

A large red circle is positioned in the upper left quadrant of the page. It contains the text 'AR: Review 2010' in white, bold, serif font.

**AR:  
Review  
2010**

A new  
framework for  
best practice  
annual report  
information  
design.

Truly Deeply  
Brand Strategy & Design



# Looking Forward; what does the future look like?

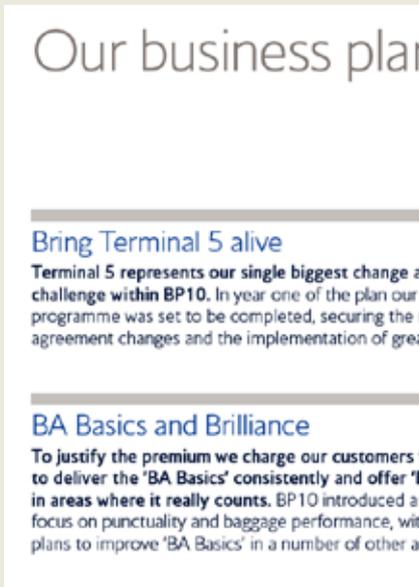
**Some market sectors by their very nature are more naturally attuned to a forward thinking mindset, others find it more challenging. However, all business strategy is based on a shared perspective of future objectives, marketplace context, industry and consumer trends and other influences.**

Presentation of an organisation's forward thinking is an often undervalued part of shareholder communication. The emphasis of forward looking information should be on strategy and intent, rather than concrete business commitment.

## **Best Practice Principles**

- Where is the organisation heading?
- What future challenges, trends and changes to the operating environment face the organisation? What is the expected impact of those challenges and changes on the organisations performance for the next year?
- What are the future plans and major projects of the organisation? What is the expected impact on the organisations performance for the next year?
- An outline of what the organisation aims to achieve in the coming period (particularly in the next twelve months) and objective measures of performance.
- Whole report has a forward looking orientation.
- Clear attempt to discuss the future and some of the challenges ahead. Includes comment on previous year's predictions.
- Look at factors affecting future development, performance and position.
- Targets for future performance.

*'The OFR should have a forward looking orientation, identifying those trends and factors relevant to the members' assessment of the current and future performances of the business.'* Reporting statement: Operating and Financial Review. Accounting Standards Board (UK).



British Airways Annual Report and Accounts 2008



Glaxo Smith Kline Annual Report 2007

sales growth in Germany and Ireland with a 36% increase in PVNBP sales and a favourable change in margin from 1.2% in 2006 to 2.2% for 2007. Sales performance was driven by demand for new products and strengthened distribution.

distribution network and product development. The shareholding in HDFC SL increased to 26%, the maximum permitted under Indian regulation, and Heng An SL was the first company in China to launch a group pension plan which attracts tax relief.

to £83m. Strong investment performance and effective marketing delivered robust third party net sales of £7.9bn with third party FUM increasing to £47.7bn. This, combined with effective cost control, increased EBIT margin to 30% (2006: 28%).

Europe will continue to evolve its products with the aim of increasing efficiency and profitability. Germany will build on its strength in distribution and its anticipated that the results of Maxvellence will continue to be positive in 2008. Despite current volatile markets in Ireland the medium term prospects are encouraging.

Further expansion in India will be driven through the development of distribution. Heng An SL plans to operate in over 100 Chinese cities by the end of 2012. The Hong Kong business also plans to grow market share by developing distribution channels and launching new products.

In 2008 Standard Life Investments will continue its strategy to diversify sources of revenue through increased sales of its capability in Global equities, Global property and Absolute return strategies. The pipeline for confirmed third party new business is strong, driven substantially by institutional funds, and Standard Life Investments remain confident of delivering growth in 2008.

Looking ahead

Standard Life

Standard Life Annual Report 2007

If you would like to know more about our methodology for transforming good annual reports to great shareholder communications and how it may be applied to your report, call our client services director Malcolm on (03) 9693 0000.