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

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

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

Disclosures introduced or amended by IFRS 18
- Management-defined performance measures
- Specified expenses by nature

Other disclosures carried forward from IAS 1
- Material accounting policies
- Sources of estimation uncertainty
- Capital management
- Debt covenants

Information in the primary financial statements and the notes clearly linked

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