

ATA ANNUAL CONFERENCE 2007

SESSION G-7

**Impact of the European
Transparency Directive on German
Financial and Corporate Reporting**

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Legislation at European Level

EU Transparency Directive (TD)



The TD's objective is to enhance investor protection and the efficiency of the capital markets.

- ⇒ Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004, OJ L 390/38–57
- ⇒ Commission Implementing Directive 2007/14/EC of 8 March 2007
 - Sets out detailed implementation rules for some TD provisions
 - Must be adopted into national law within 12 months

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Transparency Directive

Chapter I: Scope	⇒	Who has to apply the rules
Chapter II: Periodic Information	⇒	Periodic reporting instruments
Chapter III: Ongoing Information	⇒	Reporting specific events
Chapter IV: General Obligations	⇒	Disclosure rules
Chapter V: Competent Authorities	⇒	Rights/obligations of German regulators
Chapter VI: Implementing Measures	⇒	Technical rules and decisions
Chapter VII: Transitional Provisions	⇒	Exemptions

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Legislation/Standards at German Level

Transparenzrichtlinie-Umsetzungsgesetz (TUG)/ Transparency Directive Implementing Act



The TUG implements the requirements of the TD into German law.

DRS 16 Zwischenberichterstattung/ GAS 16 Interim Financial Reporting



GAS 16 introduces detailed guidance on the overall framework for interim financial reporting under the TUG for entities required to prepare consolidated financial statements.

- ⇒ Near final draft published on 13 March 2007
- ⇒ English translation published 21 June 2007
- ⇒ Revision published 18 July 2007 (German + English)
- ⇒ Final version will be issued after German regulation has been enacted, followed by publication by the BMJ

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Statutory Periodic Reporting by Publicly Traded Entities – Pre-TD

	Before 20 Jan. 2007
Year-end	Consolidated FS: - "EU IFRSs" under IAS Regulation Single-entity FS: - HGB/German GAAP
Half-yearly	Issuers of shares on <u>Official Market</u> *: revenue, earnings, explanations (under s. 40 BörsG + s. 53 ff BörsZulV) Issuers of shares on <u>Regulated</u> and <u>Open Markets</u> , issuers of debt instruments: no obligations
Quarterly	No obligations

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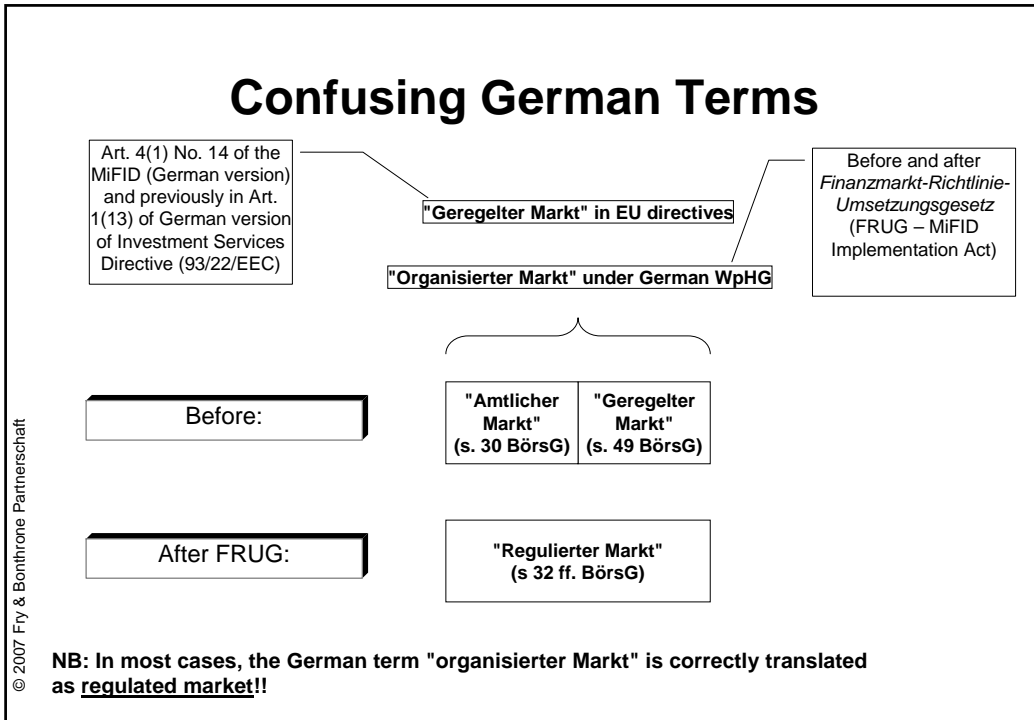
* "Prime Standard" entities must also publish quarterly financial reports (IAS 34). All financial reports + ad hoc disclosures in German and English.

Statutory Periodic Reporting by Publicly Traded Entities – Pre-TD and Post-TD

	Before 20 Jan. 2007	After 20 Jan. 2007
Year-end	Consolidated FS: - "EU IFRSs" under IAS Regulation Single-entity FS: - HGB/German GAAP	Consolidated FS: - "EU IFRSs" under TD + IAS Regulation Single-entity FS: - National law under 4 th Directive
Half-yearly	Issuers of shares on <u>Official Market</u> *: revenue, earnings, explanations (under s. 40 BörsG + s. 53 ff BörsZulV) Issuers of shares on <u>Regulated</u> and <u>Open Markets</u> , issuers of debt instruments: no obligations	Issuers of shares and debt instruments on Official and Regulated Markets***: half-yearly financial report under TD Issuers of shares on <u>Open Market</u> : no obligations
Quarterly	No obligations	Issuers of shares (Official/Reg.**): - Interim management statement under TD Issuers of debt instruments: - no obligations

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* "Prime Standard" entities must also publish quarterly financial reports (IAS 34). **IAS 34 quarterly financial reports replace interim management statements. All financial reports + ad hoc disclosures in German and English.



DRS/GAS 16 (1)

- "This Standard sets out in detail the overarching requirements of the TUG governing half-yearly financial reporting, quarterly financial reporting and interim management statements."*
- "The users affected by GAS 16 Interim Financial Reporting are defined firstly by the obligation under the WpHG to prepare and publish interim financial reports; this applies to all 'domestic issuers'. While half-yearly financial reporting is generally obligatory for all domestic issuers (ie issuers of shares and debt securities), an interim management statement must only be prepared by share issuers. Secondly, users are restricted to those entities that are obliged by law to prepare consolidated financial statements and a group management report. Application by all other entities is recommended."*

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DRS/GAS 16 (2)

- *"A half-yearly financial report contains a condensed set of financial statements, an interim management report and a responsibility statement by management, and must be published within two months of the end of the half-yearly period. In addition to an explanation of the most important events in the period under review and their effect on the assets, liabilities, financial position and profit or loss of the entity, the interim management report contains a forward-looking description of the material opportunities and risks. If it is known that earlier forecasts and other statements on expected developments are no longer valid, that fact must be disclosed in the interim management report. Share issuers must also report on material related party transactions. In the responsibility statement, management states that, to the best of its knowledge, the interim financial report gives a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and includes a description of the material opportunities and risks, in accordance with German proper accounting principles of interim consolidated reporting."*

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DRS/GAS 16 (3)

- *"An interim management statement reports on material events during the period covered by the statement and the position of the entity. No interim financial statements are necessary for this purpose, and quantifying disclosures are not required. The period covered by the interim management statement generally corresponds to the first and third quarter of the financial year, but may be reduced or extended by the entity to a certain extent. The publication date of the interim management statement is the last day of the period covered by the interim management statement."*
- *"As an alternative to the interim management statement, a quarterly financial report prepared using the same principles as for half-yearly financial reporting can be published within the required periods for interim management statements."*

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DRS/GAS 16 – Who?

4. *This Standard applies to all entities that*
 - a) *are required by the WpHG to prepare half-yearly financial reports or interim management statements and*
 - b) *are parent companies that are required by law to prepare consolidated financial statements and a group management report.*
5. *Section 37w of the WpHG requires entities that are domestic issuers of shares or debt securities within the meaning of section 2(1) sentence 1 of the WpHG to prepare half-yearly financial reports. The related party disclosures required by section 37w(4) sentence 2 of the WpHG apply only to domestic issuers of shares.*
8. *This Standard therefore also applies to entities that prepare consolidated financial statements in accordance with the international accounting standards designated in section 315a(1) of the HGB. Those entities must also prepare the interim financial statements required by section 37y no. 2 of the WpHG in accordance with these international accounting standards, with the result that paragraphs 15 to 33 of this Standard (Interim financial statements) do not apply to such entities in this respect.*

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TUG Definition of "Inlandsemittent"

s. 2(7) WpHG

Inlandsemittenten sind

1. Emittenten, für die die Bundesrepublik Deutschland der Herkunftsstaat ist, mit Ausnahme solcher Emittenten, deren Wertpapiere nicht im Inland, sondern lediglich in einem anderen Mitgliedstaat der Europäischen Union ... zugelassen sind, ... und

2. Emittenten, für die nicht die Bundesrepublik Deutschland, sondern ein anderer Mitgliedstaat der Europäischen Union ... der Herkunftsstaat ist, deren Wertpapiere aber nur im Inland zum Handel an einem organisierten Markt zugelassen sind."

s. 2(6) WpHG

Emittenten, für die die Bundesrepublik Deutschland der Herkunftsstaat ist, sind 1. Emittenten von Schuldtiteln mit einer Stückelung von weniger als 1 000 Euro ... oder von Aktien,

a) die ihren Sitz im Inland haben und deren Wertpapiere zum Handel an einem organisierten Markt im Inland oder in einem anderen Mitgliedstaat der Europäischen Union oder ..., oder
b) die ihren Sitz in einem ... Drittstaat haben und deren Wertpapiere zum Handel an einem organisierten Markt im Inland oder in einem anderen Mitgliedstaat der Europäischen Union oder ... zugelassen sind, wenn das jährliche Dokument im Sinne des § 10 des Wertpapierprospektgesetzes bei der Bundesanstalt zu hinterlegen ist,

2. Emittenten, die keine Finanzinstrumente im Sinne der Nummer 1 begeben, wenn sie im Inland oder in einem Drittstaat ihren Sitz haben und ihre Finanzinstrumente zum Handel an einem organisierten Markt nur im Inland zugelassen sind, Emittenten, die keine Finanzinstrumente im Sinne der Nummer 1 begeben und nicht unter Nummer 2 fallen,

a) wenn sie im Inland ihren Sitz haben und ihre Finanzinstrumente zum Handel an einem organisierten Markt auch oder ausschließlich in einem ... anderen Mitgliedstaat der (EU) oder ... zugelassen sind oder

b) wenn sie ihren Sitz in einem anderen Mitgliedstaat der (EU) oder ... haben und ihre Finanzinstrumente zum Handel an einem organisierten Markt auch oder ausschließlich im Inland zugelassen sind oder

c) wenn sie ihren Sitz in einem Drittstaat haben und ihre Finanzinstrumente zum Handel an einem organisierten Markt im Inland und in einem ... Mitgliedstaat der (EU) ... zugelassen sind, und sie die Bundesrepublik Deutschland ... als Herkunftsstaat gewählt haben.

Für Emittenten, die unter Buchstabe a fallen, aber keine Wahl getroffen haben, ist die Bundesrepublik Deutschland der Herkunftsstaat; das Gleiche gilt für Emittenten, die unter Buchstabe c fallen, aber keine Wahl getroffen haben,

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"Domestic Issuers" – Examples

"Domestic issuer" as defined by the WpHG

Domicile of entity	Where securities listed	Choice	"Domestic issuer" in Germany?
Germany	Germany only	-	Yes
Germany	France only	-	No
Germany	USA + Germany	-	Yes
France	Germany only	-	Yes
USA	Germany only	-	Yes
France	Germany + France	Choice of Germany for 3 yrs	Yes

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Selected GAS 16 Definitions (16.10)

Berichtszeitraum: Zeitraum vom Beginn des Geschäftsjahrs bis zum Stichtag.

Reporting period: the period from the beginning of the financial year up to the reporting date.

Darstellung: Aufbereitung eines Sachverhaltes durch Aufgliederung und/oder Erläuterung in der Weise, dass er aus sich heraus verständlich ist.

Presentation: the analysis of a matter by means of a breakdown and/or explanation that enables the matter to be understandable on a stand-alone basis.

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Selected GAS 16 Definitions (16.10)

Entscheidungsnützlichkeit: Entscheidungsnützliche Informationen sind durch Entscheidungsrelevanz (d.h. die Information ist geeignet, den Informationsempfänger in einer ökonomischen Entscheidung zu beeinflussen) und Verlässlichkeit (d.h. die Information ist zutreffend bzw. plausibel und nachvollziehbar) bestimmt.

Decision-usefulness: information is decision-useful if it is relevant (ie it is capable of influencing the economic decisions of users) and reliable (ie it is accurate or, at a minimum, plausible and supportable).

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Selected GAS 16 Definitions (16.10)

Erläuterung: Weitergehende Erklärung, Kommentierung und Interpretation eines Sachverhalts über die reine Darstellung hinaus. Sie dient der Information über Voraussetzungen, Ursachen oder Konsequenzen von Sachverhalten oder Maßnahmen. Erläuterungen werden in der Regel verbal gegeben.

Explanation: a more detailed description, commentary and interpretation of a matter that goes beyond a straightforward presentation. It provides information about the preconditions, causes, or consequences of matters or measures. Matters are normally explained in narrative form.

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Selected Definitions (16.10)

Mitteilungszeitraum: Der Mitteilungszeitraum einer Zwischenmitteilung umfasst den Zeitraum vom Beginn des Halbjahrs bis zur Veröffentlichung der Zwischenmitteilung. Im zweiten Halbjahr kann sich der Mitteilungszeitraum wahlweise auf den Zeitraum vom Beginn des Halbjahrs bis zur Veröffentlichung oder auf den Zeitraum vom Beginn des Geschäftsjahrs bis zur Veröffentlichung beziehen.

Notification period: the notification period for an interim management statement comprises the period from the beginning of the half-year period until the date of publication of the interim management statement. In the second half-year period, the notification period may refer either to the period from the beginning of the half-year period until the date of publication, or the period from the beginning of the financial year until the date of publication.

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Selected GAS 16 Definitions (16.10)

Versicherung der gesetzlichen Vertreter: Erklärung entsprechend § 297 Abs. 2 Satz 3 HGB und § 315 Abs. 1 Satz 5 HGB

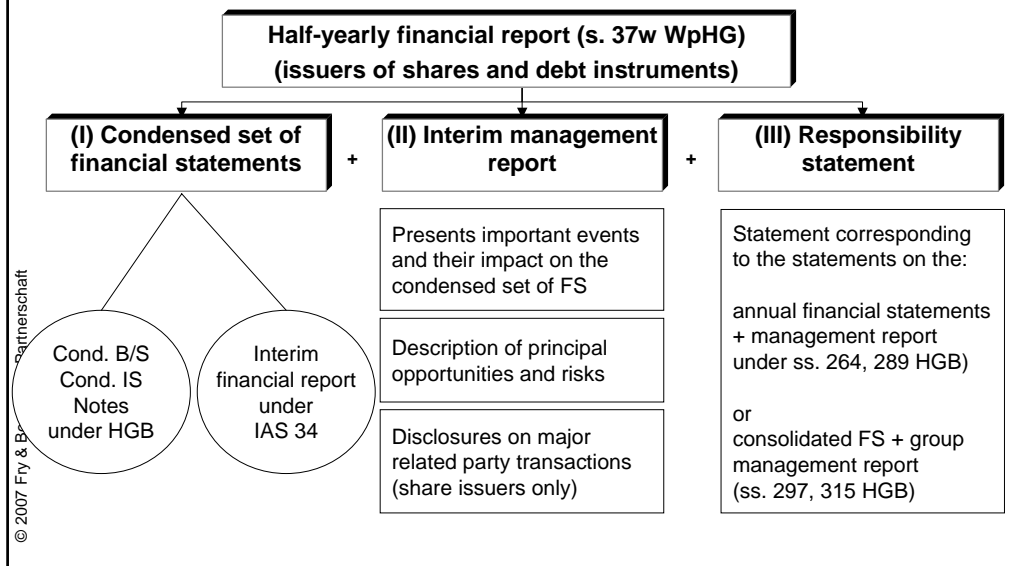
Responsibility statement: a statement in accordance with sections 297(2) sentence 3 and 315(1) sentence 5 of the HGB

Zwischenmitteilung der Geschäftsführung: Eine Zwischenmitteilung der Geschäftsführung enthält eine Erläuterung der wesentlichen Ereignisse und Geschäfte des Mitteilungszeitraumes und eine allgemeine Beschreibung der Ertrags-, Finanz- und Vermögenslage des Konzerns im Mitteilungszeitraum.

Interim management statement: an interim management statement contains an explanation of material events and transactions that have taken place during the notification period, and a general description of the assets, liabilities, financial position and profit or loss of the group in the notification period.

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Half-Yearly Financial Reports under the TUG – Overview of Contents



GAS 16 Half-Yearly Financial Reports (1)

11. *At a minimum, a half-yearly financial report comprises a set of interim financial statements (paragraphs 14 to 33), an interim management report (paragraphs 34 to 55) and a responsibility statement (paragraph 56).*
13. *If the interim financial statements and the interim management report have not been audited in accordance with section 317 of the HGB or reviewed by an auditor, this fact shall be disclosed in the half-yearly financial report.*
15. *At a minimum, a set of interim financial statements shall contain the following components:*
 - a) *a condensed balance sheet as at the reporting date of the reporting period and a condensed balance sheet as at the reporting date of the previous financial year;*
 - b) *a condensed income statement for the reporting period and for the corresponding period of the previous financial year, and*
 - c) *selected explanatory notes to the financial statements.*

GAS 16 Half-Yearly Financial Reports (2)

16. *Disclosure of the following supplementary components of the interim financial statements is recommended:*
- a) *a condensed cash flow statement for the reporting period and the corresponding period of the previous financial year, and*
 - b) *a condensed statement of changes in equity for the reporting period and the corresponding period of the previous financial year.*
17. *The classification of the components to be presented shall contain each of the main headings and subtotals of the corresponding components that were included in the most recent consolidated financial statements. Additional headings or notes disclosures are necessary if their omission would result in the presentation of a misleading view in the interim financial report.*
20. *The same accounting policies and consolidation methods shall be applied in the interim financial statements as were applied in the most recent year-end consolidated financial statements, except for changes to these accounting policies and methods made after the reporting date of the most recent year-end consolidated financial statements.*

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GAS 16 Half-Yearly Financial Reports (3)

31. *The following information shall be included in the selected explanatory notes if not disclosed elsewhere in the interim financial report:*
- a) *a statement that the same accounting policies are followed in the interim financial statements as compared with the year-end consolidated financial statements or, if those policies have changed materially, a description of the nature and the quantitative effect of the change;*
 - b) *explanations of the effect of material changes in the composition of the reporting entity, including business combinations, acquisitions, or disposals of subsidiaries, together with the main assumptions underlying the relevant estimates applied to the initial inclusion of subsidiaries;*
 - c) *explanations that ensure a suitable understanding of material changes in the amounts presented in the condensed balance sheet and condensed income statement as compared with the comparative amounts presented, and of any developments in the reporting period.*

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GAS 16 Half-Yearly Financial Reports (4)

34. *The interim management report supplements the interim financial statements, explains certain events and transactions in the interim reporting period and updates certain forward-looking information contained in the most recent group management report.*
35. *At a minimum, the interim management report shall contain:*
- a) *a presentation of important events for the entity in the reporting period and their impact on the assets, liabilities, financial position and profit or loss;*
 - b) *a report on significant changes in forecasts and other statements on expected developments contained in the most recent group management report;*
 - c) *a description of the principal opportunities and risks associated with expected developments in the remaining months of the financial year; and*
 - d) *disclosures on major related party transactions in the reporting period.*

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GAS 16 Half-Yearly Financial Reports (5)

38. *The interim management report shall provide all information from the perspective of management that a knowledgeable user requires so as to be able to assess a change in the assets, liabilities, financial position and profit or loss and a change in the expected development, by comparison with the most recent half-yearly or annual financial reporting. The interim management report shall be understandable without reference to the disclosures in the interim consolidated financial statements.*
39. *The structure of the interim management report shall be made transparent by the use of headings. It is recommended that the disclosures in an interim financial report should be based on the structure of the most recent group management report. Alternatively, it may be structured as follows:*
- a) *report on the assets, liabilities, financial position and profit or loss;*
 - b) *report on forecasts and other statements on expected developments;*
 - c) *report on opportunities and risks; and*
 - d) *report on major related party transactions.*

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GAS 16 Half-Yearly Financial Reports (6)

41. *Material events may occur both outside and inside the group. It may therefore be necessary, for example, to present disclosures on the following external and internal events.*

External events:

- a) *changes in the political or legal environment (eg tax laws, regulation, political stability);*
- b) *changes in economic development;*
- c) *changes in exchange rates and interest rates;*
- d) *changes in prices and conditions on procurement and sales markets (eg commodity prices, collective wage agreements);*
- e) *establishment of new technologies;*
- f) *changes in the competitive situation (eg new competitors, bargaining power with customers and suppliers, substitute products, market share);*

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GAS 16 Half-Yearly Financial Reports (7)

Internal events:

- a) *restructuring and rationalisation measures;*
- b) *changes in the entity's management;*
- c) *disposals and acquisitions of businesses;*
- d) *the entering into or termination of cooperation agreements and contracts;*
- e) *changes in litigation;*
- f) *changes in the entity's investment programme;*
- g) *financing measures, such as share, participation certificate, or bond issues and the use of off-balance-sheet financial instruments (asset-backed securities and sale and leaseback transactions, etc);*
- h) *changes in credit facilities;*
- i) *dividend payments;*
- j) *changes in research and development activities;*
- k) *changes in purchasing and inventory policies;*
- l) *commissioning and closure of production facilities or business locations;*
- m) *launch of new products;*
- n) *development of new markets.*

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Responsibility Statement (1)

„Nach bestem Wissen versichern wir, dass gemäß den anzuwendenden Rechnungslegungsgrundsätzen für die Zwischenberichterstattung der Konzernzwischenabschluss ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt und im Konzernzwischenlagebericht der Geschäftsverlauf einschließlich des Geschäftsergebnisses und die Lage des Konzerns so dargestellt sind, dass ein den tatsächlichen Verhältnissen entsprechendes Bild vermittelt wird, sowie die wesentlichen Chancen und Risiken der voraussichtlichen Entwicklung des Konzerns im verbleibenden Geschäftsjahr beschrieben sind.“

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.”

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Responsibility Statement (2)

Article 5(2) (c) of the Transparency Directive reads:

Erklärungen, in denen die beim Emittenten verantwortlichen Personen unter Angabe ihres Namens und ihrer Stellung versichern, dass der in Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte verkürzte Abschluss nach bestem Wissen ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögenswerte und Verbindlichkeiten sowie der Finanz- und der Ertragslage des Emittenten oder der Gesamtheit der in die Konsolidierung einbezogenen Unternehmen gemäß Absatz 3 vermittelt und dass der Zwischenlagebericht die nach Absatz 4 geforderten Informationen in einer den tatsächlichen Verhältnissen entsprechenden Weise darstellt.

... statements made by the persons responsible within the issuer, whose names and functions shall be clearly indicated, to the effect that, to the best of their knowledge, the condensed set of financial statements which has been prepared in accordance with the applicable set of accounting standards gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required under paragraph 3, and that the interim management report includes a fair review of the information required under paragraph 4.

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Responsibility Statement (3)

- The problem is with the following wording:
 - **Vermögenswerte und Verbindlichkeiten sowie (die) Finanz- und (die) Ertragslage**
 - *assets, liabilities, financial position and profit or loss*
- The TUG itself refers to:
 - "eine den Vorgaben des § 264 Abs. 2 Satz 3, § 289 Abs. 1 Satz 5 des Handelsgesetzbuchs entsprechende Erklärung"
- § 264 (2) Der Jahresabschluß der Kapitalgesellschaft hat unter Beachtung der Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Kapitalgesellschaft zu vermitteln. ... Die gesetzlichen Vertreter einer Kapitalgesellschaft, die Inlandsemittent im Sinne des § 2 Abs. 7 des Wertpapierhandelsgesetzes und keine Kapitalanlagegesellschaft im Sinne des § 327a ist, haben bei der Unterzeichnung schriftlich zu versichern, dass nach besten Wissen der Jahresabschluss ein den tatsächlichen Verhältnissen entsprechendes Bild im Sinne des Satzes 1 vermittelt oder der Anhang Angaben nach Satz 2 enthält.

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Responsibility Statement (4)

- Standard wording in IDW Bestätigungsvermerke (auditor's/auditors' reports):
 - **Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Konzernabschluss den IFRS, wie sie in der EU anzuwenden sind, und den ergänzend nach § 315a Abs. 1 HGB anzuwendenden handelsrechtlichen Vorschriften und vermittelt unter Beachtung dieser Vorschriften ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns.**
 - *In our opinion, based on the findings of our audit, the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law under section 315a(1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements.*

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Responsibility Statement (6)

- Problem terms:
- "net assets" = equity (assets minus liabilities), i.e. the residual of assets minus liabilities.
- "Finanzlage" refers to cash flows (or "changes in financial position", not to "financial position").
- "Financial position" refers to assets and liabilities (with equity as the residual), not to cash flows. That's why the new name for the balance sheet in the revised IAS 1 is "statement of financial position" (a term also used in the US to refer to a balance sheet).
- "Ertragslage" extends to more than merely "results of operations", so the EU "profit or loss" is more accurate.
- European Commission is clearly aware of the problem, but evidently doesn't really care....

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Responsibility Statement (7)

- IASB Glossary defines "financial position" as:
 - The relationship of the assets, liabilities and equities (*sic*) of an entity, as reported in the balance sheet
- IASB Framework F.7:
 - Financial statements form part of the process of financial reporting. A complete set of financial statements normally includes a balance sheet, an income statement, a statement of changes in financial position (which may be presented in a variety of ways, for example, as a statement of cash flows or a statement of funds flow), and those notes and other statements and explanatory material that are an integral part of the financial statements.
- FASB - footnote 13 to para. 20 in CON6:
 - Used broadly, financial position refers to state or status of assets or claims to assets at moments in time, and changes in financial position refers to flows or changes in assets or claims to assets over time. In that sense, for example, both income statements and funds statements (now commonly called statements of changes in financial position for business enterprises) show changes in financial position in present practice.

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Responsibility Statement (8)

- IAS 1 (revised September 2007) requires the presentation of a "statement of financial position"
- It does not require the presentation of a "statement of net assets" or a "statement of assets and liabilities" !!
- IAS 1.10:
 - Financial statements are a structured representation of the financial position and financial performance of an entity. The objective of financial statements is to provide information about the financial position, financial performance and cash flows of an entity that is useful to a wide range of users in making economic decisions. ...

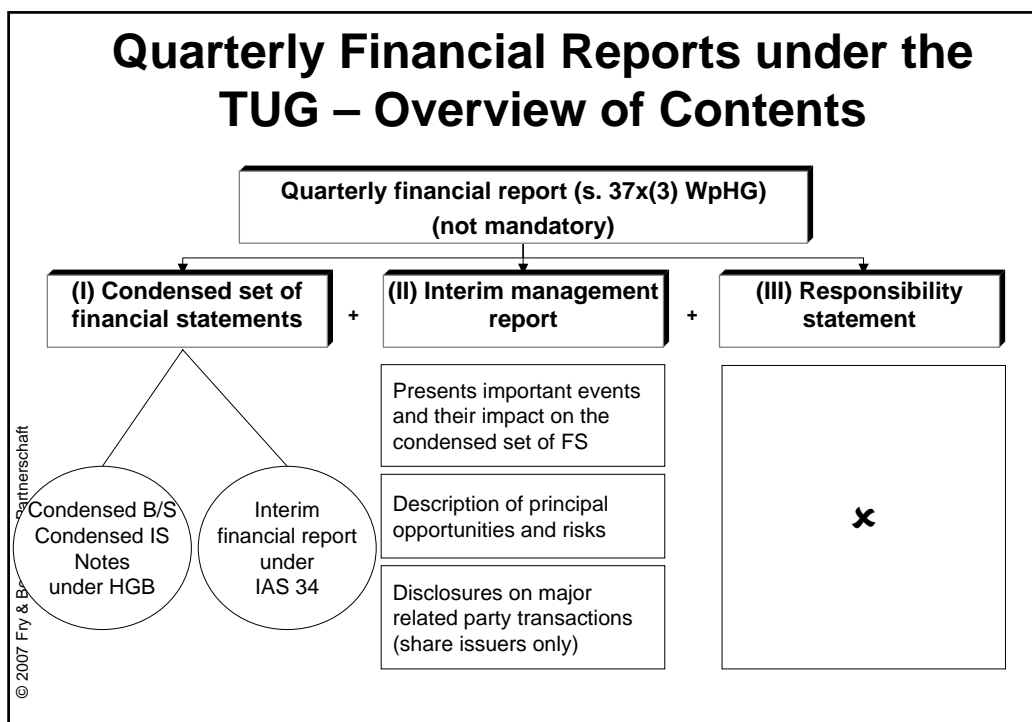
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Responsibility Statement (9)

- Solutions?
- Translate "Vermögens-, Finanz- und Ertragslage ("VFE-Lage") as:
 - "financial position, cash flows and profit or loss"*
 - or
 - "financial position, changes in financial position and profit or loss"*
- But: German WPs are unlikely to accept either of these solutions unless they appear somewhere in an IDW publication ("not invented here" syndrome).
- The IASB has promised to redefine the concept of "financial position" as part of the joint "Conceptual Framework" project with the FASB, but: will anybody pay attention? (especially the European Commission and the IDW)

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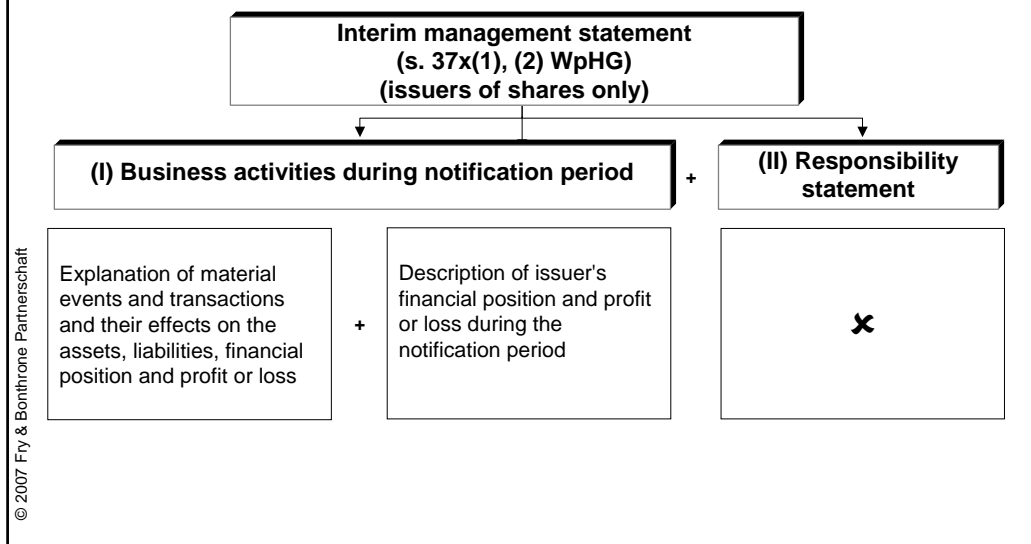
Quarterly Financial Reports under the TUG – Overview of Contents



Quarterly Financial Reports

58. *Entities that prepare interim financial statements in accordance with the international accounting standards designated in section 315a(1) of the HGB may make the disclosures in the interim management report relating to past events in accordance with paragraphs 35 a) and d) by reference to the reporting period, ie cumulatively for the current financial year to date, or alternatively by reference to the current quarter, where this is not in conflict with the international accounting standards. This option may be exercised for individual disclosures, but must be exercised consistently over time.*
59. *Entities that do not prepare interim financial statements in accordance with the international accounting standards designated in section 315a(1) of the HGB may also voluntarily prepare a condensed income statement for the quarter ending as at the reporting date in addition to the condensed income statement required by paragraph 15 b) for the reporting period, ie for the financial year to date. If this option is exercised, the corresponding period of the preceding financial year must also be presented.*

Interim Management Statements under the TUG – Overview of Contents



Interim Management Statements

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61. *An interim management statement shall be published in a period between ten weeks after the beginning and six weeks before the end of the first and second half-year period.*
 64. *An interim management statement shall contain firstly an explanation of material events and transactions that have taken place during the notification period and their effects on the assets, liabilities, financial position and profit or loss of the group, and secondly a general description of the assets, liabilities, financial position and profit or loss of the group.*
 65. *Going concern risks that must be designated as such shall be addressed in particular detail if a going concern risk that was not disclosed in the most recent group management report is identifiable compared with the situation described in the most recent group management report, or an existing going concern risk disclosed in the most recent group management report has been reassessed, or a going concern risk disclosed in the most recent group management report no longer applies.*