

## Hard core

Published: January 17, 2026, 11:58 am

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I contributed to a programme broadcast in two parts on the BBC over the last week or so on the profits made by mainstream companies from hard core pornography. The download is [still available here](#).

Why do this? First, the reporter seemed genuine. Second, the research showed how absurd is current accounting. Not one company declared segment data sufficient to allow its board of directors to identify profit from this source. How do I know? Because none publish that information and under IFRS 8 — now compulsory — they would have to if they had the data.

Take Google as an example. It has one segment. In other words its board only review top level data for the company as a whole. They recognise no business sectors. They split the world into US, UK and the rest. That's it. And apparently they can use this to measure risk and to inform their decisions on allocating resources.

That's nonsense. It's impossible to do that.

I'm also challenged to believe that this is true. But since the US version of IFRS 8 has applied to them for some time this is what they say is the case — anything would else would basically mean that their accounts were wrong.

Well tell me this — how do you manage a business on the back of an envelope, as this implies?

And if, as Google says it recognises, selling adult entertainment content is a risk, how come it apparently has no data sent to its board to let it appraise the quantum of that risk?

I worry about this/ What sort of governance does this imply?