Professional Practice Partner at BDO Israel and at BDO Global IFRS Advisory Group
BusinessEurope	Kristian Koktvedgaard	Head of VAT, accounting and auditing for the Confederation of Danish Industry
Capital Markets Board of Türkiye	Sibel Ulusoy Tokgöz	Deputy Head of the Accounting Standards Department
CFA Institute	Sandra Peters	Senior Head, Global Advocacy
Chinese Ministry of Finance	Xianzhong Li	Director General of the Accounting Regulatory Department
Corporate Reporting Users' Forum	Greig Paterson	Managing Director of UK Insurance Research at Keefe, Bruyette & Woods
Council of Institutional Investors	James Andrus	Investment Manager of Sustainable Investments at the California Public Employees' Retirement System
Deloitte	Trevor Derwin	Partner at Deloitte Africa

Represented body	Represented by	Position
Eumedion	Martijn Bos	Policy Advisor on Reporting and Audit
European Accounting Association	Thorsten Sellhorn	EAA President; Professor of Accounting and Director of the Institute for Accounting, Auditing and Analysis at Ludwig-Maximilian University Munich's School of Management
European Central Bank	David Grünberger	Heads the Prudential Regulation and Accounting Section
European Federation of Financial Analysts Societies (EFFAS)	Javier de Frutos	Chair of the Commission on Financial Reporting of the European Federation of Financial Analysts Societies
European Financial Reporting Advisory Group	Saskia Slomp	CEO
European Securities and Markets Authority (ESMA)	Isabelle Grauer-Gaynor	Head of Corporate Finance and Reporting Unit
External Reporting (XRB), New Zealand	Ken Warren	Chief Accounting Advisor for the New Zealand Treasury
EY	Michiel van der Lof	Partner, EMEIA IFRS Leader
Financial Executives International	Ron Edmonds	Controller and Vice President of Controllers and Tax for Dow
Grant Thornton	Fergus Condon	Partner—Financial Accounting Advisory Services
Individual (University of São Paulo—School of Accounting and Actuarial Science)	Eduardo Flores	Assistant Professor in the Accounting and Actuarial Science Department
Individual (Johannesburg Stock Exchange)	Tania Wimberley	Head of Financial Reporting Issuer Regulation Division
Institute of Certified Public Accountants of Kenya	Cliff Nyandoro Magara	Head of Standards and Technical Services

IFRS Advisory Council continued
As at 31 December 2023

Represented body	Represented by	Position
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	Emmanuelle Revolon	CFO
International Corporate Governance Network	Ian Burger	Head of Responsible Investment
International Federation of Accountants	Kevin Dancey	CEO
International Monetary Fund	Ellen Gaston	Senior Financial Sector Expert in the Financial Supervision and Regulation Division of the Monetary and Capital Markets Department
International Monetary Fund	Fabio Natalucci	Deputy Director, Monetary & Capital Markets Department
International Organization of Securities Commissions	Marie Seiller	Member of IOSCO Committee on Issuer Accounting, Audit and Disclosures; Chief Accountant at the French Autorité des marchés financiers (AMF)
Investment Association	Emma Millar	Director EMEA Accounting Policy Blackrock
Investment Company Institute	Alan Trotter	Chief Financial Officer: Europe, Middle East & Africa at Invesco
Japanese Institute of Certified Public Accountants (JICPA)	Aiko Sekine	Advisor
KPMG	Melissa Taylor	Partner
Lukoil	Sergey Epifanov	Head of the International Financial Reporting Department
Malaysian Accounting Standards Board (MASB)	Bee Leng Tan	Executive Director
Organisation for Economic Co-operation and Development (OECD)	Carmine Di Noia	Director for Financial and Enterprise Affairs
Organismo Italiano di Contabilità	Alberto Giussani	
PricewaterhouseCoopers	Henry Daubeney	Global Head of IFRS and ESG Reporting
Principles for Responsible Investment (PRI)	Nathan Fabian	Chief Responsible Investment and Signatory Relations Officer
S&P Global Ratings	Osman Sattar	Director and Accounting Specialist Financial Institutions Group
The Securities Analysts Association of Japan (SAAJ)	George Iguchi	Chief Corporate Governance Officer and Executive Director at Nissay Asset Management
South Asian Federation of Accountants (SAFA)	M. P. Vijay Kumar	Vice Chairman, Accounting Standards Board and Chairman, Valuation Standards Board of the Institute of Chartered Accountants of India
United Nations (UN)	James Zhan	Senior Director of Investment and Enterprise at the United Nations
United Nations (UN)	Marcos Mancini	Senior Sustainable Finance Advisor, UNDP
World Bank	Barbara McGowan	Head of Accounting Policy
World Bank	Robert Saum	Director/Chief Financial Management Officer, Operations Policy and Country Services
Xiamen University	Feng Liu	Chair Professor and Director at the Centre for Accounting Studies

Observer organisations
European Commission, Japan Financial Services Agency, US Securities and Exchange Commission

San Francisco

The Trustees of the IFRS Foundation thank all staff, stakeholders and partners around the world for contributing to the delivery of the Foundation's mission during 2023. By working together we realise the vision of enabling better decisions through the provision of better information.

thank you

Staff photography
Alex Griffiths

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The cityscapes inside the report show where our offices are located.

Cover locations from left to right:

- Lisbon, Portugal
- Seoul, Korea
- Lagos, Nigeria
- São Paulo, Brazil
- Sydney, Australia