

# Management commentary

[Business](#), [Management](#)



The objective of the practice statement is to assist management to provide useful management commentary in respect of financial statements prepared in accordance with IFRS. To achieve this objective, the practice statement contains a framework for the presentation of management commentary, including its purpose, principles, presentation and elements. Management should present commentary that is consistent with the following principles:

- To provide management's view of the entity's performance, position and development; and
- To supplement and complement information presented in the financial statements.

Five elements that the SAAB would expect to be included in management commentary:

- The nature of the business (e.g. the entity's main markets, its main products or services, the legal and regulatory environment, etc)
- Management's objectives and its strategies for meeting those objectives
- The entity's most significant resources, risks and relationships
- The results of operations and prospects (e.g. financial and non-financial performance and targets)
- The critical performance measures and indicators that management uses to evaluate the entity's performance against stated objectives.

**E Business Review** The E Business Review requires companies to provide narrative analysis of company development and performance as well as a description of the risks and uncertainties facing the company. It also requires identification of key performance indicators (financial and non-financial) and the company's views of trends and factors affecting its development and performance.

**MD&A** The MD&A must be fact-based. Its purpose is to provide readers with management's view as to what is critical to an understanding of the

company's historical performance and its future prospects. The MD&A is management's opportunity to discuss the company's financial performance and critical non-financial performance indicators and to integrate the two. In so doing, the MD&A complements the financial statements, but is also broader than them.