

Annual synthesis – Year 2018

September 2018

Summary



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Studies based on Erica to be presented in Frankfurt analyze data of the year 2016. Data concerning year 2017 are under analysis and synthesis will be issued in early 2019

Work performed during the year

- External publication in January 2018 of our study about European non-financial listed groups (analysis of financial structure, profitability, financial debt and coverage) via ECCBSO website.
- Presentation of this study in most of the members' countries.
- Dataset available for internal dissemination & use
- Specific topics analysed with ERICA database:
 - Value relevance of financial information
 - Group sizes and geographic activity
 - Goodwill & goodwill impairment
 - Cash flow analysis
 - Clustering
 - Impact of IFRS 16



 ERICA - Working Group 

Meeting in Lisbon, June 2018

ERICA database

The ERICA database is based on a reduced format which contains around 280 items. Concerning year 2016 data, around 160 items have been collected per group on average.

For example, we have used:

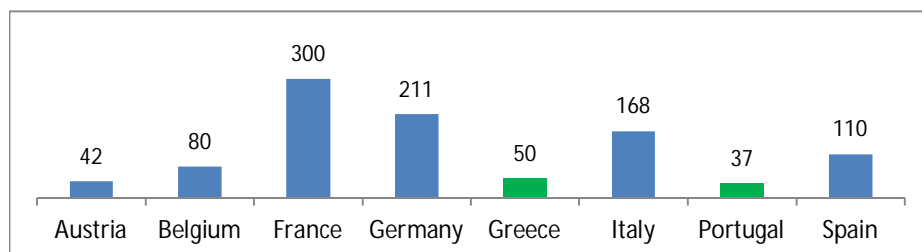
- 20 items for financial structure
- 8 items for profitability analysis

The sample is mainly representative for listed non-financial European groups. The number of groups by country depends on the way used to obtain the data (in blue, extraction from national databases; in green, manual filling).

However, it is useful to note that IFRS are not always implemented in the same way and that groups do not communicate on the same level of detail.

Data available in ERICA database

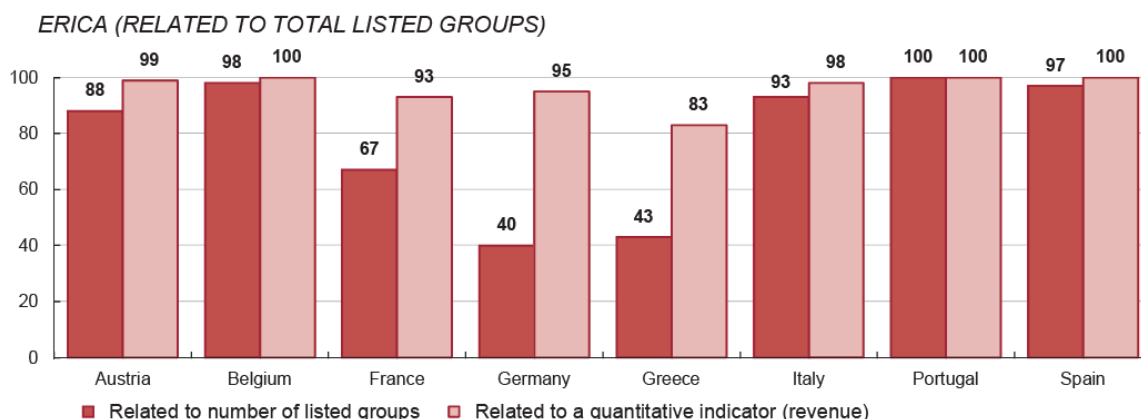
*Number of groups collected in ERICA
(On average 160 items collected by group for year 2016)*



Summary of content of Erica database

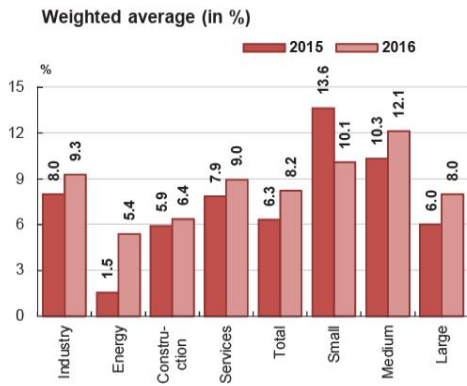
General characteristics on Group (ultimate parent, sector of activities, options chosen for IFRS, employees, capitalization, auditor opinion, reasons for previous year restatement data)
 Statement of Profit and loss
 Statement of comprehensive income
 Balance sheet assets
 Balance sheet liabilities & equity
 Statement of cash flows

COVERAGE OF ERICA DATABASE IN EACH COUNTRY

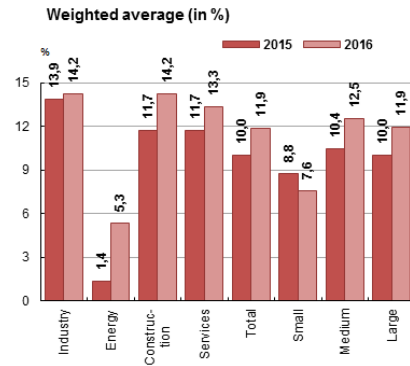


Main results obtained from ERICA Databases

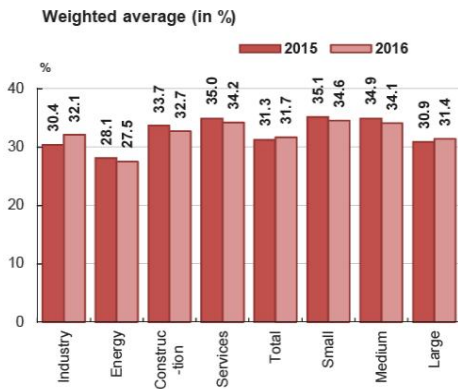
- EBIT margin (EBIT / Revenue): Important increase for the total sample due to an increase in the energy sector



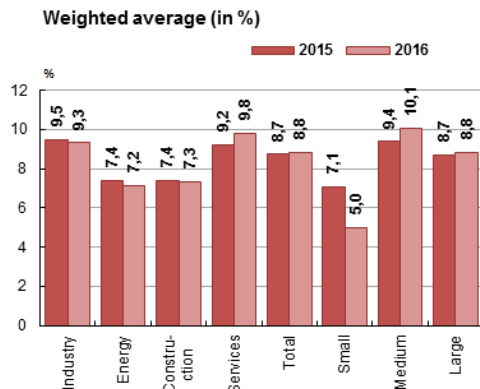
- Return on Equity - Profit before tax/Equity: To increase except in the small groups



- Financial debt / Total assets: Moderate increase in financial debt

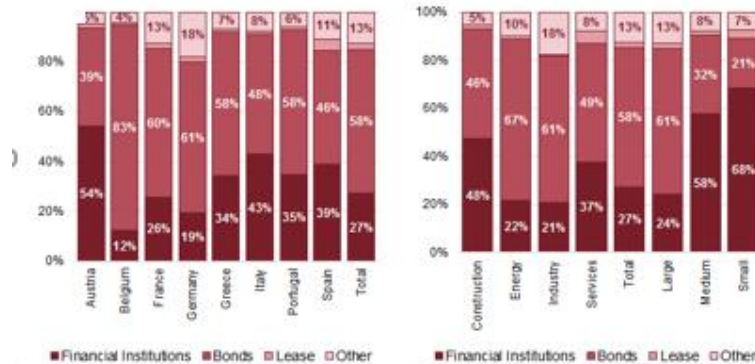


- EBITDA / asset: The EBITDA to asset ratio remained stable between 2015 and 2016



- Financial debt structure by country and by sector

Financial markets appear to be predominant in debt financing of European listed groups. That is the case for all countries except Austria. The importance of financial markets ranged from 83% in Belgium to 39% in Austria, where bank lending was the major source of debt funding (53%). By sector and size, the majority of debt funding in energy, industry and for large groups came from financial markets (above 60%).



Documents published and presented to ECCBSO plenary meeting (October 25 & 26 2018 – Frankfurt)

Type	Documents	Time frame
ERICA RESULTS	<ol style="list-style-type: none"> 1. 2016 ERICA analysis 2. ERICA series: <ul style="list-style-type: none"> • Value relevance of financial information • Group sizes and geographic activity 3. Other ERICA series: Goodwill & goodwill impairment, Cash flow analysis, Clustering and Impact of IFRS 16 	<p>January 2018</p> <p>April 2018</p> <p>June 2018</p> <p>In progress</p>
ACCOUNTING RULES FOR LISTED GROUPS	<ol style="list-style-type: none"> 1. IFRS impact 	October 2018
ERICA FORMAT	<p>IFRS-compliant formats (IFRS 2017):</p> <ol style="list-style-type: none"> 1. ERICA format, 2. Extended format 3. Methodological note 4. Some statistical data 	<p>January 2018</p> <p>September 2018</p> <p>January 2018</p> <p>January 2018</p>
REPORTING MATTERS AND NEW DEVELOPMENTS	<ol style="list-style-type: none"> 1. XBRL in European CBSO 	October 2018
SUMMARY	Brochure: Annual synthesis – Year 2018	September 2018

Other documents prepared by ERICA WG

Comment letters
<ul style="list-style-type: none"> o Comments to the Exposure Draft ED/2017/6 of the IASB “Definition of Material – Proposed Amendments to IAS 1 and IAS 8” o EU Consultation document on fitness check on the EU framework for public reporting by companies
Monographic points in the agenda of our meetings
<ul style="list-style-type: none"> o Participations of and in companies: evidence from CBSO data (NBB) o AHP applied to derive a financial health score (NBB) o Missing data: the Ime method applied in sectoral studies (NBB) o Group structures – economic and financial indicators (Banco de Portugal) o Comparison between individual and consolidated data (Banco de Portugal) o Qualitative information for internal rating (Cerved) o New sustainability ratios and forward-looking analysis (Cerved)

Working plan 2019: targets

- January 2019:
 - Annual analysis on ERICA 2017 data
 - Creation of separate set of statistics (listed + non-listed)
- May 2019:
 - Results obtained with (new) themes of analysis
 - Follow-up on integration of ERICA within BACH website
- September 2019:
 - Revision of documents for Plenary committee of ECCBSO
 - Start of development of risk indicator based on outcome of WGRA – ERICA cooperation
 - Stock-taking exercise: who is ready for ESEF 2020?



Group Members



Members of the ERICA (European Records of IFRS Consolidated Accounts) WG					
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Meetings organized during year 2018

Brussels	January 11 & 12
Lisbon	June 7 & 8
Torino	September 13 & 14

Meetings planned for year 2019

Frankfurt	January 24 & 25
Athens	May 22 & 23
Ankara	September 19 & 20

How to contact this working group

Our internet site:	http://www.eccbso.org/wba/pubblica/wgdetails.asp?id=4
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