

IFRS 18 will improve communication in financial statements

Primary financial statements

Provide **useful structured summaries** of the company's assets, liabilities, equity, income, expenses and cash flows



Statement of profit or loss
(income statement)

Changes introduced by IFRS 18

- Two new defined subtotals—**operating profit** and **profit before financing and income taxes**
- Categories for classifying income and expenses—**operating, investing, financing, income taxes** and **discontinued operations**

Limited changes to specific requirements for



Statement of cash flows



Statement of financial position
(balance sheet)

No changes to specific requirements for



Statement presenting comprehensive income



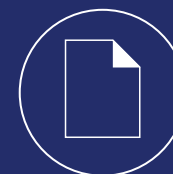
Statement of changes in equity



Information in the primary financial statements and the notes clearly linked

Notes to the financial statements

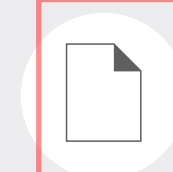
Provide **material information** to supplement the primary financial statements



Disclosures introduced or amended by IFRS 18

For example:

- **Management-defined performance measures**
- Specified expenses by nature



Other disclosures carried forward from IAS 1

For example:

- Material accounting policies
- Sources of estimation uncertainty
- Capital management
- Debt covenants

Enhanced guidance for grouping (**aggregation and disaggregation**) of information

Applicable in all primary financial statements and the notes

General requirements for the financial statements carried forward from IAS 1