

KPMG presents key Business Reporting Survey findings

KPMG presents the key findings of the Business Reporting Survey, which looks at annual reports of 90 companies from all over the world in terms of the following topics: the contents of an annual report, risk reporting, performance and integrated reporting. The key concern addressed is why information provided in annual reports forms the basis for short-term decisions only and why the contents of such reports do not always fully align with stakeholders' expectations.

According to the survey:

- Only 7% of companies provided performance data on customer focus or satisfaction, despite audit committees identifying this as a key issue
- 85% of reports did not identify brand and reputation as a key risk
- 21% of companies did not provide any operating measures of performance

As the KPMG survey reveals, annual reports should not only cover historical data, but also provide management's vision for the future. This is intended to help investors get a better view of where the company is moving and what to expect in the future.

KPMG makes four suggestions to help improve business reporting:

- **Align performance measures with the drivers of shareholder value.** Only a few companies report on achieving the key criteria for creating business value.
- **Recognise that the financials are only the start of the story.** Operational performance measures are better than historical financial data in indicating a company's development outlook.
- **Join up reporting content – don't leave unanswered questions.** Many reports do not address business development matters; in particular, management approaches used by the company.
- **Refocus reporting culture.** Companies should confirm that they apply a business-focused approach to preparing statements, and ascertain which information their stakeholders expect them to provide.

Commenting on the survey, Vitaly Chaikin, Partner, Head of Risk Consulting and Management Consulting, KPMG in Kazakhstan and Central Asia, said: "The study covers those matters, which are really important in preparation of the corporate reporting and which are also relevant to the reports prepared in Kazakhstan. During the last few years, Kazakhstani companies have been paying more and more attention to international best practice, and corporate reporting is becoming more understandable and well structured. Introduction of the practice of preparing "integrated reporting" greatly simplifies the understanding for investors and stakeholders in terms of the conduct of business and near-term prospects. However, still not all leading companies recognise the need to include in their annual reports a description of the business model, management commentary and a more profound description of the risks facing the company and this considerably obscures the understanding of the near-term and long-term prospects in the company's development. From our side, while preparing corporate reporting, we help clients to identify that information, which is of the greatest interest for investors, and to structure and set forth logically both the financial and non-financial data. This approach allows identifying key blocks of published historical results and helps end users of the reporting to forecast future trends in the company's development, which may in turn help raise the company's investment rating."

Please [click here](#) to access the complete report.

About KPMG in Kazakhstan and Central Asia

KPMG is a global network of professional firms providing Audit, Tax and Advisory services, operating in 155 countries with more than 162,000 people working in member firms around the world.

KPMG has been working in Kazakhstan and Central Asia for more than seventeen years, and was rated as one of the leading audit and advisory firms in 2010-2013 by Expert Kazakhstan RA. Our essential principle has always been to use the firm's global intellectual capital, combined with the practical experience of our local professionals. KPMG provides audit services as well as a wide range of advisory services covering tax and legal matters, performance improvement, risk management, transaction support, financing, and restructuring. In Kazakhstan and Central Asia, KPMG now has offices in Almaty, Astana, Atyrau, and Bishkek with more than 400 active staff members.

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