

News Release

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CORPORATE REPORTING IS NO LONGER WORKING: SO WHAT NEEDS TO BE DONE TO MAKE IT 'FIT FOR PURPOSE'?

Call for evidence to find major barriers to effective reporting and how these might be overcome .

July 2010 – A worldwide call has gone out for evidence in a bid to get international buy-in to overhaul corporate reporting in the light of the failures exposed by the global economic crisis.

Three leading organisations – PricewaterhouseCoopers (PwC), the Chartered Institute of Management Accountants (CIMA) and the UK 'think tank' Tomorrow's Company – have come together to conduct a global inquiry into what changes are needed to make corporate reporting 'fit for purpose'.

It is an inescapable fact that the financial crises of the last decade have demonstrated serious shortcomings in the understanding of corporate business models, the alignment of incentives, and the management of risk. This has been made worse by the challenges posed by today's rapid pace of change of business - including a shift in the global balance of power, resource constraints and climate change.

Says PwC Senior Corporate Reporting Partner David Phillips: "The financial turmoil has shown that greater clarity is needed. We need to understand what aspects of the system are preventing or supporting the effective development of corporate reporting, and what changes are needed to make the system fit for purpose for the future. And by corporate reporting we mean all the mechanisms by which companies communicate their performance and activity to their stakeholders – with a particular emphasis on the flow of information into the investment community."

The group's call for evidence over the next few months seeks answers to the questions:

- What are the weaknesses and strengths in the current system?
- What are the barriers obstructing the evolution of corporate reporting?
- What solutions would you propose to rectify these weaknesses?

The responses gathered will be debated at a series of meetings with key stakeholders at locations in North America, Europe and Asia, with the aim of producing a preliminary report by the end of the year.

To contribute to the debate, please visit this site: <http://www.tomorrowcorporatereporting.com/>

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Notes to Editor:

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