19th XBRL International Conference

Reducing reporting burden with XBRL: a catalyst for better reporting

24 June 2009

XBRL® eXtensible Business Reporting Language

IFRSs in XBRL
for preparers:
Applying XBRL to financial statements
in accordance with IFRSs

IASC Foundation

The views expressed in this presentation are those of the presenter,
not necessarily those of the IASC Foundation or the IASB

SAP Solutions for XBRL Publishing and International Financial Reporting Standards (IFRS)

Philip Mugglestone, SAP
June 2009

Technology challenges for group financial reporting in IFRS
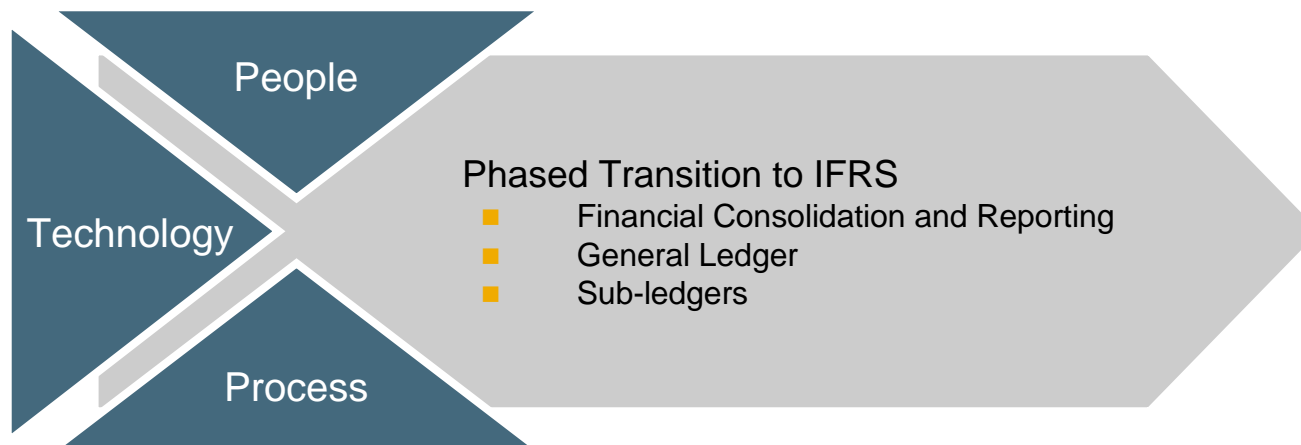
- Parallel reporting

- Top-side adjustments

- Consolidation engine and business rules

- Disclosures and commentary

- Ease of report writing

- Integration with source systems

- Interactive data (XBRL)

- Automated internal control processes

SAP BusinessObjects

SAP solutions support IFRS

- **SAP offers the most complete IFRS solution, addressing all facets**
  - IFRS is more than an accounting issue - it impacts people, processes, and technology
- **SAP provides a single technology stack with support for all major architectures**
  - A smooth phased transition to IFRS must leverage technology as an enabler
- **SAP provides market leading, integrated ledger and consolidation applications**
  - Impacted systems include financial consolidation and reporting applications,   general ledger, and sub-ledgers
- **Proven install base of customers already reporting according to IFRS**
  - 800+ financial consolidation and reporting implementations
  - 4,000+ general ledger implementations (includes 100+ US GAAP to IFRS conversions)
- **Agile solutions and content offer quickest wins for customers adopting IFRS**

People

Technology

Process

Phased Transition to IFRS
- Financial Consolidation and Reporting
- General Ledger
- Sub-ledgers

COMPLIANCE

SAP BusinessObjects

Starter kits

Faster legal compliance – reduce implementation times

Fast implementation

- Pre-packaged content reduces implementation times by up to 80%
- Dynamic configuration enables easy customization to specific requirements
- Complete, generic reference implementation

Rapid and trusted legal compliance

- Embedded expertise in meeting financial regulations including best practice in financial consolidations and internal controls
- Detailed process guidance for business users

Comprehensive scope

- IFRS/GAAP specific chart of accounts
- Pre-configured IFRS/GAAP consolidation rules, controls, and calculations
- Publishable financial statements

SAP BusinessObjects XBRL Publishing by UBmatrix

SAP

Streamlining XBRL publishing for business users
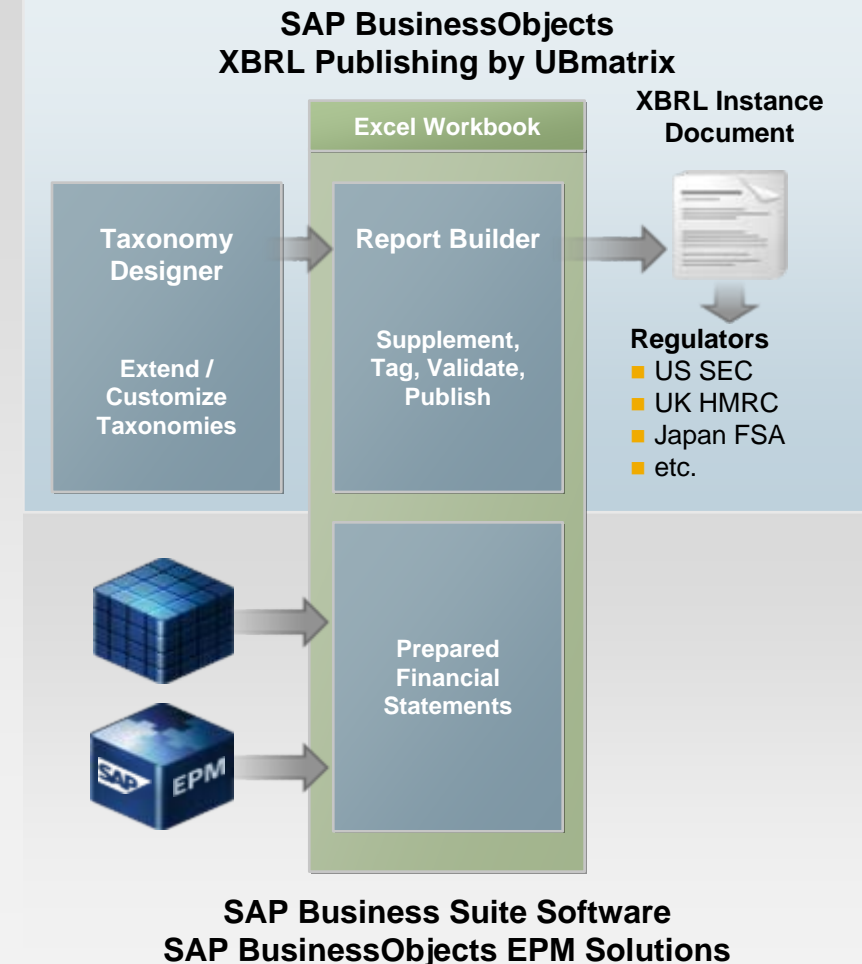
Speed

- Quickly navigate taxonomies and map data
- Easy to use drag-and-drop mapping environment
- Fast, thorough validation of generated XBRL documents

Simplicity

- Works with EPM solutions and SAP Business Suite
- Link to and import disclosures stored in Microsoft Word
- Insulates users from dealing with complex XBRL syntax

Flexibility

- Easily extend published XBRL taxonomies
- Complies with the XBRL 2.1 specification
- Supports basic and block-text footnotes, dimensions, and business rules

SAP BusinessObjects XBRL Publishing by UBmatrix

Excel Workbook

XBRL Instance Document

Taxonomy Designer

Extend / Customize Taxonomies

Report Builder

Supplement, Tag, Validate, Publish

Regulators
- US SEC
- UK HMRC
- Japan FSA
- etc.

Prepared Financial Statements

SAP Business Suite Software
SAP BusinessObjects EPM Solutions

SAP BusinessObjects

Speed

Fast, thorough validation of generated XBRL documents

- Validation encompasses both syntax and semantics

  - Appropriate numeric values

  - Does the Balance Sheet balance?

- Reports ensure the mapping process is complete, highlight inconsistencies, and ensure compliance

  - Incomplete Mappings Report identifies partially mapped cells

  - Calculation Trace Report helps diagnose errors and inconsistencies by viewing what was found versus what was expected

  - Full Mappings Report provides a comprehensive list of mappings

Simplicity
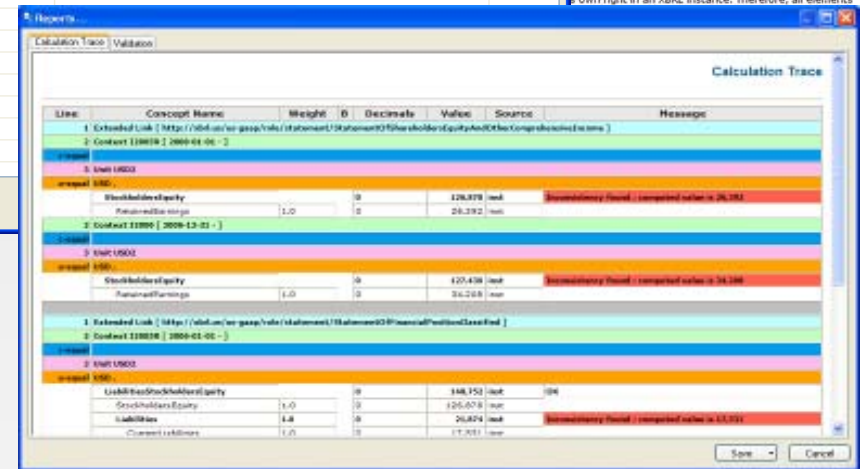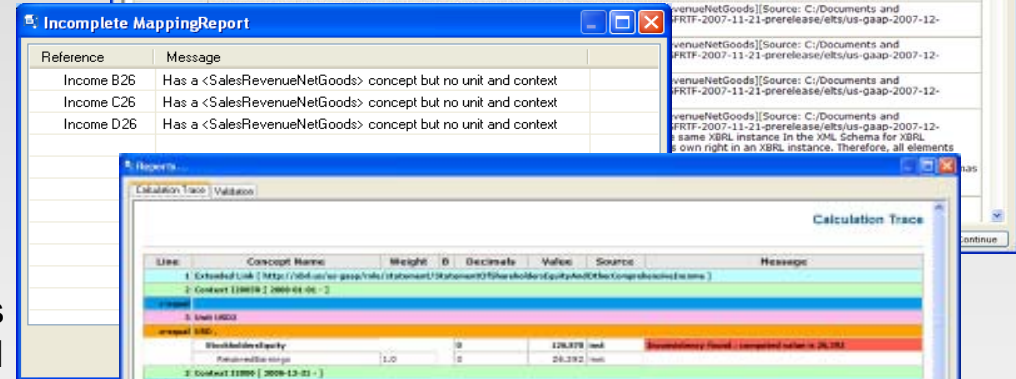
✓ Works with EPM solutions and SAP Business Suite software

- SAP-approved XBRL reporting tool that's integrated with our financial consolidation applications and SAP Business Suite

    - SAP BusinessObjects Planning and Consolidation

    - SAP BusinessObjects Financial Consolid[ation]

    - SAP Business Suite (including SEM

- Via a common user interface

    - Microsoft Excel

SAP BusinessObjects

Flexibility

Supports basic and block-text footnotes, dimensions, and business rules

- Basic and block-text footnotes
  - User-friendly method of capturing both plain te[xt] and block-text/HTML (or formatted) XBRL footnotes
  - Footnotes can be reused multiple times
  - Multiple footnotes can be associated   to a gi[ven] reporting element

- Dimensional taxonomies, instance docume[nts] and aggregation

- Business Rules
  - Supports XBRL Formula 1.0 and Function 1.0 specifications
  - Can specify formula expressions either in Excel-styled syntax or in the 2005 Draft XBRL Formula 1.0 syntax

Case Study : SAP

SAP

- SAP is listed on the U.S. stock exchange and currently prepares its consolidated financial statements in accordance with U.S. GAAP

- SAP is also obliged by German law to prepare a set of consolidated financial statements in accordance with IFRS in addition to the U.S. GAAP-compliant reports (since 2007)

- The U.S. Securities and Exchange Commission (SEC) now permits foreign filers to prepare their consolidated financial statements in accordance with IFRS only

- From 2010 this will be the only set of standards SAP will use

- Starting late 2009, SAP intends to file quarterly and annual reports (20-F) in XBRL as part of the SEC's voluntary filing program

- Awaiting filing guide from SEC – uncertainty remains over when this will be available

- Have simulated a voluntary IFRS 20F filing based on published statements for Fiscal Year 2008…

SAP BusinessObjects

Case Study : SAP
Balance Sheet

SAP

Consolidated Balance Sheets
as at December 31,

€ millions	2008	2007
Cash and cash equivalents	1,277	1,608
Restricted cash	3	550
Short-term investments	382	498
Other financial assets	206	182
Financial assets	588	680
Accounts receivable, net	3,128	2,895
Other assets	92	75
Income tax receivables	399	283
Prepaid expenses/deferred charges	84	78
Assets held for sale	0	15
Current assets	5,571	6,184
Goodwill	4,975	1,426
Intangible assets, net	1,140	405
Property, plant, and equipment	1,405	1,316
At-equity investments	21	19
Other investments	74	170
Other financial assets	167	236
Financial assets	262	425
Accounts receivable, net	2	3
Other assets	39	49
Income tax receivables	33	35
Deferred tax assets	441	284
Prepaid expenses/deferred charges	32	34
Noncurrent assets	8,329	3,977
Total assets	13,900	10,161
Accounts payable	539	715
Income taxes payable	363	341

SAP AG
20F
12/31/2008

Consolidated statement of financial position, current/non-current classification
(Audited, in millions of EUR, except per share data)

		December 31, 2008	December 31, 2007	Control	Control
	Assets				
	Non-current assets				
1	Property, plant and equipment	1,405	1,316		
1	Investment property	21	19		
1	Goodwill	4,975	1,426		
1	Intangible assets other than goodwill	1,140	405		
1	Investment accounted for using equity method	74	170		
1	Biological assets	0	0		
1	Deferred tax assets	441	284		
1	Other non-current financial assets	167	236		
1	Income tax receivables	33	35		
1	Prepaid expenses/deferred charges	32	34		
1	Accounts receivable, net	2	3		
1	Other assets	39	49		
1	Other non-current non-financial assets	106	121		
1	Non-current assets	8,329	3,977	0	0
	Current assets				
1	Inventories	382	498		
1	Trade and other current receivables	3,128	2,895		
1	Current tax assets	399	283		
1	Other current financial assets	206	182		
1	Restricted cash	3	550		
1	Prepaid expenses/deferred charges	84	78		
1	Other assets	92	75		
1	Other current non-financial assets	179	703		
1	Cash and cash equivalents	1,277	1,608		
1	Current assets other than assets or disposal groups classified as held for sale or as held for	5,571	6,169	0	0

Mapping of Rounded Data   Real-Time Controls

SAP Business Objects

CONSOLIDATED STATEMENTS OF CASH FLOWS
for the years ended December 31,

€ millions	2008	2007
Profit after taxes	**1,848**	**1,908**
Adjustments to reconcile profit after taxes to net cash provided by operating		
Depreciation and amortization	539	262
Gains/losses from at-equity investments	-1	1
Losses on disposal of intangible assets and property, plant, and equipment	11	1
Gains on disposal of investments	-15	-2
Writeups of financial assets	15	8
Allowances for doubtful accounts	76	0
Impacts of hedging for cash-settled share-based payment plans	40	32
Share-based compensation including income tax benefits	19	13
Excess tax benefit from share-based compensation	-7	0
Deferred income taxes	-91	8
Change in accounts receivable	-48	-521
Change in other assets	-12	-277
Change in accrued and other liabilities	-277	375
Change in deferred income	61	124
Net cash provided by operating activities	**2,158**	**1,932**
Acquisition of minority interests in subsidiaries	0	-48
Business combinations, net of cash and cash equivalents acquired	-3,773	-672
Repayment of acquirees´ debt in business combinations	-450	0
Purchase of intangible assets and property, plant, and equipment	-339	-400

SAP AG
20F
12/31/2008

Consolidated statement of cash flows, indirect method
(Audited, in millions of EUR, except per share data)

		December 31, 2008	December 31, 2007	Control Control
	Cash flows from (used in) operating activities			
	Profit (loss)	1,848	1,908	
	Adjustments for reconcile profit (loss)			
1	Adjustments for income tax expense	(7)	0	
1	Adjustments for decrease (increase) in inventories	0	0	
1	Adjustments for decrease (increase) in trade account receivable	(48)	(521)	
1	Adjustments for decrease (increase) in other operating receivables	(12)	(277)	
1	Adjustments for increase (decrease) in trade account payable	76	0	
1	Adjustments for increase (decrease) in other operating payables	(277)	375	
1	Adjustments for depreciation and amortisation expense	539	262	
1	Adjustments for impairment loss (reversal of impairment loss)	61	124	
1	Adjustments for provisions	0	0	
1	Adjustments for unrealised foreign exchange losses (gains)	0	0	
1	Adjustments for non-controlling interests	0	0	
1	Adjustments for share-based payments	19	13	
-1	Adjustments for fair value gains (losses)	0	0	
-1	Adjustments for undistributed profits of associates	1	(1)	
1	Other adjustments for non-cash items	15	8	
1	Adjustments for losses (gains) on disposal of non-current assets	11	1	
1	Other adjustments for which cash effects are investing or financing	(15)	(2)	
1	Total adjustments for reconcile profit (loss)	361	(16)	0 0
-1	Dividends paid	0	0	
1	Dividends received	0	0	
-1	Interest paid	0	0	
1	Interest received	0	0	
-1	Income taxes refund (paid)	91	(8)	
1	Other inflows (outflows) of cash	40	32	
1	Net cash flows from (used in) operating activities	2,158	1,932	0 0
	Cash flows from (used in) investing activities			
1	Cash flows from losing control of subsidiaries or other businesses	0	0	
-1	Business combinations, net of cash and cash equivalents acquired	3,773	672	
-1	Repayment of acquirees´ debt in business combinations	450	0	
1	Cash flows used in obtaining control of subsidiaries or other	4,223	672	
-1	Cash flows used in purchase of non-controlling interests	0	48	
1	Other cash receipts from sales of equity or debt instruments of other	1,001	0	
-1	Other cash payments to acquire equity or debt instruments of other	451	550	

Possible Sign Adjustments

Case Study : SAP
Disclosures

Case Study : SAP Disclosures

For more information

See sap.com/epm:

http://www.sap.com/solutions/sapbusinessobjects/large/enterprise-performance-management/xbrl-publishing/index.epx