

# Leading through IFRS 18 that changes Presentation and Disclosure in Financial Statements

IFRS 18 is widely regarded as the most significant presentation reform in IFRS reporting over 20 years. It impacts all IFRS reporters, changes the statement of profit or loss, reporting processes, systems and governance.

The key consideration for many organisations is therefore not whether IFRS 18 will have an impact, but **how to manage this heavy transition efficiently alongside ongoing operations and other strategic priorities.**

## What is the new requirement exactly?

- Effective already 1<sup>st</sup> January 2027, IFRS 18 replaces IAS 1 and reshapes financial performance presentation.
- New mandatory subtotals are introduced and all income and expenses must be classified into defined P&L categories.
- Stricter disaggregation rules apply, with tighter limits on “Other” labels.
- New disclosures of management-defined performance measures (MPMs) integrate non-GAAP measures into the financial statements within a dedicated note.
- Changes also affect the statement of cash flows, including revised classifications and fewer policy options.

## How can our advisory team help?

- We can lead you through this change.
- Impact assessment and implementation roadmap to manage practical challenges
- P&L redesign and reporting alignment (incl. CoA and mapping updates)
- Quality assurance on identified changes and new mapping structure
- MPM framework and disclosure support
- Transition disclosures and audit-ready documentation
- Assess the impact on your remuneration policies, covenant compliances and planned transactions

If you would like to learn more, reach out today. Our [website](#)

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