

EY Ireland

Financial Reporting Update

October 2024

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Foreword

At EY, we strive to simplify complex accounting and reporting requirements for our clients. With that in mind, this publication brings together the significant changes in accounting standards, regulatory requirements, as well as key enablers, to help you respond to the changing landscape.

In this edition, we cover the following recent financial and sustainability reporting updates, guidance, and emerging issues, among other matters :

- ▶ IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18)
- ▶ Updated illustrative financial statements for December 2024 year-ends
- ▶ Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRSs)
- ▶ IAASA Paper on IFRS 18
- ▶ IAASA observations on selected corporate reporting issues
- ▶ Irish Corporate Governance Code
- ▶ ESMA Public Statement on accounting for carbon allowances in financial statements
- ▶ FRC Annual Review of Corporate Reporting and Thematic reviews on Offsetting in the Financial Statements and IFRS 17 Insurance Contracts
- ▶ 2024 editions of UK and Ireland accounting standards.

If you have any questions or would like to discuss how your company is impacted by any of the topics in this publication, please get in touch with your EY contact, who will be supported by the individuals below.

Previous editions of this publication can be assessed on https://www.ey.com/en_ie/frg-newsletter.



Vickie Wall

Partner, Financial Accounting Advisory Services, EY Ireland
+353 1 221 1279
vickie.wall@ie.ey.com



Derarca Dennis

Partner, Climate Change and Sustainability Services, EY Ireland
+353 1 221 1675
derarca.dennis@ie.ey.com



Mark Kelly

Executive Director, Financial Reporting Group, EY Ireland
+353 1 221 2761
mark.kelly@ie.ey.com



Tinei Muwandi

Director, Financial Reporting Group, EY Ireland
+353 1 221 1948
tinei.muwandi@ie.ey.com

Section 01

International Financial Reporting Standards (IFRS)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB published IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18), a new IFRS Accounting Standard on presentation and disclosure in financial statements. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and will replace IAS 1. It requires retrospective application in both annual and interim financial statements along with specified reconciliations for certain comparative periods.

IFRS 18 introduces several new requirements that are expected to impact the presentation and disclosure of most, if not all, entities. These include :

- ▶ The requirement to classify all income and expense into specified categories and provide specified totals and subtotals in the statement of profit or loss
- ▶ Enhanced guidance on the aggregation, location and labelling of items across the primary financial statements and the notes
- ▶ Mandatory disclosures about management-defined performance measures (a subset of alternative performance measures).

IFRS 18 also makes consequential amendments to other accounting standards, including IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Statements. Some requirements previously included in IAS 1 have been moved to IAS 8, which has been renamed to 'Basis of Preparation of Financial Statements.

It is expected that entities will need to make changes to their data collection processes, information systems and their financial statement close process when implementing IFRS 18. In some cases, IFRS 18 requirements are expected to trigger revisiting of remuneration policies and debt covenants that are currently linked to IAS 1 profit or loss metrics.

Our 'A closer look at IFRS 18', publication discusses the new requirements in more detail.

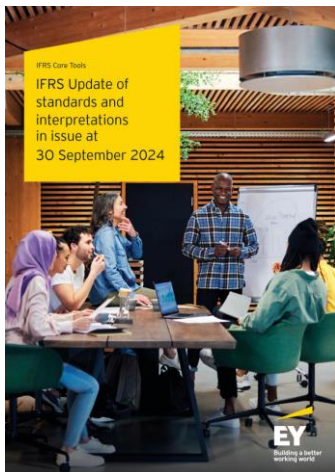


[A closer look at IFRS 18](#)

Other IFRS reference material

IFRS Update of standards and interpretations in issue on 30 September 2024

Our 'IFRS Update' publication provides an overview of the upcoming changes in standards and interpretations (pronouncements) issued by the IASB. It also provides an update on selected IASB active projects. The objective of the IFRS Update is to highlight key aspects of these changes and not to provide an in-depth analysis or discussion of the topics. Reference should be made to the text of the pronouncements before taking any decisions or actions.



[IFRS Update \(30 September 2024\)](#)

EU Endorsement status report

The Report provides an overview of IFRS Standards and IFRS interpretations pending endorsement. It also contains a list of all IFRS, amendments to IFRS and IFRS Interpretations endorsed in the EU, providing for each of them the date when it became effective in the EU, the date the endorsement decision was made and the date when it was published in the Official Journal of the European Union.

| IFRS Standards and Interpretations | | EFRAG draft endorsement advice | EFRAG endorsement advice | AIC Vote | When might endorsement be expected | IASB Effective date | Endorsement expected before the effective date |
|---|--|--------------------------------|--------------------------|--------------|------------------------------------|---------------------|--|
| IFRS STANDARDS AND INTERPRETATIONS | | | | | | | |
| IASB/IFRIC documents not yet endorsed. [Provisions to this schedule are marked in bold. Steps marked in green have been completed.] | | | | | | | |
| IFRS 15 Substances without Public Accountability: Disclosures (issued on 9 May 2024)* | | | | | | 01/01/2027 | |
| IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024) | | | | | | 01/01/2027 | ▲ |
| AMENDMENTS | | | | | | | |
| Annual Improvements Volume 11 (issued on 18 July 2024) | | ✓ 11/19/2024 | | | | 01/01/2026 | ▲ |
| Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024) | | ✓ 27/06/2024 | ✓ 09/10/2024 | | | 01/01/2026 | ▲ |
| Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 18 August 2023) | | ✓ 28/09/2023 | ✓ 06/01/2024 | ✓ 04/04/2024 | | 01/01/2025 | ▲ |

The information shown is our current best estimate of the latest date for publication or endorsement, assuming endorsement is to occur.
 *The EC has decided not to launch the endorsement process of the revised standard IFRS 16 Regulatory Deferral Accounts issued on 30 January 2014 and to wait for the final IFRS Standard.
 *The EC sent the request for endorsement advice (vote) on IFRS 15 Substances without Public Accountability: Disclosures on 17 September 2024.

If you would like to be informed about this and other EFRAG activities, please [subscribe](#)

Connect with EFRAG

[EU Endorsement status](#)

EY IFRS core tools

EY IFRS illustrative financial statements and disclosure checklists

EY publishes a series of illustrative financial statements to assist reporting entities in the preparation of their own financial statements. The illustrative financial statements are intended to reflect transactions, events and circumstances that we consider to be most common for a broad range of companies across a wide variety of industries. Certain disclosures are included in these financial statements merely for illustrative purposes. Commentaries are also provided to explain the basis for the disclosure or to address alternative disclosures not included in the illustrative financial statements. For a more comprehensive list of disclosure requirements, do refer to [EY's Online International GAAP® Disclosure Checklist](#).

Other EY IFRS technical resources including practical technical guidance, latest thinking and tools from EY financial reporting professionals are available [here](#).



[Good Group \(International\) Limited \(December 2024\)](#)



[Good Group \(International\) Limited \(December 2024\) Alternative Format](#)



[Financial Statements Disclosure Checklist \(December 2024\)](#)



[Interim Financial Statements Disclosure Checklist \(June 2025\)](#)



[Interim Financial Statements \(30 June 2024\)](#)



[Good Bank \(International\) Limited \(December 2023\)](#)



[Good Mining \(International\) Limited \(December 2021\)](#)



[Good Real Estate Group 2021](#)



[Good Life Insurance \(International\) Limited](#)



[Good General Insurance \(International\) Limited](#)

International GAAP®: Free access

EY's International GAAP® 2024, is now available online free of charge to clients and non-clients via the free content channel on EY Atlas Client Edition, EY Analysis: International Financial Reporting Standards (IFRS).

About International GAAP® 2024

International GAAP® 2024, written by EY financial reporting professionals from around the world, is our detailed guide to interpreting and implementing International Financial Reporting Standards (IFRS). It sets IFRS in a relevant business context, provides insights on how complex practical issues could be resolved, and explains complex technical accounting issues clearly. This detailed guide includes numerous worked examples, excerpts from the relevant standard, extracts from the published financial reports of major listed companies from around the world and call out boxes clearly highlighting EY's views.

About EY Atlas Client Edition

EY Atlas, used by thousands of EY employees daily, is a trusted online research platform for accounting and auditing information. Along with International GAAP® 2024, EY Atlas Client Edition also provides free access to other IFRS accounting thought leadership from EY teams (e.g., Applying IFRS and IFRS Developments) in one central, easy-to-navigate platform.

Optimized for mobile devices, EY Atlas Client Edition is accessible anytime and anywhere delivering the International GAAP® 2024 publication in a user-friendly, easy to browse and search, digital format.

User-friendly style

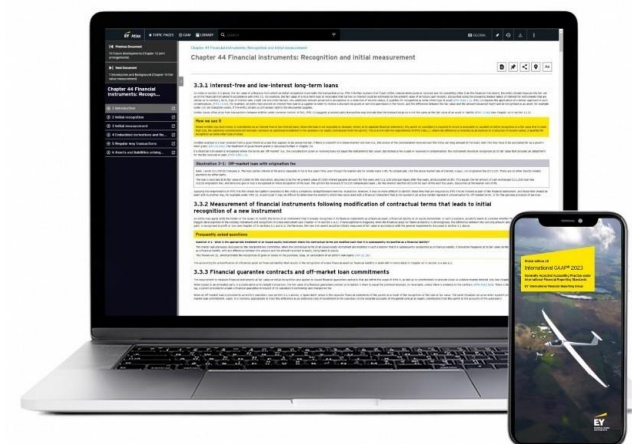
International GAAP® 2024 utilises a style layout that highlights excerpts from relevant standards, extracts from published financial statements and callout boxes clearly highlighting EY views.

Free to all users on EY Atlas Client Edition

International GAAP® 2024 is available to access free of charge via the free content channel in EY Atlas Client Edition, showcasing the EY purpose of building a better working world. Additionally, International GAAP® 2024 is also included within the premium subscription channel in EY Atlas Client Edition.

To obtain free access to International GAAP® 2024 on EY Atlas Client Edition, please visit ey.com/eyatlas to get started.

- ▶ Available, free of charge, to all users on EY Atlas Client Edition
- ▶ Numerous worked examples
- ▶ Extracts from the published financial reports of major listed companies
- ▶ Call out boxes clearly highlighting EY's views



IASB and IFRS IC exposure drafts, amendments agenda decisions and other guidance

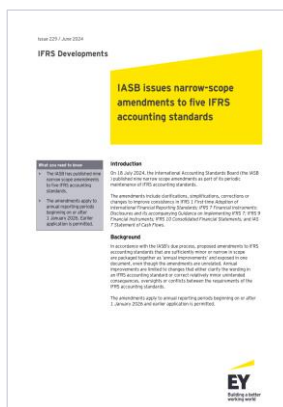
Narrow scope amendments to IFRS accounting standards

On 18 July 2024, the IASB published nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistence in the following standards :

- ▶ IFRS 1 First time adoption of International Financial Reporting Standards
- ▶ IFRS 7 Financial Instruments : Disclosures and its accompanying guidance on implementing IFRS 7
- ▶ IFRS 9 Financial Instruments
- ▶ IFRS 10 Consolidated Financial Statements
- ▶ IAS 7 Statement of Cashflows.

The amendments apply to annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. Entities will need to consider the extent of the impact to ensure that any changes to accounting policies are implemented from the effective date.

Our IFRS Developments Issue 229 publication outlines the narrow scope amendments.



[IFRS Developments Issue 229](#)

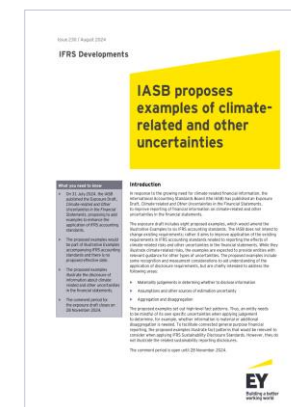
Examples of climate-related and other uncertainties

On 31 July 2024, the IASB published the Exposure Draft, [Climate-related and other Uncertainties in the Financial Statements](#) (the ED), proposing to add examples to enhance the application of IFRS.

The ED includes eight proposed examples, which would amend the Illustrative Examples to six IFRS Accounting Standards. The IASB aims to improve application of the existing requirements in IFRS related to reporting the effects of climate-related risks and other uncertainties in the financial statements.

While the examples illustrate climate-related risks, they also provide entities with relevant guidance for other types of uncertainties. The comment period for the ED closes on 28 November 2024.

Refer our IFRS Developments Issue 230 publication for more information on the ED.



[IFRS Developments Issue 230](#)

IASB and IFRS IC exposure drafts, amendments agenda decisions and other guidance

Proposed amendments to the equity method of accounting

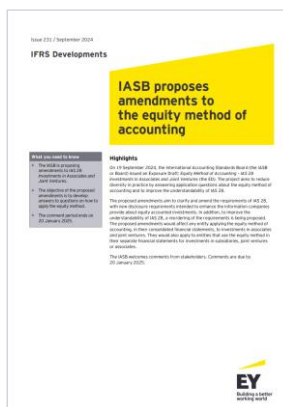
On 19 September 2024, the IASB issued [an Exposure Draft: Equity Method of Accounting - IAS 28 Investments in Associates and Joint Ventures \(the ED\)](#). The IASB aims to reduce diversity in practice by answering application questions the IASB has received about the equity method of accounting and to improve the understandability of IAS 28.

The proposed amendments aim to clarify and amend the requirements of IAS 28, with new disclosure requirements intended to enhance the information companies provide about equity accounted investments. In addition, to improve the understandability of IAS 28, the IASB has taken this opportunity to reorder the Standard in a logical and consistent way.

The proposed amendments would affect any entity applying the equity method of accounting, in their consolidated financial statements, to investments in associates and joint ventures. They would also apply to entities that use the equity method in their separate financial statements for investments in subsidiaries, joint ventures or associates.

Comments on the ED are due by 20 January 2025.

Our IFRS Developments Issue 231 publication provide more information on the proposed amendments.



[IFRS Developments Issue 231](#)

IFRS IC Update

IFRS IC Update is a summary of the decisions reached by the International Financial Reporting Standards Interpretation Committee (IFRS IC) in its public meetings. The IFRS IC met on 10 September and discussed the following issues :

- ▶ Guarantees Issued on Obligations of Other Entities
- ▶ Recognition of Revenue from Tuition Fees
- ▶ Post-implementation Review of IFRS 16-Leases
- ▶ Pollutant pricing mechanisms .

Refer to the IFRS IC Update for more information on the issues discussed and conclusions reached.



[IFRS IC Update September 2024](#)

Section 02 Sustainability Reporting

EU Commission releases FAQs on the implementation of the EU corporate sustainability reporting rules

On 7 August 2024, the EU Commission [published frequently asked questions](#) (the CSRD FAQs) on the implementation of the EU corporate sustainability reporting rules, related to the EU Directive 2022/2464 (CSRD). The CSRD FAQs document is part of the Commission's continued effort to support the application of the EU sustainable finance framework for undertakings that are in scope of the CSRD.

The CSRD FAQs serve as interpretative guidance, but they do not provide official legal interpretations (which can only be done through the Court of Justice of the European Union). The CSRD FAQs have 'draft status' and may be subject to change before final adoption. Provided users are mindful of the 'draft status', these FAQs could provide useful guidance in preparing for the implementation of the ESRs. The EU Commission does not state a timeline for finalisation of the CSRD FAQs.

The 90 FAQs, cover clarifications around many topics including :

- ▶ Scope and application dates (including requirements for third-country companies),
- ▶ Exemption rules
- ▶ Reporting on the value chain
- ▶ Article 8 of the Taxonomy Regulation disclosures
- ▶ Language requirements
- ▶ Digitalization (format and tagging)
- ▶ Publication and supervision
- ▶ Assurance of sustainability reporting
- ▶ The CSRD's interplay with Sustainable Finance Disclosures Regulation (SFDR).

The transposed CSRD text of the member states must be consulted in addition to the CSRD FAQs, to consider any country-specific legal provisions.

Our EU Sustainability Developments Issue 6 publication discusses specific CSRD FAQs which we have commonly noted during interactions with diverse stakeholders and interest groups.



[EU Sustainability Developments Issue 6](#)

ESMA issues Public Statement on first application of ESRS

On 5 July 2024, the European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, released its [Final Report - Guidelines on Enforcement of Sustainability Information \(GLESI\)](#) and a [Public Statement](#) on the first application of the European Sustainability Reporting Standards (ESRS) (the Public Statement). Both documents are in line with the recommendations proposed by ESMA in its earlier position paper [Building more effective and attractive capital markets in the EU](#). GLESI and the Public Statement consistently put forward measures to support corporate sustainability reporting.

GLESI addresses all National Competent Authorities (NCA) that are undertaking supervision of sustainability information prepared by issuers listed on an EU regulated market and provides guidance to build convergence on supervisory practices for sustainability reporting.

The Public Statement is intended to assist undertakings, in preparing their first sustainability statements for the 2024 reporting period in accordance with ESRS. It is aimed at first time adopters; that is, large public-interest entities and listed issuers of sustainability reports that will be released in 2025. The guidance also addresses the second wave of entities that are in scope of CSRD, especially large non-listed entities and non-EU parent entities with subsidiaries in the EU, which will issue their first sustainability reports for the 2025 reporting period in accordance with ESRS.

Our EU Sustainability Developments Issue 5 publication discusses the GLESI and Public Statement in more detail.



[EU Sustainability Developments Issue 5](#)

IAASA welcomes signing into law of CSRD Statutory Instrument

On 5 July 2024, the Irish Auditing and Accounting Supervisory Authority (IAASA) released a Statement, welcoming the signing into law of [S.I. No. 336/2024 - European Union \(Corporate Sustainability Reporting\) Regulations 2024 statutory Instrument\(SI\)](#) by Minister for Enterprise, Trade and Employment. The SI gives effect to the provisions of the CSRD. The IAASA statement highlighted the following key elements around the regulation and assurance of sustainability reporting provided for by the SI :

- ▶ Power for IAASA to regulate the sustainability reporting of entities under IAASA's remit as accounting enforcer
- ▶ Power for IAASA to adopt a sustainability assurance standard pending the adoption of an EU wide standard by the European Commission
- ▶ Power for recognised accountancy bodies (RABs) to approve and register sustainability assurance service providers
- ▶ Power to regulate the provision of sustainability assurance to companies in scope, which will be split between IAASA for public interest entities and RABs for other companies.

Refer IAASA's Statement for more information.



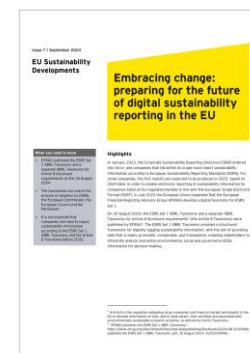
[IAASA Statement](#)

Preparing for the future of digital sustainability reporting in the EU

On 30 August 2024, the ESRS Set 1 XBRL Taxonomy and a separate XBRL Taxonomy for Article 8 disclosure requirements (the Article 8 Taxonomy) were published by EFRAG. The ESRS Set 1 XBRL Taxonomy provides a structured framework for digitally tagging sustainability information, with the aim of providing data that is easily accessible, comparable, and transparent, enabling stakeholders to efficiently analyse and utilize environmental, social and governance (ESG) information for decision-making.

The taxonomies are now in the process of adoption by ESMA, the European Commission, the European Council and the Parliament. It is not expected that companies will need to report sustainability information according to the ESRS Set 1 XBRL Taxonomy and the Article 8 Taxonomy before 2026.

Our EU Sustainability Developments Issue 7 publication provides more detail.



[EU Sustainability Developments Issue 7](#)

IAASA Letter to Audit Committee Chairs

On 7 August 2024, IAASA issued a letter to Audit Committee Chairs highlighting responsibility for the process of preparing sustainability reports as well as for monitoring the assurance process.

The letter outlines the following responsibilities of audit committees of Public Interest Entities as imposed by Statutory Instrument 336 of 2024 European Union (Corporate Sustainability Reporting) Regulations 2024 (SI 336) (SI):

- ▶ Informing directors of the entity of the outcome of the assurance of sustainability reporting and explaining how the assurance contributed to the integrity of the sustainability reporting and what the role of the audit committee was in that process
- ▶ Monitoring the sustainability reporting process of the undertaking, including its electronic reporting process as referred to in section 1600 of the SI and the process carried out by the undertaking to identify the information reporting in accordance with the sustainability reporting standards, and submitting recommendations or proposals to the directors of the entity to ensure its integrity
- ▶ Monitoring the effectiveness of the entity's internal quality control and risk management systems and, where applicable, its internal audit, regarding the sustainability reporting of the undertaking, including its electronic reporting process as referred to in section 1600 of the SI, without breaching its independence
- ▶ Monitoring the assurance of the entity and group sustainability reporting, in particular its performance, taking into account any findings and conclusions by IAASA, as the designated competent authority, pursuant to Article 26(6) of Regulation (EU) No 537/2014
- ▶ Reviewing and monitoring the independence of the statutory auditors or audit firms carrying out the assurance of sustainability reporting of the entity in accordance with section 1621 of the SI.

The letter also highlights IAASA's expectation that compliance with sustainability reporting requirements may significantly impact the annual reporting timelines.

Refer IAASA's letter for more information.



[IAASA Letter to Audit Committee Chairs](#)

Section 03

Regulator pronouncements and guidance

IAASA

Paper on IFRS 18 Presentation and Disclosure in Financial Statements

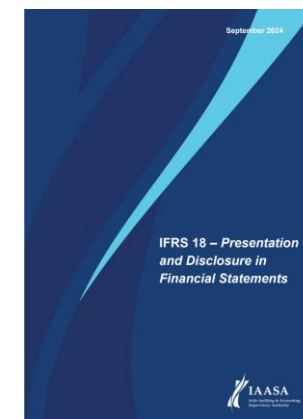
On 3 September 2024, IAASA published a Paper on IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027.

IAASA believes that as companies prepare for and implement IFRS 18, they should take the opportunity to reassess their existing financial reporting treatments and consider whether improvements can be made to provide users of the financial statements with more relevant and reliable information.

IAASA believes that the adoption of IFRS 18 provides companies with the opportunity to consider:

- ▶ The materiality thresholds applied in preparing the financial statements
- ▶ The best way in which to present exceptional items (e.g., on the face of the income statement or in the notes to the financial statements)
- ▶ Whether or not there is a need to adopt a columnar approach for the presentation of exceptional items in the Income Statement
- ▶ The presentation of Management Performance Measures (MPMs) or Alternative Performance Measures (APMs).

IAASA's Paper provides additional detail.



[IAASA Paper on IFRS 18](#)

IAASA

IAASA annual Observations paper

On 8 October 2024, IAASA , published its annual Observations paper highlighting matters that management, audit committees and auditors should consider when preparing, approving and auditing financial statements for 2024 year-end dates. The Observations paper addresses both financial reporting matters and sustainability reporting matters. The paper sets out the approach IAASA will take in conducting sustainability statement examinations in 2025. Below are the topics that are covered in IAASA's Observations paper.

- ▶ Uncertainty and mixed messages in the economic outlook
- ▶ Consistency of sustainability reporting with financial reporting
- ▶ IAASA's approach to enforcement of sustainability reporting
- ▶ Accounting policies, judgements and estimates
- ▶ Operating segments
- ▶ Fair values
- ▶ Impairment
 - ▶ Identification of cash generating units (CGUs)
 - ▶ Measuring value-in-use (VIU)
 - ▶ Disclosures for CGUs with goodwill or intangible assets with indefinite useful lives
- ▶ Contingent liabilities
- ▶ Management report - fair review of the business
- ▶ Alternative performance measures (APMs)
- ▶ IFRS developments.

Refer IAASA's Observations paper for more details



[IAASA Observations Paper](#)

Euronext Dublin

Launch of the Irish Corporate Governance Code

On 24 September 2024, Euronext Dublin published the inaugural Irish Corporate Governance Code (the “Code”). The provisions of the Code will apply to Irish incorporated companies with an equity listing on Euronext Dublin, effective for financial years commencing on or after 1 January 2025. Companies that are dual listed in Ireland and the United Kingdom, have an option to apply either the Code or the UK Corporate Governance Code (the “UK Code”) under the listing rules of Euronext Dublin (the “Listing Rules”). Traditionally, Irish incorporated companies listed in Ireland have followed the UK Code supplemented by the Irish Corporate Governance Annex.

The new Code sets out a series of Principles and more detailed Provisions aimed at establishing a high standard of corporate governance. The Principles serve as a foundation, guiding companies in their governance practices while the Provisions offer more detailed guidelines that support the application of the Principles.

The Listing Rules require every company listed on Euronext Dublin to state clearly and concisely in its annual report how the principles of the Code have been applied and whether the company has complied with all relevant provisions. Where a company has not complied with the Code’s provisions, it is required to report meaningfully on the nature, extent, and reasons for non-compliance. Where a company does not comply with a provision of the Code but plans to comply in the future, it should provide an indication of how and when it will comply.

Refer the Irish Corporate Governance Code for more details



[Irish Corporate Governance Code](#)

ESMA

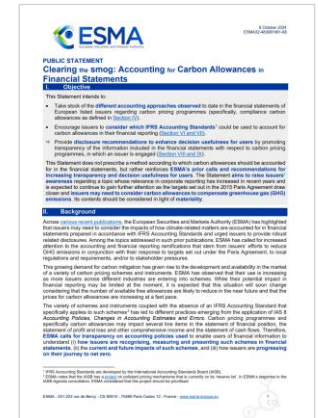
Accounting for Carbon Allowances in Financial Statements

On 8 October 2024, The European Securities and Markets Authority (ESMA), released a Public Statement (the Statement) on accounting for carbon allowances in the financial statements. ESMA considered the different accounting approaches in the financial statements of European listed issuers regarding compliance market carbon allowances – specifically emission allowances, rights and permits, such as the EU Emissions Trading System.

The Public Statement highlights IFRS Accounting Standards observed in practice that can be applied to account for carbon allowances in financial statements. In addition, it provides disclosure recommendations to enhance connectivity and decision usefulness for users by promoting transparency of the information included in the financial statements with respect to carbon allowances (of compliance and voluntary markets), in which an issuer is engaged.

The Statement does not prescribe a method for accounting for carbon allowances in the financial statements, but rather reinforces ESMA's prior calls and recommendations for increasing transparency and decision usefulness for users.

Refer the ESMA Public Statement for more information.



[ESMA Public Statement](#)

FRC

Annual Review of Corporate Reporting

On 24 September 2024, the FRC published its Annual Review of Corporate Reporting setting out the findings of its monitoring of UK companies' annual report and accounts alongside its expectations for the upcoming reporting season.

The FRC noted an increase in the number of restatements in relation to impairment of assets and cash flow statements, predominantly in companies outside the FTSE 350. The FRC noted improvements in several reporting areas, with provisions and contingencies falling out of the 'top ten' issues for the first time in over five years and engaged with significantly fewer companies in relation to their disclosure of judgements and estimates. The FRC was also pleased with the level of compliance against the Taskforce for Climate-related Financial Disclosures (TCFD) framework by premium-listed companies, though some companies still find this a challenge.

Below is a summary of the top ten issues raised by the FRC in 2023/2024 :

- ▶ Impairment of assets
- ▶ Cash flow statements
- ▶ Financial instruments
- ▶ Revenue
- ▶ Presentation of financial statements
- ▶ Strategic report and Companies Act 2006
- ▶ Judgements and estimates
- ▶ Income taxes
- ▶ Fair value measurement

The FRC is of the view that companies, and their auditors may reduce the risk of challenge by closely reviewing its findings to avoid similar breaches of reporting requirements in future.

Refer FRC's Report for more information.



[Annual Review of Corporate Reporting](#)

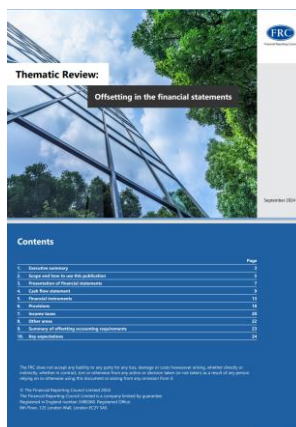
FRC

Thematic review : Offsetting in the financial statements

On 5 September 2024, the FRC published a thematic review in respect of offsetting in financial statements. Below are some of the points highlighted by the FRC in its report :

- ▶ Cash flows should be presented gross, unless otherwise required or permitted
- ▶ Bank overdrafts and positive bank balances that form part of a cash pooling arrangement are offset in the statement of financial position only when there is an intention to exercise a legally enforceable right to set off period-end bank balances
- ▶ High quality disclosures are important where financial instruments have been offset or are subject to a master netting arrangement or similar agreement
- ▶ A reimbursement asset is required to be separately presented from the associated provision. Any reimbursement rights that satisfy the contingent asset requirements of IAS 37 should also be appropriately disclosed.

Refer the FRC Thematic report for more information.



[Offsetting in the financial statements](#)

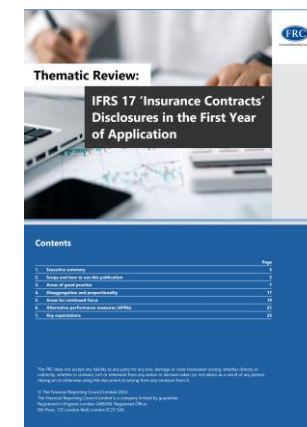
Thematic review : IFRS 17 Insurance Contracts (IFRS 17) Disclosures

On 5 September 2024, the FRC published a thematic review of IFRS 17 disclosures by Companies in their full year financial reports.

While the FRC notes that the quality of IFRS 17 disclosures provided by the Companies in the sample reviewed was good, it highlighted the following topics where disclosure could be improved :

- ▶ Judgements and estimates
- ▶ Alternative performance measures
- ▶ Disaggregation and proportionality
- ▶ Compliance with specific IFRS 17 disclosure requirements.

The FRC Thematic report provides more detail on the above topics.



[IFRS 17 Disclosures](#)

FRC

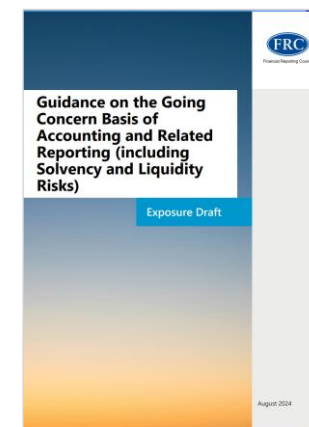
Guidance on the Going Concern Basis of Accounting and Related Reporting

On 5 August 2024, the FRC issued a consultation on revisions to its 'Guidance on the Going Concern Basis of Accounting and Related Reporting, including Solvency and Liquidity Risks (the draft Guidance)'. The draft Guidance will replace the FRC's existing Guidance issued in 2016.

The draft Guidance brings together the requirements and provisions of company law, accounting standards, auditing standards, listing rules, the UK Corporate Governance Code and other regulation relating to reporting on the going concern basis of accounting and solvency and liquidity risks. The Guidance is intended to help companies prepare high-quality, company-specific disclosures about their going concern conclusions and how they were reached. It includes a revised range of factors and techniques directors could consider when performing going concern assessments.

The Guidance will be non-mandatory and will serve as a practical guide to all UK companies except small companies and micro-entities. The consultation closes on 28 October 2024.

Refer FRC Guidance for more information.



[Guidance on the Going concern basis of accounting](#)

Section 04

Irish Generally Accepted Accounting Practice (GAAP)

2024 editions of UK and Ireland accounting standards

On 10 September 2024, The FRC issued new editions of UK and Ireland financial reporting standards.

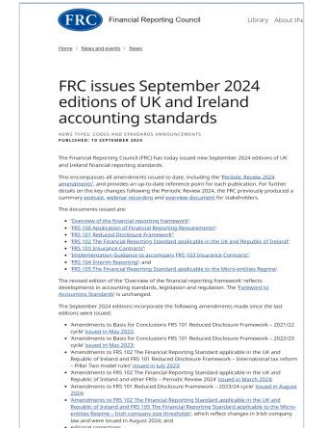
The editions encompass all amendments issued to date, including the 'Periodic Review 2024 amendments', and provides an up-to-date reference point for each publication. New editions of the following documents have been issued :

- ▶ 'Overview of the financial reporting framework'
- ▶ 'FRS 100 Application of Financial Reporting Requirements'
- ▶ 'FRS 101 Reduced Disclosure Framework'
- ▶ 'FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102)
- ▶ 'FRS 103 Insurance Contracts'
- ▶ 'Implementation Guidance to accompany FRS 103 Insurance Contracts'
- ▶ 'FRS 104 Interim Reporting'
- ▶ 'FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime'.

The revised edition of the 'Overview of the financial reporting framework' reflects developments in accounting standards, legislation and regulation. The 'Foreword to Accounting Standards' is unchanged.

The revised edition of FRS 102 includes the amendments to Section 23 - Revenue from Contracts with Customers and Section 20 - Leases to align the principles with IFRS 15 and IFRS 16, respectively. The changes are effective for year ends beginning on or after 1 January 2026.

Refer to the FRC statement for more information and links to the above documents.

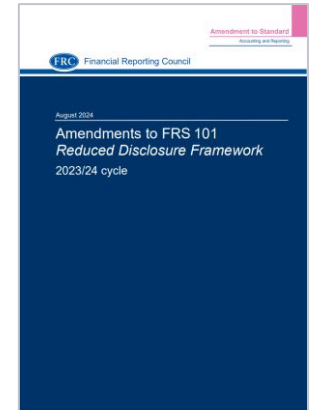


[September 2024 editions of UK and Irish GAAP](#)

Amendments to FRS 101 Reduced Disclosure Framework

On 9 August 2024, The FRC issued minor Amendments to FRS 101 Reduced Disclosure Framework following the 2023/24 annual review cycle. Changes include a disclosure exemption from presenting certain comparative information, and a conditional exemption for qualifying entities in respect of certain disclosures about supplier finance arrangements required by IAS 7 Statement of Cash Flows. Amendments were also made to Appendix II Note on Legal Requirements for consistency with IAS 1 Presentation of Financial Statements.

Refer FRC Amendments to FRS 101 publication for more information.



[Amendments to FRS 101](#)

Contact us

If you have any questions or would like to discuss how your company is impacted by any of the topics in this publication, please get in touch with us, or with your EY contact.



Vickie Wall

Partner, Financial Accounting Advisory Services, EY Ireland
+353 1 221 1279
vickie.wall@ie.ey.com



Derarca Dennis

Partner, Climate Change and Sustainability Services, EY Ireland
+353 1 221 1675
derarca.dennis@ie.ey.com



Mark Kelly

Executive Director, Financial Reporting Group, EY Ireland
+353 1 221 2761
mark.kelly@ie.ey.com



Tinei Muwandi

Director, Financial Reporting Group, EY Ireland
+353 1 221 1948
tinei.muwandi@ie.ey.com

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