
IASB[®] meeting

Date	October 2024
Project	IFRS [®] Accounting Taxonomy 2024—Proposed Update 1 <i>IFRS 18</i> Presentation and Disclosure in Financial Statements
Topic	Summary of proposals and questions in the PTU IFRS 18
Contacts	Juliane-Rebecca Upmeier (jrupmeier@ifrs.org) Kenny Ng (kenny.ng@ifrs.org) Aida Vatrenjak (avatrenjak@ifrs.org)

This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB[®] *Update*.

Structure of this paper

This paper is structured as follows:

- Summary of the [proposals in the PTU IFRS 18](#) (slides 3–19);
- Summary of questions in the PTU IFRS 18 (slides 20–21);
- Appendix A—Illustrations of tagging applying proposed modelling (slides 22–35);
- Appendix B—Questions in the PTU IFRS 18 (slides 36–41); and
- Appendix C—Fieldwork examples (slides 42–50).

Summary of the proposals in the PTU IFRS 18

Overall approach and methodology

Approach to existing elements and addition of categorical elements

Taxonomy proposal:

- Approach to existing elements with a reference to IAS 1 *Presentation of Financial Statements* (including categorical elements):
 - Retain existing disclosure, example and common practice elements in the IFRS Accounting Taxonomy if the IASB reasonably expects the continued use of those elements to help users of digital financial statements compare entities' tagged information after IFRS 18 becomes effective (for the retained elements, the IASB proposes to change the references of elements from IAS 1 to IFRS 18 and, sometimes, the labels of elements)
 - Deprecate existing elements in the IFRS Accounting Taxonomy if their continued use could be misleading for users of digital financial statements
- Approach to adding categorical elements—applying the IFRS Foundation's general policy for adding categorical elements, add categorical elements for the new requirements in IFRS 18, including for the accounting policy choices in IFRS 18

Approach to adding elements based on IE accompanying IFRS 18

Taxonomy proposal:

- Applying the IFRS Foundation's general modelling policy for adding elements for Illustrative Examples,¹ NOT add elements for all items illustrated in the Illustrative Examples accompanying IFRS 18
 - The items included in the Illustrative Examples accompanying IFRS 18 are intended to illustrate how the requirement for an entity to provide in the statement of profit or loss a useful structured summary of its income and expenses could be applied
 - The IASB does not expect that the items included in those examples would necessarily correspond to items an entity is likely to present in its statement of profit or loss. Therefore, including elements for such items in the IFRS Accounting Taxonomy would not be useful for preparers
- Add elements to the IFRS Accounting Taxonomy only if the IASB reasonably expects entities to use those elements to tag items in their digital financial statements

¹ Illustrative Examples or Implementation Guidance accompany but are not part of an Accounting Standard. The purpose of the Illustrative Examples and Implementation Guidance is to illustrate the requirements of the accompanying Accounting Standard (for example, presentation or disclosure requirements).

As a general modelling policy, Taxonomy elements are created for items that illustrate presentation and disclosure requirements in the Illustrative Examples or Implementation Guidance if the IFRS Foundation reasonably expects preparers to use those elements.

Proposed modelling Statement of profit or loss

Statement of profit or loss—IFRS 18 requirements

IFRS 18 introduces:

- Three new defined categories (operating, investing and financing) to provide a **consistent structure of the statement of profit or loss**
- Two new **required subtotals** to facilitate comparability:
 - Operating profit
 - Profit before financing and income taxes

Illustration: Statement of profit or loss

Revenue	Operating
Cost of sales	
Gross profit	
Other operating income	
Selling expense	
Research and development expenses	
General and administrative expenses	
Goodwill impairment loss	
Other operating expenses	
Operating profit	
Share of profit or loss of associates and joint ventures	Investing
Other investment income	
Profit before financing and income taxes	Financing
Interest expenses on borrowings and lease liabilities	
Interest expenses on pension liabilities and provisions	
Profit before income taxes	
Income tax expense	
PROFIT	

Statement of profit or loss—Taxonomy proposals (1/2)

Taxonomy proposal:

- Use line-item modelling approach, where the element label reflects the category of an item of income or expense:

For items that could only be classified in a specific category	For items that could be classified in more than one category	Defined subtotals
<ul style="list-style-type: none"> Change the labels of those line-item elements to reflect the category of the item (for example, 'Revenue, operating') 	<ul style="list-style-type: none"> Change the label of line-item elements to 'total' (for example, 'Dividend income, total') Add line-item elements reflecting the category of the item for each category in which a company is reasonably expected to present the line-item element (for example, 'Foreign exchange gain (loss), operating') 	<ul style="list-style-type: none"> Add line-item elements if no such line-item element exists in the IFRS Accounting Taxonomy

- The category of an item should also be reflected in the labels of extension elements (for example, 'Share of profit and gains on disposal of associates and joint ventures, **investing**')
- Elements labelled 'total'¹ should NOT be used to tag the statement of profit or loss, and should only be used to tag items in the notes

¹ Guidance labels are being proposed, intended to help companies understand that 'total' elements should not be used to tag the statement of profit or loss.
'Do not use this element for the statement of profit or loss. This element is only used to tag information in the notes. If no element reflecting category information for the statement of profit or loss is included in the IFRS Accounting Taxonomy an extension element needs to be created. The label of that extension element should reflect category information.'

Statement of profit or loss—Taxonomy proposals (2/2)

Alternative Taxonomy proposal:

- Use of **category metadata** (trait-concept relationship) to convey category information in addition to reflecting the category of an item in its element label
- Category metadata would be used in addition to the proposed line-item modelling approach
- By tagging using category metadata, users would be able to understand the category of an extension element even if:
 - the category is not included in the extension element label; or
 - the category is included in the label, but the label is in a non-English language

Proposed modelling Management-defined performance measures (MPM) note

MPM note—IFRS 18 requirements

IFRS 18 introduces:

- Requirements to disclose information relating to MPMs in a single note:
 - **reconciliation** of MPM to IFRS-defined subtotal or total
 - **link reconciling item** to line item in the statement of profit or loss
 - **income tax effect and effect on non-controlling interest** for each reconciling item for each MPM
 - explanation of **why** MPM is reported, **how** MPM is calculated, and any **changes** to MPM

Illustration: MPM reconciliation

	IFRS	Impairment losses	Restructuring expenses	Gains on disposal of PP&E	MPM
Other operating income		-	-	(1,800)	
Research and development expenses		1,600	-	-	
General and administrative expenses		-	3,800	-	
Goodwill impairment loss		4,500	-	-	
Operating profit / Adjusted operating profit	57,000	6,100	3,800	(1,800)	65,100
Income tax expense		-	(589)	297	
Profit from continuing operations / Adjusted profit from continuing operations	32,100	6,100	3,211	(1,503)	39,908
Profit attributable to non-controlling interests		305	161	-	

MPM note—Taxonomy proposals

Taxonomy proposal:

- Add a text block element to tag the **entire note** disclosure
- Add a table text block element for **MPM reconciliation** (that is, dimensional modelling) with:
 - two axes—‘MPM’ axis and ‘Reconciling items’ axis
 - Companies would create entity-specific extension member elements under the two axes for their MPMs and reconciling items
 - MPM line-item element
 - To capture the MPM value and overall effect of each reconciling item
 - line-item elements from the statement of profit or loss
 - This creates a linkage between the statement of profit or loss and the MPM reconciliation
 - Extension line-item elements created in the statement of profit or loss would be ‘re-used’ in this note

Proposed modelling
Specified expenses by
nature note

Specified expenses by nature note—IFRS 18 requirements

IFRS 18 requires* the disclosure of:

- total amounts of specified expenses by nature
- the amounts included in **each** line item in the operating category of the statement of profit or loss for the specified expenses by nature

The specified expenses by nature are:

- depreciation
- amortisation
- employee benefits
- impairments of non-financial assets (and reversals thereof)
- write-downs of inventories (and reversals thereof)

* Note: this disclosure requirement only applies to companies that present one or more line item by function in the statement of profit or loss (for example, cost of sales)

Illustration: Specified expenses by nature note

(in currency units)	20X2	20X1
Cost of sales	23,710	21,990
Research and development expenses	2,515	2,590
General and administrative expenses	4,975	4,750
Total depreciation	31,200	29,330
Research and development expenses	13,840	12,690
Total amortisation	13,840	12,690
Cost of sales	61,640	57,175
Selling expenses	7,515	7,110
Research and development expenses	6,545	6,750
General and administrative expenses	8,920	5,825
Total employee benefits	84,620	76,860
Research and development expenses	1,600	1,500
Goodwill impairment loss	4,500	–
Total impairment loss	6,100	1,500
Cost of sales	2,775	2,625
Total write-down of inventories	2,775	2,625

Specified expenses by nature note—Taxonomy proposals

Taxonomy proposal:

- Add a text block element to tag the entire note on specified expenses by nature
- Add a table text block element (that is, dimensional modelling) with:
 - one axis with member elements representing the specified expenses by nature; and
 - line-item elements from the operating category of the statement of profit or loss
 - This creates a linkage between the statement of profit or loss and the specified expenses by nature note
 - Extension line-item elements created in the statement of profit or loss would be ‘re-used’ in this note
- Tagging totals of specified expenses by nature: Companies would tag totals using a ‘total’ line-item element (but not in the dimensional structure, so without a member)
- Tagging operating-subtotals of specified expenses by nature: Companies would tag operating-subtotals (for example, depreciation in operating category) using the line-item element ‘Operating profit (loss), operating’ and the corresponding member (for example, Depreciation [M])
- Deprecate the existing common practice table ‘Disclosure of attribution of expenses by nature to their function’ and related elements

Other proposed changes to the IFRS Accounting Taxonomy

Other proposed changes to the IFRS Accounting Taxonomy

Other proposed changes	Taxonomy proposals
Implementation guidance	<ul style="list-style-type: none"> • Provide implementation guidance for preparers to help ensure consistent application of the proposed modelling
New presentation group	<ul style="list-style-type: none"> • Deprecate the presentation groups '[310000] statement of comprehensive income, profit or loss, by function of expense' and '[320000] statement of comprehensive income, profit or loss, by nature of expense' • Add a single presentation group for the statement presenting comprehensive income, profit or loss to appropriately reflect the requirements in IFRS 18
'Fact-explanatoryFact' footnoteArc mechanism	<ul style="list-style-type: none"> • Encourages preparers to use the 'fact-explanatoryFact' footnoteArc mechanism to connect a disclosed fact in the notes (an amount) with the fact in the primary financial statements in which the amount is included (a line-item in the primary financial statements)
Replacing 'IFRS' with 'IFRS Accounting Standard'	<ul style="list-style-type: none"> • Change the term 'IFRS' or 'IFRS Standard' to 'IFRS Accounting Standard' in all documentation labels in the IFRS Accounting Taxonomy that refer to IFRS Accounting Standards • Keep the term 'IFRS' in the element labels • Retain the labels unchanged if the term 'IFRS' is used with a number

Other proposed changes to the IFRS Accounting Taxonomy

Other proposed changes	Taxonomy proposals
Consequential amendments to other IFRS Accounting Standards	<ul style="list-style-type: none"> • Reflect amendments to <i>IAS 7 Statement of Cash Flows</i> by: <ul style="list-style-type: none"> – changing the line-item element for the starting point of the statement of cash flows from ‘Profit (loss)’ to ‘Operating profit (loss)’ and, therefore, deprecating adjustment line-item elements that relate to ‘profit or loss’ but not to ‘operating profit or loss’ – deprecating the line-item element ‘Dividends paid, classified as operating activities’ – adding new line-item elements for cash receipts and payments for interests in associates and joint ventures • Change the label of one line-item element to reflect amendments to <i>IAS 12 Income Taxes</i> • Make changes to reflect the amended title of <i>IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors</i>
Effective date and transition	<ul style="list-style-type: none"> • Create two taxonomy entry points when the annual compilation of IFRS 18 is conducted, specifically: <ul style="list-style-type: none"> – an entry point ‘IFRS full taxonomy with elements reflecting IAS 1 presentation and disclosure requirements’ – an entry point ‘IFRS full taxonomy with elements reflecting IFRS 18 presentation and disclosure requirements’

Summary of questions in the PTU IFRS 18

Summary of questions in the PTU IFRS 18

General questions	Specific proposals	Other questions
<p data-bbox="270 618 907 758">Question 1 Overall approach</p>	<p data-bbox="988 618 1625 758">Question 2 Statement of profit or loss</p> <p data-bbox="988 803 1625 943">Question 3 MPM</p> <p data-bbox="988 989 1625 1129">Question 4 Specified expenses by nature</p>	<p data-bbox="1707 618 2344 758">Question 5 Implementation guidance</p> <p data-bbox="1707 803 2344 943">Question 6 Presentation group</p> <p data-bbox="1707 989 2344 1129">Question 7 Other proposed changes</p>

Note: Please see Appendix B for the full questions in the PTU.

Appendix A—Illustrations of tagging applying proposed modelling

Overview of illustrations of tagging applying the proposals

This section includes illustrations of tagging applying the proposed modelling for:

- Statement of profit or loss (slides 24–26);
- MPM note (slides 27–32);
- Specified expenses by nature note (slides 33–34); and
- Connecting amounts in the notes to line item(s) in the primary financial statements ('Fact-explanatoryFact' footnoteArc mechanism) (slide 35).

Statement of profit or loss (line-item modelling)

Example 1A: Statement of profit or loss (XYZ Group)

XYZ Group—Statement of profit or loss for the year ended 31 December 20X2

(in thousands of Currency Units)		
	20X2	20X1
Revenue	367,000	353,100
Cost of sales	(241,600)	(224,100)
Gross profit	125,400	129,000
Other operating income	12,200	4,100
Selling expenses	(28,900)	(27,400)
Research and development expenses	(25,100)	(25,900)
General and administrative expenses	(20,900)	(22,400)
Goodwill impairment loss	(4,500)	—
Other operating expenses	(1,200)	(5,600)
Operating profit	57,000	51,800
Share of profit and gains on disposal of associates and joint ventures	5,300	7,300
Profit before financing and income taxes	62,300	59,100
Interest expenses on borrowings and lease liabilities	(13,000)	(13,200)
Interest expenses on pension liabilities and provisions	(6,500)	(6,000)
Profit before income taxes	42,800	39,900
Income tax expense	(10,700)	(9,975)
Profit from continuing operations	32,100	29,925

Existing elements: Element label reflects category, concept name remains unchanged

• (ifrs-full) Revenue, operating

The income arising in the course of an entity's ordinary activities, in the operating category in the statement of profit or loss. Income is increases in assets, or decreases in liabilities, that result in increases in equity, other than those relating to contributions from holders of equity claims.

Properties

Date 1 Jan 2022 to 31 Dec 2022 📅
Fact Value € 367,000,000
Accuracy thousands
Scale thousands
Change 3.9% increase on 1 Jan 2021 to 31 Dec 2021
Entity IUK CRNI FC023235
Concept ifrs-full:Revenue 📄

< 1 of 1 >

Statement of profit or loss (line-item modelling)

Example 1A: Statement of profit or loss (XYZ Group)

XYZ Group—Statement of profit or loss for the year ended 31 December 20X2

	(in thousands of Currency Units)	
	20X2	20X1
Revenue	367,000	353,100
Cost of sales	(241,600)	(224,100)
Gross profit	125,400	129,000
Other operating income	12,200	4,100
Selling expenses	(28,900)	(27,400)
Research and development expenses	(25,100)	(25,900)
General and administrative expenses	(20,900)	(22,400)
Goodwill impairment loss	(4,500)	–
Other operating expenses	(1,200)	(5,600)
Operating profit	57,000	51,800
Share of profit and gains on disposal of associates and joint ventures	5,300	7,300
Profit before financing and income taxes	62,300	59,100
Interest expenses on borrowings and lease liabilities	(13,000)	(13,200)
Interest expenses on pension liabilities and provisions	(6,500)	(6,000)
Profit before income taxes	42,800	39,900
Income tax expense	(10,700)	(9,975)
Profit from continuing operations	32,100	29,925
Loss from discontinued operations	–	(5,500)
PROFIT	32,100	24,425
Profit attributable to:		
Owners of the parent	25,680	19,540
Non-controlling interests	6,420	4,885
	32,100	24,425
Earnings per share from continuing operations:		

Extension elements: Element label reflects category

Concept

- (example1) Share of profit and gains on disposal of associates and joint ventures **investing**

Properties

- Date** 1 Jan 2022 to 31 Dec 2022
- Fact Value** € 5,300,000
- Accuracy** thousands
- Scale** thousands
- Change** 27.4% decrease on 1 Jan 2021 to 31 Dec 2021
- Entity** [UK CRN] FC023235
- Concept** example1:ShareProfitAndGainsOnD...

< 1 of 1 >

∨ Anchoring

Wider anchor

- None

Narrower anchors

- (ifrs-full) Share of profit (loss) of associates and joint ventures accounted for using equity method, investing
- (ifrs-full) Gains (losses) on disposals of associates and joint ventures, investing

Statement of profit or loss (category metadata)

Fact Table	Fact List	Presentation	Calculation	Dimension	Anchoring	Trait-Concept
Trait-Concept Relationships						
[-] [00001] Example 3: Statement of profit or loss (BB Group)						
[-] Operating category [member]						
Revenue, operating						
Cost of sales, operating						
Gross profit (loss), operating						
Interest revenue calculated using effective interest method, operating						
Interest expense, operating						
Net interest income (expense), operating						
Selling expenses, operating						
Research and development expenses, operating						
General and administrative expenses, operating						
Other operating expenses, operating						
Operating profit (loss), operating						
[-] Investing category [member]						
Investment income, investing						
[-] Financing category [member]						
Interest expenses on borrowings not related to providing financing to customers, financing						
Interest expenses on pension liabilities, financing						

Elements included in operating, investing or financing category can be automatically extracted (structured data)

One axis (MPM axis)

Two axes (MPM axis and reconciling items axis)

MPM note—Tagging using axes

Example 1B: Note on management-defined performance measures (XYZ Group)

XYZ Group—Note on management-defined performance measures

Management-defined performance measures 20X2					(in thousands of CU)
	IFRS	Impairment losses	Restructuring expenses	Adjusting items	Management-defined performance measure
				Gains on disposal of property, plant and equipment	
Other operating income		-	-	(1800)	
Research and development expenses		1600	-	-	
General and administrative expenses		-	3800	-	
Goodwill impairment loss		4500	-	-	
Operating profit / Adjusted operating profit	57,000	6,100	3,800	(1800)	65,100
Income tax expense		-	(589)	297	
Profit from continuing operations / Adjusted profit from continuing operations	32,100	6,100	3,211	(1503)	39,908
Profit attributable to non-controlling interests		305	161	-	

📄
🔍
⏪ ⏩

Other operating income, operating, Adjusted operating profit [member]

Concept

- (ifrs-full) Other operating income, operating

The amount of operating income that the entity does not separately disclose in the same statement or note, in the operating category in the statement of profit or loss.

Dimensions

- Management-defined performance measures [axis] 📄
- Adjusted operating profit [member]
- Reconciling items in reconciliation of management-defined performance measure [axis] 📄
- Gains on disposal of property, plant and equipment, adjusting item [member]

Properties

Date 1 Jan 2022 to 31 Dec 2022 📄

Fact Value € -1,800,000

Accuracy thousands

Scale thousands

Change No prior fact in this report

Entity [UK CRN] FC023235

Concept ifrs-full:OtherOperatingIncomeOperating 📄

< 1 of 1 >

Other operating income, operating, Adjusted profit from continuing operations [member]

Double tagging of 'common reconciling items'

MPM note—Double tagging common reconciling items

Example 1B: Note on management-defined performance measures (XYZ Group)

XYZ Group—Note on management-defined performance measures

Management-defined performance measures 20X2						(in thousands of CU)
	IFRS	Impairment losses	Restructuring expenses	Adjusting items		
				Gains on disposal of property, plant and equipment	Management-defined performance measure	
Other operating income		-	-	(1800)		
Research and development expenses		1600	-			
General and administrative expenses		-	3800			
Goodwill impairment loss		4500	-			
Operating profit / Adjusted operating profit	57,000	6,100	3,800	(1800)	65,100	
Income tax expense		-	(589)	297		
Profit from continuing operations / Adjusted profit from continuing operations	32,100	6,100	3,211	(1503)	39,908	
Profit attributable to non-controlling interests		305	161			

Other operating income, operating, Adjusted operating profit [member]

Concept

- (ifrs-full) Other operating income, operating

The amount of operating income that the entity does not separately disclose in the same statement or note, in the operating category in the statement of profit or loss.

Dimensions

- Management-defined performance measures [axis]
- Adjusted operating profit [member]
- Reconciling items in reconciliation of management-defined performance measure [axis]
- Gains on disposal of property, plant and equipment, adjusting item [member]

Properties

- Date: 1 Jan 2022 to 31 Dec 2022
- Fact Value: € -1,800,000
- Accuracy: thousands
- Scale: thousands
- Change: No prior fact in this report
- Entity: [UK CRN] FC023235
- Concept: ifrs-full:OtherOperatingIncomeOperating

Other operating income, operating, Adjusted profit from continuing operations [member]

Concept

- (ifrs-full) Other operating income, operating

The amount of operating income that the entity does not separately disclose in the same statement or note, in the operating category in the statement of profit or loss.

Dimensions

- Management-defined performance measures [axis]
- Adjusted profit from continuing operations [member]
- Reconciling items in reconciliation of management-defined performance measure [axis]
- Gains on disposal of property, plant and equipment, adjusting item [member]

Properties

- Date: 1 Jan 2022 to 31 Dec 2022
- Fact Value: € -1,800,000
- Accuracy: thousands
- Scale: thousands
- Change: No prior fact in this report
- Entity: [UK CRN] FC023235
- Concept: ifrs-full:OtherOperatingIncomeOperating

MPM note—Tagging IFRS measures

Example 1B: Note on management-defined performance measures (XYZ Group)
XYZ Group—Note on management-defined performance measures

Management-defined performance measures 20X2					(in thousands of CU)
	IFRS	Impairment losses	Restructuring expenses	Adjusting items	Management-defined performance measure
				Gains on disposal of property, plant and equipment	
Other operating income		–	–	(1800)	
Research and development expenses		1600	–	–	
General and administrative expenses		–	3800	–	
Goodwill impairment loss		4500	–	–	
Operating profit / Adjusted operating profit	57,000	6,100	3,800	(1800)	65,100
Income tax expense		–	(589)	297	
Profit from continuing operations / Adjusted profit from continuing operations	32,100	6,100	3,211	(1503)	39,908
Profit attributable to non-controlling interests		305	161	–	

Operating profit (loss), operating

Concept

- (ifrs-full) Operating profit (loss), operating

The total of all income and expenses classified in the operating category in the statement of profit or loss. [Refer: Profit (loss)]

Dimensions

- Management-defined performance measures [axis]
- Adjusted operating profit [member]

Properties

- Date** 1 Jan 2022 to 31 Dec 2022
- Fact Value** € 57,000,000
- Accuracy** thousands
- Scale** thousands
- Change** 10.0% increase on 1 Jan 2021 to 31 Dec 2021
- Entity** [UK CRN] FC023235
- Concept** ifrs-full:OperatingProfitLossOperating

< 1 of 1 >

MPM element

MPM note—Tagging MPM measures and totals of reconciling items

Example 1B: Note on management-defined performance measures (XYZ Group)

XYZ Group—Note on management-defined performance measures

Management-defined performance measures 20X2					(in thousands of CU)
		Adjusting items			
	IFRS	Impairment losses	Restructuring expenses	Gains on disposal of property, plant and equipment	Management-defined performance measure
Other operating income		-	-	(1800)	
Research and development expenses		1600	-	-	
General and administrative expenses		-	3800	-	
Goodwill impairment loss		4500	-	-	
Operating profit / Adjusted operating profit	57,000	6,100	3,800	(1800)	65,100
Income tax expense		-	(589)	297	
Profit from continuing operations / Adjusted profit from continuing operations	32,100	6,100	3,211	(1503)	39,908
Profit attributable to non-controlling interests		305	161	-	

Management-defined performance measure

Concept

- (ifrs-full) Management-defined performance measure

A management-defined performance measure is a subtotal of income and expenses that (a) an entity uses in public communications outside financial statements; (b) an entity uses to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole; and (c) is not listed in paragraph 117, or specifically required to be presented or disclosed by IFRS Accounting Standards.

Dimensions

- Management-defined performance measures [axis]
- Adjusted operating profit [member]
- Reconciling items in reconciliation of management-defined performance measure [axis]
- Impairment losses, adjusting item [member]

Properties

- Date** 1 Jan 2022 to 31 Dec 2022
- Fact Value** € 6,100,000
- Accuracy** thousands
- Scale** thousands
- Change** 306.7% increase on 1 Jan 2021 to 31 Dec 2021
- Entity** [UK CRN] FC023235
- Concept** ifrs-full:ManagementdefinedPerformanceM...

MPM note—‘Re-using’ P&L line-item elements

Management-defined performance measures 20X1					(in thousands of CU)
	IFRS	Impairment losses	Litigation expenses	Adjusting items	Management-defined performance measure
				Gains on disposal of associates and joint ventures	
Research and development expenses		1,500	-	-	
General and administrative expenses		-	3,500	-	
Operating profit / Adjusted operating profit	51,800	1,500	3,500	-	56,800
Share of profit and gains on disposal of associates and joint ventures		-	-	(2200)	
Income tax expense		-	-	319	
Profit from continuing operations / Adjusted profit from continuing operations	29,925	1,500	3,500	(1,881)	33,044
Profit attributable to non-controlling interests		75	-	-	

Extension element already created to tag statement of profit or loss

Share of profit and gains on disposal of associates and joint ventures, investing, 1 Jan 2021 to 31 Dec 2021, Adjusted operating profit [member]

Concept

- (example1) Share of profit and gains on disposal of associates and joint ventures, investing

Dimensions

- Management-defined performance measures [axis]
- Adjusted operating profit [member]
- Reconciling items in reconciliation of management-defined performance measure [axis]
- Gains on disposal of property, plant and equipment, adjusting item [member]

Properties

- Date** 1 Jan 2021 to 31 Dec 2021
- Fact Value** € -2,200,000
- Accuracy** thousands
- Scale** thousands
- Change** No prior fact in this report
- Entity** [UK CRN] FC023235
- Concept** example1:ShareProfitAndGainsOnDisposal...

< 1 of 1 >

Share of profit and gains on disposal of associates and joint ventures, investing, 1 Jan 2021 to 31 Dec 2021, Adjusted profit from continuing operations [member]

MPM note—Use of signage

Example 1B: Note on management-defined performance measures (XYZ Group)

XYZ Group—Note on management-defined performance measures

Management-defined performance measures 20X2					(in thousands of CU)
				Adjusting items	
	IFRS	Impairment losses	Restructuring expenses	Gains on disposal of property, plant and equipment	Management-defined performance measure
Other operating income		–	–	(1800)	
Research and development expenses		1600	–	–	
General and administrative expenses		–	3800	–	
Goodwill impairment loss		4500	–	–	
Operating profit / Adjusted operating profit	57,000	6,100	3,800	(1800)	65,100
Income tax expense		–	(589)	297	
Profit from continuing operations / Adjusted profit from continuing operations	32,100	6,100	3,211	(1503)	39,908
Profit attributable to non-controlling interests		305	161	–	

Correct sign depends on balance type of element (debit/credit) and whether it increases or decreases the value of the MPM

Research and development expenses, operating, Adjusted operating profit [member]

Concept

- (ifrs-full) Research and development expenses, operating

The amount of expenditure directly attributable to research or development activities, recognised in profit or loss, in the operating category in the statement of profit or loss.

Dimensions

- Management-defined performance measures [axis]
 - Adjusted operating profit [member]
- Reconciling items in reconciliation of management-defined performance measure [axis]
 - Impairment losses, adjusting item [member]

Properties

- Date** 1 Jan 2022 to 31 Dec 2022
- Fact Value** € -1,600,000
- Accuracy** thousands
- Scale** thousands
- Change** 6.7% increase on 1 Jan 2021 to 31 Dec 2021
- Entity** [UK CRN] FC023235
- Concept** ifrs-full:ResearchAndDevelopmentExpense

< 1 of 1 >

Research and development expenses, operating, Adjusted profit from continuing operations [member]

Specified expenses by nature note—Tagging individual amounts

Example 1C: Note on specified expenses by nature (XYZ Group)

XYZ Group—Note on specified expenses by nature

	(in thousands of CU)	
	20X2	20X1
Depreciation		
Cost of sales	23,710	21,990
Research and development expenses	2,515	2,590
General and administrative expenses	4,975	4,750
Total depreciation	31,200	29,330
Amortisation		
Research and development expenses	13,840	12,690
Total amortisation	13,840	12,690
Employee benefits		
Cost of sales	61,640	57,175
Selling expenses	7,515	7,110
Research and development expenses	6,545	6,750
General and administrative expenses	8,920	5,825
Total employee benefits	84,620	76,860
Impairment losses		
Research and development expenses	1,600	1,500
Goodwill impairment loss	4,500	-
Total impairment losses	6,100	1,500
Write-down of inventories		
Cost of sales	2,775	2,625
Total write-down of inventories	2,775	2,625

Dimensional -Linkage to P&L-

Cost of sales, operating

Concept

- (ifrs-full) Cost of sales, operating

The amount of all expenses directly or indirectly attributed to the goods or services sold, in the operating category in the statement of profit or loss. Attributed expenses include, but are not limited to, costs previously included in the measurement of inventory that has now been sold, such as depreciation and maintenance of factory buildings and equipment used in the production process, unallocated production overheads, and abnormal amounts of production costs of inventories.

Dimensions

- Attribution of specified expenses by nature [axis]
- Depreciation [member]

Properties

- Date** 1 Jan 2022 to 31 Dec 2022
- Fact Value** € 23,710,000
- Accuracy** thousands
- Scale** thousands
- Change** 7.8% increase on 1 Jan 2021 to 31 Dec 2021
- Entity** [UK CRN] FC023235
- Concept** ifrs-full:CostOfSales

Specified expenses by nature note—Tagging subtotals/totals

Example 1C: Note on specified expenses by nature (XYZ Group)

XYZ Group—Note on specified expenses by nature

(in thousands of CU)		
	20X2	20X1
Depreciation		
Cost of sales	23,710	21,990
Research and development expenses	2,515	2,590
General and administrative expenses	4,975	4,750
Total depreciation	31,200	29,330
Amortisation		
Research and development expenses	13,840	12,690
Total amortisation	13,840	12,690
Employee benefits		
Cost of sales	61,640	57,175
Selling expenses	7,515	7,110
Research and development expenses	6,545	6,750
General and administrative expenses	8,920	5,825
Total employee benefits	84,620	76,860
Impairment losses		
Research and development expenses	1,600	1,500
Goodwill impairment loss	4,500	–
Total impairment losses	6,100	1,500
Write-down of inventories		
Cost of sales	2,775	2,625
Total write-down of inventories	2,775	2,625

Double tagging of 'total'

Dimensional
-Linkage to P&L and calculation-

Operating profit (loss), operating

Concept

- (ifrs-full) Operating profit (loss), operating

The total of all income and expenses classified in the operating category in the statement of profit or loss. [Refer: Profit (loss)]

Dimensions

- Attribution of specified expenses by nature [axis]
- Depreciation [member]

Properties

Date	1 Jan 2022 to 31 Dec 2022
Fact Value	€ -31,200,000
Accuracy	thousands
Scale	thousands
Change	6.4% increase on 1 Jan 2021 to 31 Dec 2021
Entity	[UK CRN] FC023235
Concept	ifrs-full:OperatingProfitLossOperating

< 1 of 1 >

Not dimensional
-IFRS 18 requirement-

Depreciation, total

Concept

- (ifrs-full) Depreciation, total

The amount of depreciation, comprising that required to be disclosed by paragraph 73(e)(vii) of IAS 16 Property, Plant and Equipment, paragraph 79(d)(iv) of IAS 40 Investment Property and paragraph 53(a) of IFRS 16 Leases.

Properties

Date	1 Jan 2022 to 31 Dec 2022
Fact Value	€ 31,200,000
Accuracy	thousands
Scale	thousands
Change	6.4% increase on 1 Jan 2021 to 31 Dec 2021
Entity	[UK CRN] FC023235
Concept	ifrs-full:Depreciation

< 1 of 1 >

Connecting amounts in the notes to line item(s) in the primary financial statements

Example 4: Connecting amounts in the notes to line item(s) in the primary financial statements ('Fact-explanatoryFact' footnoteArc mechanism)

Extract of the statement of profit or loss EE Group

	(in thousands of CU)	
	20X2	20X1
Revenue	120	90
Cost of sales	70	50
Gross profit	50	40

Extract of a note disclosure EE Group

Included in cost of sales in the statement of profit or loss is an expense of CU10 (20X1: CU8) for abnormal amounts of wasted materials.

Fact Table | Fact List | Presentation | Calculation | Dimension | Fact-Explanatoryfact

- [-] <http://www.xbrl.org/2003/role/link>
- [+] Abnormal Amounts of Wasted Materials [D20221231_3] = 10,000
 - Cost of sales, operating [D20221231_3] = 70,000
- [-] Abnormal Amounts of Wasted Materials [D20211231_3] = 8,000
 - Cost of sales, operating [D20211231_3] = 50,000

Disclosure of line items in primary financial statements in which disclosed amounts are included [text block]

Abnormal amounts of wasted materials

Concept

- (example4) Abnormal amounts of wasted materials

Properties

Date 1 Jan 2022 to 31 Dec 2022

Fact Value € 10,000

Accuracy thousands

Scale thousands

Change 25.0% increase on 1 Jan 2021 to 31 Dec 2021

Entity [UK CRN] FC023235

Concept example4:AbnormalAmountsOfWastedMat...

< 1 of 1 >

References

Calculations

Footnotes

Cost of sales, operating

1 Jan 2022 to 31 Dec 2022

Disclosure of line items in primary financial statements in which disclosed amounts are included [text block]

1 Jan 2022 to 31 Dec 2022

Appendix B—Questions in the PTU IFRS 18

Questions in the PTU IFRS 18

Question 1 – Overall approach and methodology

Do you agree with the IASB's:

- a) proposed general approach to existing elements with a reference to IAS 1;
- b) proposal to add categorical elements for the new requirements in IFRS 18 and that the proposed categorical elements adequately reflect the requirements in IFRS 18; and
- c) proposal to add elements based on the Illustrative Examples accompanying IFRS 18 only if the IASB reasonably expects entities to use those elements to tag items in their digital financial statements?

If not, please specify what changes you suggest and why.

Questions in the PTU IFRS 18

Question 2(a) – Presentation requirements for the statement of profit or loss

Do you agree with the IASB's proposed approach of using line-item modelling for the presentation requirements for the statement of profit or loss, specifically:

- I. for items of income or expenses and subtotals that could only be classified in the same category by all entities, to change the labels of those line-item elements to reflect category information;
- II. for items of income or expenses that could be classified in more than one category by a single entity or in different categories by different entities:
 - i. to change the label of existing line-item elements to reflect the fact that they represent total amounts, possibly comprising items of income or expenses in different categories;
 - ii. to add line-item elements reflecting category information for each category in which an entity is reasonably expected to present the line-item element; and
- III. for the defined subtotals 'operating profit or loss' and 'profit or loss before financing and income taxes' required by IFRS 18 and the subtotals listed in paragraph 118 of IFRS 18, to add line-item elements if no related line-item element exists in the IFRS Accounting Taxonomy?

If not, please specify what changes you suggest and why.

Questions in the PTU IFRS 18

Question 2(b) – Presentation requirements for the statement of profit or loss

Do you have any views on the use of category metadata as a mechanism to reflect category information (for example, in addition to the proposed line-item modelling approach for the presentation requirements for the statement of profit or loss or for other future improvements)?

If yes, please specify why you would recommend using category metadata or alternatively, why you would advise against using it.

Question 3 – Disclosure requirements for management-defined performance measures

Do you agree with the proposed modelling for management-defined performance measures, specifically:

- a) using dimensional modelling with two axes for the reconciliation between a management-defined performance measure and the most directly comparable subtotal listed in paragraph 118 of IFRS 18, or total or subtotal specifically required to be presented or disclosed by IFRS Accounting Standards; and
- b) using line-item elements from the primary financial statements as line-item elements?

If not, please describe what alternative modelling you suggest and why.

Questions in the PTU IFRS 18

Question 4 – Disclosure requirements for specified expenses by nature

- a) Do you agree with the proposed modelling for specified expenses by nature, specifically:
- i. using dimensional modelling using one axis with specific member elements representing the specified expenses by nature; and
 - ii. using line-item elements from the primary financial statements as line-item elements?

If not, please describe what alternative modelling you suggest and why.

- b) Do you agree with the IASB's proposal to deprecate the existing common practice table 'Disclosure of attribution of expenses by nature to their function' and related elements?

If not, please specify why.

Questions in the PTU IFRS 18

Question 5 – Implementation guidance for preparers

Do you agree with the proposed implementation guidance for preparers?

If not, please describe what alternative implementation guidance you suggest and why.

Question 6 – Presentation group for the statement representing comprehensive income, profit or loss

Do you agree with the IASB's proposal:

- a) to deprecate the existing presentation groups '[310000] Statement of comprehensive income, profit or loss, by function of expense' and '[320000] Statement of comprehensive income, profit or loss, by nature of expense'; and
- b) to add a single presentation group for the statement presenting comprehensive income, profit or loss?

If not, please specify why.

Question 7 – Other proposed changes

Do you agree with the IASB's other proposed changes to the IFRS Accounting Taxonomy, including the proposed approach to organising the IFRS Accounting Taxonomy during the period of transition to IFRS 18?

If not, please specify why.

Appendix C—Fieldwork examples

Overview of examples for preparer and user testing round

The fieldwork examples for the preparer and user testing round comprised:

- **Example 1A:** Statement of profit or loss XYZ Group (slide 44);
- **Example 1B:** MPM note XYZ Group (slides 45–46);
- **Example 1C:** Specified expenses by nature note XYZ Group (slide 47);
- **Example 2:** Statement of profit or loss AA Group (slide 48);
- **Example 3:** Statement of profit or loss BB Group (slide 49); and
- **Example 4:** Connecting amounts in the notes to line item(s) in the primary financial statements ('Fact-explanatoryFact' footnoteArc mechanism) (slide 50).

Example 1A: Statement of profit or loss XYZ Group

XYZ Group—Statement of profit or loss for the year ended 31 December 20X2		
(in thousands of currency units)		
	20X2	20X1
Revenue	367,000	353,100
Cost of sales	(241,600)	(224,100)
Gross profit	125,400	129,000
Other operating income	12,200	4,100
Selling expenses	(28,900)	(27,400)
Research and development expenses	(25,100)	(25,900)
General and administrative expenses	(20,900)	(22,400)
Goodwill impairment loss	(4,500)	–
Other operating expenses	(1,200)	(5,600)
Operating profit	57,000	51,800
Share of profit and gains on disposal of associates and joint ventures	5,300	7,300
Profit before financing and income taxes	62,300	59,100
Interest expenses on borrowings and lease liabilities	(13,000)	(13,200)
Interest expenses on pension liabilities and provisions	(6,500)	(6,000)
Profit before income taxes	42,800	39,900
Income tax expense	(10,700)	(9,975)
Profit from continuing operations	32,100	29,925
Loss from discontinued operations	–	(5,500)
PROFIT	32,100	24,425
Profit attributable to:		
Owners of the parent	25,680	19,540
Non-controlling interests	6,420	4,885
	32,100	24,425
Earnings per share from continuing operations:		
Basic and diluted	0.67	0.66
Earnings per share:		
Basic and diluted	0.67	0.54

Example 1B: MPM note XYZ Group

XYZ Group—Note on management-defined performance measures

Management-defined performance measures 20X2						(in thousands of currency units)
	IFRS	Impairment losses	Restructuring expenses	Adjusting items Gains on disposal of property, plant and equipment	Management-defined performance measure	
Other operating income		–	–	(1,800)		
Research and development expenses		1,600	–	–		
General and administrative expenses		–	3,800	–		
Goodwill impairment loss		4,500	–	–		
Operating profit /	57,000	6,100	3,800	(1,800)	65,100	
Adjusted operating profit						
Income tax expense		–	(589)	297		
Profit from continuing operations /	32,100	6,100	3,211	(1,503)	39,908	
Adjusted profit from continuing operations						
Profit attributable to non-controlling interests		305	161	–		

Example 1B: MPM note XYZ Group (continued)

XYZ Group—Note on management-defined performance measures (continued)

Management-defined performance measures 20X1						(in thousands of currency units)
	IFRS	Impairment losses	Litigation expenses	Gains on disposal of associates and joint ventures	Adjusting items	Management-defined performance measure
Research and development expenses		1,500	–	–	–	
General and administrative expenses		–	3,500	–	–	
Operating profit /	51,800	1,500	3,500	–	–	56,800
Adjusted operating profit						
Share of profit and gains on disposal of associates and joint ventures		–	–	(2,200)		
Income tax expense		–	–	319		
Profit from continuing operations /	29,925	1,500	3,500	(1,881)		33,044
Adjusted profit from continuing operations						
Profit attributable to non-controlling interests		75	–	–		

Example 1C: Specified expenses by nature note XYZ Group

XYZ Group—Note on specified expenses by nature		
	<i>(in thousands of currency units)</i>	
	20X2	20X1
Depreciation		
Cost of sales	23,710	21,990
Research and development expenses	2,515	2,590
General and administrative expenses	4,975	4,750
Total depreciation	31,200	29,330
Amortisation		
Research and development expenses	13,840	12,690
Total amortisation	13,840	12,690
Employee benefits		
Cost of sales	61,640	57,175
Selling expenses	7,515	7,110
Research and development expenses	6,545	6,750
General and administrative expenses	8,920	5,825
Total employee benefits	84,620	76,860
Impairment losses		
Research and development expenses	1,600	1,500
Goodwill impairment loss	4,500	–
Total impairment losses	6,100	1,500
Write-down of inventories		
Cost of sales	2,775	2,625
Total write-down of inventories	2,775	2,625

Example 2: Statement of profit or loss AA Group

AA Group—Statement of profit or loss for the year ended 31 December 20X2		
	(in thousands of currency units)	
	20X2	20X1
Revenue	398,700	370,900
Changes in inventories of finished goods and work in progress	3,000	(3,700)
Raw materials used	(146,000)	(143,200)
Employee benefits	(107,000)	(104,600)
Depreciation, amortisation and impairment	(37,500)	(36,300)
Other operating expenses	(17,100)	(15,200)
Operating profit	94,100	67,900
Share of profit of associates and joint ventures	3,800	2,900
Profit before financing and income taxes	97,900	70,800
Interest expenses on borrowings and lease liabilities	(3,500)	(4,000)
Interest expenses on pension liabilities	(6,500)	(6,800)
Profit before income taxes	87,900	60,000
Income tax expense	(21,800)	(15,000)
PROFIT	66,100	45,000

Example 3: Statement of profit or loss BB Group

BB Group—Statement of profit or loss for the year ended 31 December 20X2		
	(in thousands of currency units)	
	20X2	20X1
Revenue	390,000	365,000
Cost of sales	(285,000)	(270,000)
Gross profit from the sale of goods	105,000	95,000
Interest revenue related to providing financing to customers	119,500	121,000
Interest expenses related to providing financing to customers	(110,000)	(100,800)
Net interest income	9,500	20,200
Selling expenses	(28,900)	(26,300)
Research and development expenses	(15,800)	(15,400)
General and administrative expenses	(22,900)	(23,600)
Other operating expenses	(4,500)	(5,400)
Operating profit	42,400	44,500
Income from investments	5,500	4,000
Profit before financing and income taxes	47,900	48,500
Interest expenses on borrowings not related to providing financing to customers	(3,800)	(3,500)
Interest expenses on pension liabilities	(3,600)	(4,200)
Profit before income taxes	40,500	40,800
Income tax expense	(10,125)	(10,200)
PROFIT	30,375	30,600

Example 4: Connecting amounts in the notes to line item(s) in the primary financial statements ('Fact-explanatoryFact' footnoteArc mechanism)

Extract of the statement of profit or loss EE Group		
	(in currency units)	
	20X2	20X1
Revenue	120	90
Cost of sales	70	50
Gross profit	50	40

Extract of the statement of profit or loss EE Group
Included in cost of sales in the statement of profit or loss is an expense of 10 currency units (20X1: 8 currency units) for abnormal amounts of wasted materials.

Follow us online

 [ifrs.org](https://www.ifrs.org)

 [@IFRSFoundation](https://twitter.com/IFRSFoundation)

 [IFRS Foundation](https://www.youtube.com/IFRSFoundation)

 [International Accounting
Standards Board](https://www.linkedin.com/company/ifrs-foundation)