MERCURY

IFRS 18: Presentation and Disclosure

IFRS 18: Presentation and Disclosure

Introduction

The IFRS 18: Presentation and Disclosure training course provides an understanding of the new financial statement presentation and disclosure requirements under the latest international standards. It equips professionals with the knowledge required to interpret, implement, and evaluate changes affecting income statement structure and financial reporting transparency. The program focuses on the practical application of updated reporting principles to enhance the comparability and decision-usefulness of financial statements. Participants will explore how IFRS 18 reshapes performance reporting, management-defined measures, and disclosure practices. The course also addresses implementation challenges and transition considerations for organizations adopting the new standard. Professionals will apply IFRS 18 requirements in real-world financial reporting environments.

Targeted Groups

This IFRS 18: Presentation and Disclosure training targets professionals seeking knowledge and skills:

- Financial reporting managers and supervisors.
- Professional accountants and chief accountants.
- External and internal auditors.
- CFOs and finance directors.
- Financial analysts and reporting specialists.
- Corporate governance and compliance officers.
- Accounting consultants and IFRS advisors.
- Finance professionals are involved in preparing financial statements.

Course Objectives

Participants will achieve the following objectives by completing the IFRS 18: Presentation and Disclosure course:

- Understand the purpose and scope of IFRS 18 requirements.
- Identify key changes in financial statement presentation.
- Distinguish between operating, investing, and financing categories.
- Analyze the new structure of the statement of profit or loss.
- Evaluate management-defined performance measures.
- Apply disclosure requirements to improve transparency in reporting.
- Interpret IFRS 18 implementation guidance effectively.
- Assess impacts on existing financial reporting processes.
- Strengthen compliance with international financial reporting standards.
- Improve comparability and consistency in financial statements.
- Support organizations during IFRS 18 transition planning.
- Enhance professional judgment in presentation decisions.

Targeted Competencies

Participants will gain the following competencies during the IFRS 18: Presentation and Disclosure program:

- Advanced financial statement presentation skills.
- Strong understanding of the IFRS 18 disclosure framework.
- Ability to classify income and expenses correctly.
- Competence in analyzing management performance measures.
- Improved professional judgment in financial reporting.
- Enhanced transparency and comparability practices.
- Practical application of international reporting updates.
- Confidence in reviewing IFRS-compliant financial statements.
- Capability to support IFRS 18 implementation projects.
- Strong analytical and interpretation abilities.

Studying Scenarios

In this IFRS 18: Presentation and Disclosure training, participants develop skills through the following scenarios:

- Restructuring a statement of profit or loss under IFRS 18.
- Evaluating management-defined performance measures disclosure.
- Classifying complex income and expense transactions.
- Reviewing financial statements for IFRS 18 compliance gaps.
- Designing improved presentation formats for transparency.
- Supporting transition planning for new reporting requirements.

Course Content

Unit 1: Overview of IFRS 18 and Financial Statement Presentation

- Introduction to IFRS 18 and its role in international financial reporting.
- Objectives of the new standard improve transparency and comparability.
- Key differences between IFRS 18 and previous presentation requirements.
- Scope of application across various industries and entities.
- Relationship between IFRS 18 and other IFRS accounting standards.
- Importance of consistent financial statement presentation.
- Regulatory expectations and global adoption trends.
- High-level implementation roadmap for organizations.

Unit 2: Structure of the Statement of Profit or Loss under IFRS 18

- New required categories in the income statement presentation.
- Operating category definition and practical interpretation.
- Investing category and treatment of investment income and expenses.
- Financing category and related presentation requirements.
- Mandatory subtotals and their analytical significance.
- Presentation of unusual income and expense items.
- Impact on EBITDA and operating profit reporting.
- Industry-specific considerations in profit or loss presentation.

Unit 3: Management-Defined Performance Measures MPMs

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- Understanding management-defined performance measures under IFRS 18.
- Criteria for identifying valid MPMs in financial reports.
- Reconciliation requirements for IFRS-defined subtotals.
- Disclosure principles for performance metrics transparency.
- Common pitfalls in presenting alternative performance measures.
- Governance and control over management metrics reporting.
- Auditor focus areas related to MPM disclosures.
- Enhancing investor confidence through clear performance reporting.

Unit 4: Disclosure Requirements and Notes to Financial Statements

- Core disclosure objectives under IFRS 18 presentation and disclosure.
- Required note disclosures supporting financial statement users.
- Aggregation and disaggregation principles for financial information.
- Materiality considerations in presentation decisions.
- Disclosure of unusual items and non-recurring transactions.
- Cross-referencing and clarity in financial statement notes.
- Digital reporting and structured financial disclosures.
- Best practices for improving financial reporting transparency.

Unit 5: Implementation, Transition, and Practical Application

- Transition approaches for adopting IFRS 18 requirements.
- Assessing the impact on existing accounting policies.
- Systems and process changes for compliance.
- Data collection and chart-of-accounts redesign considerations.
- Internal controls over new presentation requirements.
- Communication with stakeholders during transition.
- Common implementation challenges and mitigation strategies.
- Preparing IFRS 18-compliant financial statements step by step.
- Readiness assessment and post-implementation review.

Final Insights & Key Takeaways

IFRS 18 significantly enhances the clarity and comparability of financial statement presentation, requiring organizations to rethink how they communicate performance. Mastering these requirements enables finance professionals to deliver more transparent, decision-useful financial reports aligned with evolving global standards.