

IASC Foundation



# 19<sup>th</sup> XBRL International Conference

Reducing reporting burden with XBRL:  
a catalyst for better reporting

24 June 2009

## IASC Foundation

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





# IFRSs in XBRL for preparers:

Applying XBRL to financial statements  
in accordance with IFRSs

## IASC Foundation

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

Philip Mugglestone, SAP  
June 2009

# Technology challenges for group financial reporting in IFRS

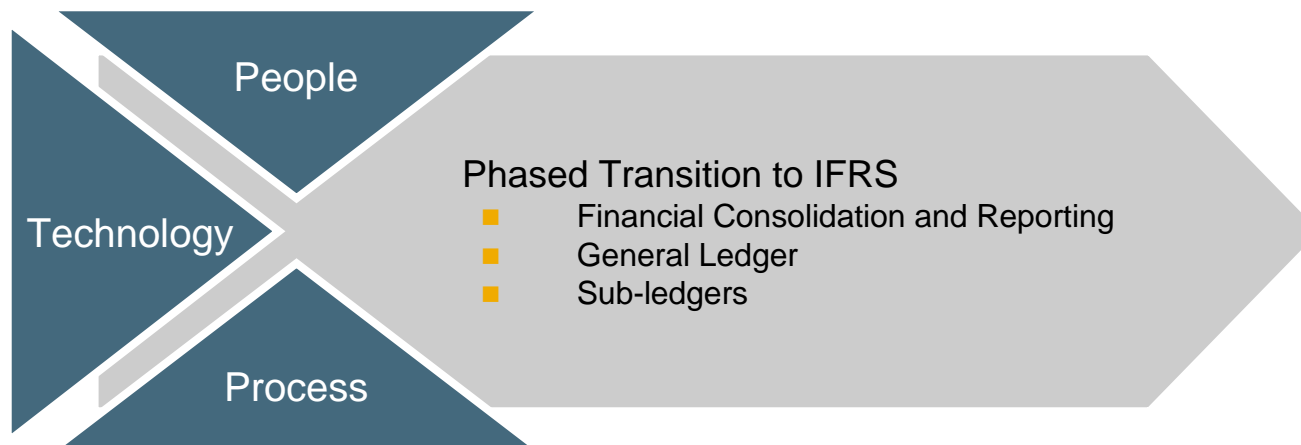


- Parallel reporting
- Top-side adjustments
- Consolidation engine and business rules
- Disclosures and commentary
- Ease of report writing
- Integration with source systems
- Interactive data (XBRL)
- Automated internal control processes



- SAP 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, 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

general ledger,





## 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

The image displays several screenshots from the SAP Business Objects interface, illustrating financial reporting and consolidation capabilities. The top row shows a 'Balance Sheet' and an 'Income Statement' with data tables. Below these are screenshots of the 'Business Planning and Consolidation Web' interface, including a 'Legal - Consolidation tasks >> BPF To Do List' checklist and a 'Checklist' for 'HQ2 - Consolidation Task : BPF To Do List'. The checklist includes tasks such as 'Check balances', 'Check consolidation', and 'Data consistency'. The bottom part of the image shows a 'STARTER KIT FOR IFRS Business Objects Financial Reporting' package, which includes pre-configured consolidation rules, controls, and calculations.

Account	Value
A1190T Intangible assets	466 50
A1190T Net goodwill	47 511 50
A129T Property, plant and equipment	31 15
A1510 Investment property	1 095 64
A169T Investments in associates	60 89
A169T Non current available-for-sale investments	20 270 40
A149T Other financial assets	75 00
A1710 Deferred tax assets	27 200
A199T Other non current assets	16 39
A199T Non current assets	27 520 81
A219T Inventories	11 828 78
A229T Trade and other receivables	11 360 10
A2310 Income tax receivables	0 00
A249T Other current financial assets	7 491 02

Account	YTD YTD	PERIODIC Periodic
R199T Sales	43 827 779	5 200 207
R209T Cost of sales	(28 809 479)	(746 730)
R210T Gross margin	14 818 300	5 246 252
R329T Distribution costs	(3 835 656)	(253 216)
R339T Administrative expenses	(1 480 076)	(750 224)



## Streamlining XBRL publishing for business users

### Speed

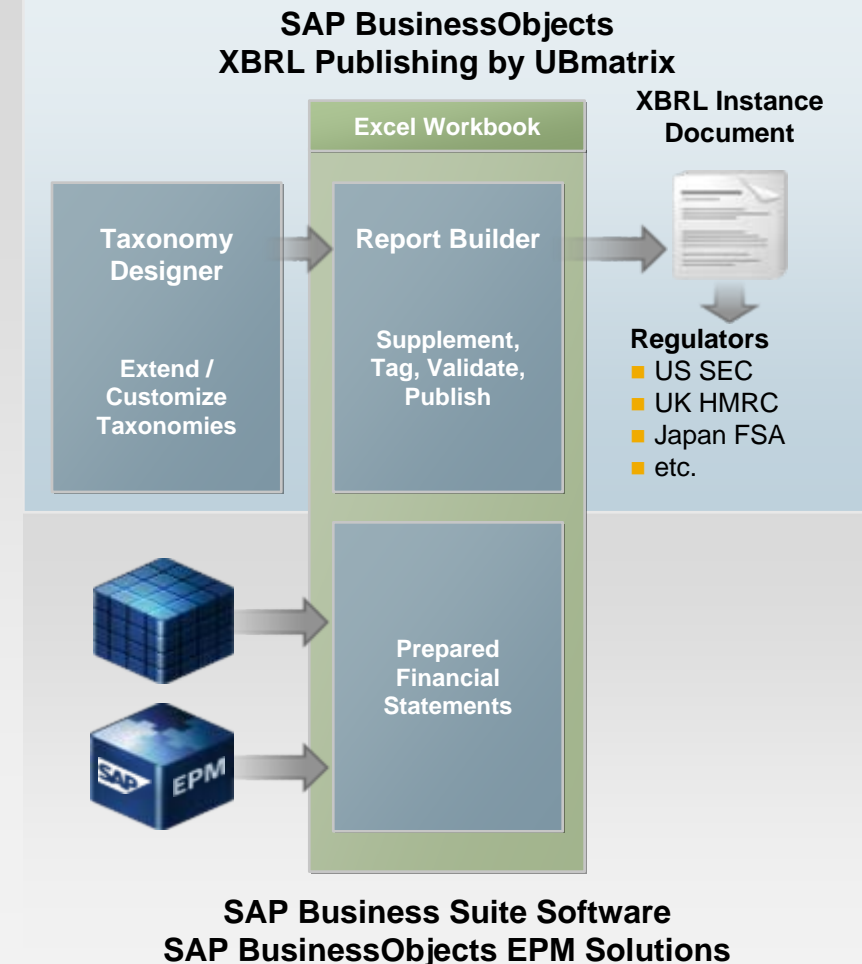
- Quickly navigate taxonomies and map data
- Easy to use drag-and-drop mapping environment
- Fast, thorough validation of generated XBRL documents

### 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

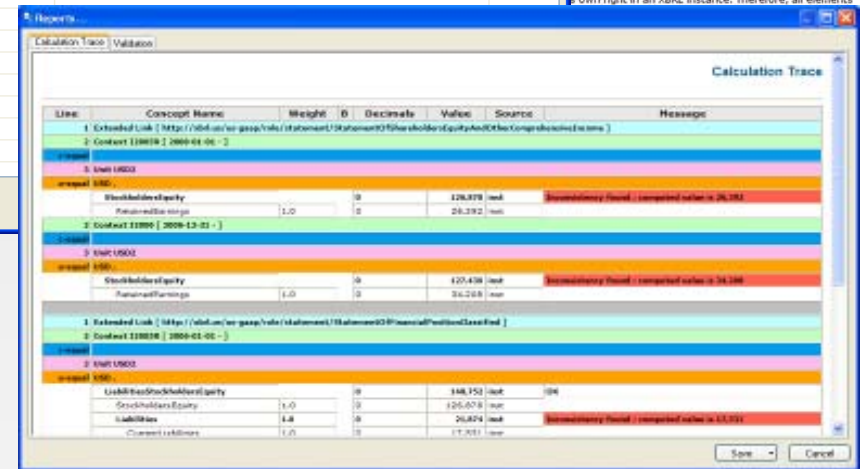
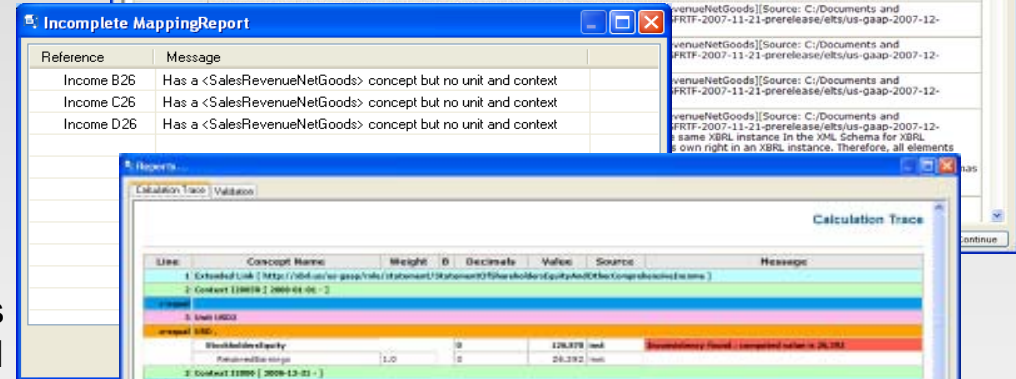
- Easily extend published XBRL taxonomies
- Complies with the XBRL 2.1 specification
- Supports basic and block-text footnotes, dimensions, and business rules





## 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







## 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 Consolidation
- SAP Business Suite (including SEM)
- Via a common user interface
  - Microsoft Excel

The image displays several overlapping windows from the SAP BusinessObjects suite and Microsoft Excel. The top window shows a 'Statement of Income' for 'December 31, 2000' with columns for 'This Period' and 'Prior Period'. Below it, another window shows a 'Consolidated Balance Sheet' with a table of assets and liabilities. A third window shows a 'Statement of Income' with a table of income components. The bottom-most window is a Microsoft Excel spreadsheet showing a detailed financial statement with columns for '2000', '2001', and '2002'. The table includes rows for 'Net income', 'Cost of sales and related occupancy expenses', 'Operating expenses', 'General and administrative expenses', 'Depreciation and amortization expenses', and 'Total costs and expenses from operations'. The final row shows 'Net income per share' with values for 'Basic' and 'Diluted' for each year.

	2000	2001	2002
Net income	26,811	17,028	18,611
Cost of sales and related occupancy expenses	36,028	60,823	57,388
Operating expenses	12,272	37,893	43,645
General and administrative expenses	4,584	15,341	11,419
Depreciation and amortization expenses	6,088	7,260	5,387
Total costs and expenses from operations	26,411	175,746	118,417
Income from operations	1,000	4,304	1,200
Interest expense	2,493	1,071	1,000
Interest expense	—	—	40
Income before income taxes	1,507	3,233	1,160
Income tax provision	1,488	3,240	528
Net income	19	43	632
Net income per share			
Basic	0.57	3.35	3.65
Diluted	0.50	3.14	3.32
Shares used in calculation of net income per share			
Basic	13,715	13,061	15,388
Diluted	14,262	14,465	15,248

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

### ■ Basic and block-text footnotes

- User-friendly method of capturing both plain text and block-text/HTML (or formatted) XBRL footnotes
- Footnotes can be reused multiple times
- Multiple footnotes can be associated to a given reporting element

### ■ Dimensional taxonomies, instance documents 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

The screenshot displays the SAP Financial Reporting interface. The main window shows a 'STATEMENT OF CONSOLIDATED INCOME' for the period from 2006 to 2007. The data is presented in a table with columns for 2006 and 2007. The 'Net Sales and Revenues' section is highlighted in green. A 'New Footnote' dialog box is open, allowing the user to create a new footnote. The dialog box contains a text area with the following content:

rental expense totaling \$306 million, \$335 million, and \$271 million in fiscal years 2006, 2007, and 2008, respectively. We have not engaged in any related party transactions or arrangements with unaffiliated entities or other persons that are reasonably likely to materially affect liquidity or the availability of capital resources.

During fiscal years 2006 and 2007, our Board of Directors declared the following dividends:

Declaration Date	Dividend Per Share	Record Date	Total Amount (\$ in millions)	Payment Date
Fiscal year 2006				
September 12, 2007	\$ 0.11	November 15, 2007	\$ 1,034	December 13, 2007
December 19, 2007	\$ 0.11	February 21, 2008	\$ 1,023	March 13, 2008
March 17, 2008	\$ 0.11	May 15, 2008	\$ 1,028	June 12, 2008
June 11, 2008	\$ 0.11	August 21, 2008	\$ 1,067	September 11, 2008
Fiscal year 2007				
September 13, 2006	\$ 0.10	November 16, 2006	\$ 568	December 14, 2006

# Case Study : 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...

	December 31, 2008	December 31, 2007	Change
<b>Assets</b>			
<b>Non-current assets</b>			
11 Property, plant and equipment	1,400	1,310	90
12 Investment property	21	19	2
14 Goodwill	4,317	4,207	110
15 Intangible assets other than goodwill	1,147	495	652
16 Investment accounted for using equity method	74	115	(41)
17 Biological assets	0	0	0
18 Deferred tax assets	441	284	157
19 Other non-current financial assets	187	236	(49)
20 Income tax receivables	33	35	(2)
21 Prepaid expenses/deferred charges	32	34	(2)
22 Accounts receivable, net	0	3	(3)
23 Other assets	39	49	(10)
24 Other non-current non-financial assets	110	127	(17)
<b>Non-current assets</b>	<b>8,322</b>	<b>3,977</b>	<b>4,345</b>
<b>Current assets</b>			
25 Inventories	307	499	(192)
26 Trade and other current receivables	3,120	2,048	1,072
27 Current tax assets	305	28	277
28 Other current financial assets	204	182	22
29 Restricted cash	3	550	(547)
30 Prepaid expenses/deferred charges	94	7	87
31 Other assets	92	75	17
<b>Current assets</b>	<b>4,045</b>	<b>3,290</b>	<b>755</b>
<b>Total assets</b>	<b>12,367</b>	<b>7,267</b>	<b>5,100</b>

# Case Study : SAP Balance Sheet



Consolidated Balance Sheets as at December 31,		
€ millions	2008	2007
<b>Cash and cash equivalents</b>	1,277	1,608
<b>Restricted cash</b>	3	550
Short-term investments	382	498
Other financial assets	206	182
<b>Financial assets</b>	588	680
<b>Accounts receivable, net</b>	3,128	2,895
<b>Other assets</b>	92	75
<b>Income tax receivables</b>	399	283
<b>Prepaid expenses/deferred charges</b>	84	78
<b>Assets held for sale</b>	0	15
<b>Current assets</b>	5,571	6,184
<b>Goodwill</b>	4,975	1,426
<b>Intangible assets, net</b>	1,140	405
<b>Property, plant, and equipment</b>	1,405	1,316
At-equity investments	21	19
Other investments	74	170
Other financial assets	167	236
<b>Financial assets</b>	262	425
<b>Accounts receivable, net</b>	2	3
<b>Other assets</b>	39	49
<b>Income tax receivables</b>	33	35
<b>Deferred tax assets</b>	441	284
<b>Prepaid expenses/deferred charges</b>	32	34
<b>Noncurrent assets</b>	8,329	3,977
<b>Total assets</b>	13,900	10,161
<b>Accounts payable</b>	539	715
<b>Income taxes payable</b>	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)		Control Control	
		December 31, 2008	December 31, 2007		
<b>Assets</b>					
<b>Non-current assets</b>					
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
<b>Current assets</b>					
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

# Case Study : SAP Cash Flows



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

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

## Possible Sign Adjustments

# Case Study : SAP Disclosures



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File Edit View Insert Format Tools Table Window Help

Type a question for help

Normal + (Asian) Times New Roman 20 B I U

80% Read


1 2 3 4 5 6 7 8 9 10

Draw AutoShapes

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549  
**FORM 20-F**

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) <sup>†</sup>  
OF THE SECURITIES EXCHANGE ACT OF 1934  
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2008  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) <sup>†</sup>  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
 SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) <sup>†</sup>  
OF THE SECURITIES EXCHANGE ACT OF 1934  
Date of event requiring this shell company report \_\_\_\_\_  
Commission file number: 1-14251

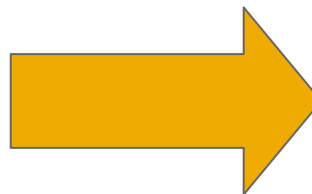
  
**SAP AG**

*(Exact name of registrant as specified in its charter)*  
SAP CORPORATION  
*(Translation of registrant's name in English)*  
Federal Republic of Germany  
*(Jurisdiction of incorporation or organization)*

Dieter-Hopp-Allee 16  
69190 Walldorf  
Federal Republic of Germany  
*(Address of principal executive office)*  
Wendy Bechtold  
c/o SAP Labs  
3410 Hillview Avenue, Palo Alto, CA, 94304, United States of America

Page 1 Sec 1 1/50 At 0.6" Ln 1 Col 1 REC TRK EXT OVR English (U.S)

# Case Study : SAP Disclosures



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## SAP BUSINESSOBJECTS ENTERPRISE PERFORMANCE MANAGEMENT SOLUTIONS

### SAP BUSINESSOBJECTS XBRL PUBLISHING BY UBMATRIX

The eXtensible Business Reporting Language (XBRL) specification has become the new global standard for exchanging financial and business information. With the U.S. Securities and Exchange Commission (SEC) joining European banking regulators, UK tax authorities, and others in mandating its use, implementing an XBRL reporting solution is no longer an option – it's a requirement.

XBRL enables all accounting jurisdictions – both U.S. and foreign – to download, codify, and analyze time-sensitive financial data in seconds. Each jurisdiction can define its own accounting taxonomy, a set of agreed-upon, computer-readable tags for individual data items in business reports.

With the SAP BusinessObjects XBRL Publishing application by UBMatrix, you can gain greater flexibility and control over the XBRL publishing process and avoid the need for potentially costly outsourcing. SAP BusinessObjects XBRL Publishing can help you pull data from any consolidation application- or other business software – and prepare, review, and analyze data in XBRL documents quickly and accurately.

SAP BusinessObjects XBRL Publishing works together with SAP's consolidation and financial reporting applications to enable your staff to prepare XBRL report submissions right from their desktops. Now finance and compliance teams can create, interact with, customize, and validate all kinds of XBRL documents efficiently.

Your Resource Center

#### GAIN CONTROL OVER XBRL PUBLISHING

Learn how this fast, flexible application can help you gain control over XBRL publishing, so you can communicate business and financial data.

[Read the solution brief \(PDF\)](#)

#### COMPLY WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Learn how you can prepare your systems to meet financial consolidation and reporting requirements.

[Read the white paper \(PDF\)](#)

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