

IFRS 18 Presentation and Disclosure in Financial Statements

A public consultation issued by the UK Endorsement Board
Comments from ACCA to the UK Endorsement Board

06 September 2024

REF: TECH-CDR-2155

About ACCA:

ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

We're a thriving global community of **252,500** members and **526,000** future members based in **180** countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in Accountancy, finance, and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business, and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in our purpose. We believe that Accountancy is a cornerstone profession of society and is vital in helping economies, organisations, and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. We're a not-for-profit organisation. Find out more at accaglobal.com

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GENERAL COMMENTS

ACCA welcomes the opportunity to respond to The UK Endorsement Board's public consultation on IFRS 18 Presentation and Disclosure in Financial Statements. ACCA's work in influencing relevant policy and regulation and our qualification and education products are developed to equip our members and future members.

We recently reached out to our community as detailed below to ask if they felt this new standard will enhance the overall decision usefulness of IFRS financial statements. While 59% felt this new standard will enhance the overall decision usefulness of IFRS financial statements, it was striking that 1 in 5 respondents (22%) indicated they were not aware of IFRS 18. Given that the scope of IFRS 18 applies to all financial statements that are prepared and presented in accordance with International Financial Reporting Standards, we believe this insight underlines the importance of building awareness within the marketplace to ensure there are sufficient skills and knowledge to navigate the implementation of new standards. ACCA welcomes the UKEB's existing outreach and resources¹ on IFRS 18, however, there is significant work to do in further raising awareness in the marketplace.

Entities, in particular conglomerates operating in multiple sectors and/or locations may have difficulties presenting financial performance according to the new categories and presenting subtotals. There may also be challenges in presenting expenses by nature and in presenting the tax effects of reconciling items. In order to address these potential issues, enhanced implementation support would be beneficial. This could take the form of working groups comprising preparers, auditors and users to produce non-authoritative guidance. Users, such as investors, creditors, and lenders, would need to become familiar with the concept of management performance measures. So, education should not be focused solely on preparers and auditors, but also to equip users with the relevant knowledge.

¹ <https://www.endorsement-board.uk/IFRS-18-Presentation-Disclosure-Financial-Statements>

The IASB has just published a new accounting standard, IFRS 18 – effective on or after 1 January 2027, with early application permitted. It aims to enhance transparency, usefulness and comparability for investors on companies' performance and it is replacing IAS1. The new standard, however, will not change how companies recognise and measure items in the financial statements.

Do you think this new standard will enhance the overall decision usefulness of IFRS financial statements?

Yes	59%
No	11%
Don't know	8%
I wasn't aware of this	22%