

## **New group unveils practical solutions to aid corporate reporting**

**London – 21/11/06** – The newly formed Report Leadership Group has unveiled an initiative aimed at engendering debate and discussion on how the reporting model can be enhanced to better meet investor needs. The Group, comprised of the **Chartered Institute of Management Accountants (CIMA)**, **PricewaterhouseCoopers LLP**, communications consultancy **Radley Yeldar** and **Tomkins plc**, asserted that corporate reporting needs to move in a new direction if it is to command a central role in the communication of performance.

The Group believes that corporate reporting should be more relevant, informative and accessible. It should provide investors with what they want without inundating them with unnecessary detail. In its view, this means understanding that corporate reporting goes well beyond issues of measurement and accounting.

Report Leadership spokesman, David Phillips, corporate reporting partner at PricewaterhouseCoopers LLP, commented:

“Management spends significant time aggregating and recalculating data from internal sources to construct the figures demanded by regulatory reporting. It is like the creation of a large building, which analysts and investors then spend a lot of time deconstructing so they can see the individual bricks.”

To bring its ideas alive the group has demonstrated how these can be applied in extracts from the annual report of a fictitious company, “Generico”. The annual report was the chosen presentation vehicle but the group recognises that in reality this report is increasingly seen as a compliance document. However, the real message of this initiative is to reinforce the information set that is important to investors and the way that it is structured.

Group member, Ken Lever, finance director of Tomkins plc, said:  
“Report Leadership believes that it is easy to knock existing models, but more useful to propose alternatives. We believe this document provides real practical ideas that can be applied today. For some companies the disclosures will have gone too far, but our intention was to challenge established thinking.”

As part of the initiative, Report Leadership seeks to align external reporting more closely with management reporting, recognise the complexity of business today and provide reporting that will adapt readily to other media.

To make its ideas practical and realistic, the Group focused on what is achievable today within current Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS) models by improving disclosure and presentation of information. It also focused on three areas of topical interest:

- **Effective communication** through clear messaging and navigation:

Richard Carpenter, development director at Radley Yeldar, said:  
“Corporate reporting has reached an impasse with many companies simply ticking the regulatory boxes. Few take a step back and look at their reporting as a whole – or consider what their audiences actually want. I hope that Report Leadership will encourage a few more companies to think about those issues.”

- **Modelling the future** through the provision of contextual information that allows investors to assess the quality and sustainability of future cash flows:

Charles Tilley, chief executive of CIMA, said:  
“In essence, external reporting should be the top slice of management information that is used in board discussions. Report Leadership seeks to align external reporting with management reporting and uses some practical examples of how this might happen.”

- **Rethinking the financials** to provide greater detail on revenue, costs, segmental information, pensions and debt:

David Phillips, corporate reporting partner, PricewaterhouseCoopers LLP, said:  
“We want to promote further thinking and debate around corporate reporting at this important time when the FASB and IASB are embarking on their conceptual framework project.”

## Notes to Editors:

### 1. About Report Leadership

Report Leadership is a multi-stakeholder group that aims to challenge established thinking in corporate reporting. The contributors to this initiative are the Chartered Institute of Management Accountants (CIMA), PricewaterhouseCoopers LLP, Radley Yeldar and Tomkins plc. Individuals can help shape the way the Report Leadership project evolves by giving comments, actively participating, or adopting elements of the proposed blueprint. On-going developments can be seen at [www.reportleadership.com](http://www.reportleadership.com).

Journalists requiring a copy of the corporate reporting guidance document "Report Leadership: tomorrow's reporting today" or the Generico annual report, please contact Natasha Davies on 020 7212 3343 or [natasha.davies@uk.pwc.com](mailto:natasha.davies@uk.pwc.com)

### 2. About CIMA

The Chartered Institute of Management Accountants is a leading membership body that offers an internationally recognised professional qualification in management accountancy, which focuses on accounting in business. <http://www.cimaglobal.com>.

### 3. About Radley Yeldar

Radley Yeldar is a creative communications consultancy offering a range of specialist services including brand identity, corporate reporting, corporate responsibility, digital media, internal communications and marketing communications. <http://www.ry.com>.

### 4. About Tomkins

Tomkins plc is a global engineering and manufacturing group listed on the London and New York stock exchanges. Tomkins operates over 130 manufacturing facilities, employs some 37,000 people worldwide and had annual sales of approximately £3 billion in 2005. <http://www.tomkins.co.uk>.

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