



IFRS 18 - Presentation and Disclosure in Financial Statements

New regulations for financial reporting affecting all IFRS preparers

What is it about?

IFRS 18 replaces IAS 1 'Presentation of Financial Statements' to increase transparency and improve comparability of information regarding the financial performance of companies. Key changes compared to IAS 1:

- ▶ Two new subtotals in the statement of profit or loss
- ▶ Additional categories for the classification of income and expenses under consideration of specified main business activities
- ▶ Principles for the aggregation and disaggregation of financial statement information
- ▶ Disclosure requirements for management-defined performance measures
- ▶ Initial application date:
 - Annual reporting periods beginning on or after January 1, 2027
 - Retrospective adjustment through restatement of the comparative period (usually 2026)

What are the challenges?

- ▶ Individual analysis of the need for adjustments due to the new requirements
- ▶ Identification and explanation of management-defined performance measures
- ▶ Updating of account plans/mappings and other guidelines
- ▶ Ensuring data availability for changed structures and disclosures
- ▶ Adjustment of existing IT systems/tools for (external) reporting
- ▶ Assessment of the impact on controlling, compensation agreements, and financing agreements with covenants
- ▶ Simultaneous compliance with IAS 1 reporting and preparation of the comparative period according to IFRS 18 in the period before initial application (usually 2026)

How can we support you?

- ▶ Conducting impact analyses
- ▶ Consulting on technical (scoping) questions
- ▶ Supporting process and system adjustments
- ▶ Preparing and/or adapting guidelines and process descriptions
- ▶ Providing needs-based training and workshops
- ▶ (Partial) project management and implementation strategy

How do you benefit from our services?

- ▶ Audit-proof and timely implementation of the new requirements
- ▶ Personnel relief through the involvement of our technical, process, and IT experts
- ▶ Individual consulting (coaching approach vs. full service approach)

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