

# EY Ireland

Financial Reporting Update

April 2024

# Contents

## Section 01

International Financial Reporting Standards (IFRS)

## Section 02

Sustainability Reporting

## Section 03

Regulator pronouncements and guidance

## Section 04

Irish Generally Accepted Accounting Practice (Irish GAAP)

## 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 recent IFRS updates and emerging accounting and reporting issues including the following matters and guidance :

- ▶ Accounting for payments from suppliers
- ▶ IASB's proposed amendments to IFRS 3 Business Combinations and IAS 36 Impairment of Assets
- ▶ Implication of postponement of sector specific European Sustainability Reporting Standards (ESRS) and third country ESRS
- ▶ IAASA report on outcome of financial statement examinations completed in 2023
- ▶ Revised UK Corporate Governance Code
- ▶ Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.



**Derarca Dennis**

*Partner, Assurance,  
EY Ireland*

+353 1 221 1675

[derarca.dennis@ie.ey.com](mailto:derarca.dennis@ie.ey.com)



**Mark Kelly**

*Executive Director, Financial  
Reporting Group, EY Ireland*

+353 1 221 2761

[mark.kelly@ie.ey.com](mailto:mark.kelly@ie.ey.com)



**Tinei Muwandi**

*Director , Financial  
Reporting Group, EY Ireland*

+353 1 221 1948

[tinei.muwandi@ie.ey.com](mailto:tinei.muwandi@ie.ey.com)

# Section 01

## International Financial Reporting Standards (IFRS)

### Applying IFRS: Accounting for payments from suppliers

The growth of e-commerce markets, the development of new platforms and tools, and changing customer demands have all influenced the interaction between retailers and suppliers in recent years. From simple rebates or incentives to complex co-operative arrangements, there are many reasons an entity might receive payments from its supplier. For example, a supplier might pay cash to a retailer in exchange for the retailer's cooperation with, or participation in, the supplier's marketing activities.

While IFRS accounting standards specifically address payments made by an entity to its customers, there is no one standard that addresses payments received by an entity from its suppliers. Instead, there are several requirements under IFRS that might be applicable, depending on the specific facts and circumstances. Judgement will be required to account for these payments.

Our Applying IFRS publication discusses the key steps to consider when accounting for payments received (or receivable) from suppliers, considering the requirements in the various applicable IFRS accounting standards.

- ▶ Entities need to identify whether the payment received (or receivable) is in exchange for a distinct good or service transferred to the supplier. If so, entities account for the transaction in the same way they would other similar sales or disposals of goods or services
- ▶ If an entity receives payment from the supplier as a discount or rebate on purchased goods or services, the payment is deducted from the cost of the purchased good or service.
- ▶ If an entity receives payment as reimbursement of costs paid on behalf of the supplier, the payment offsets the expense incurred on behalf of the supplier.

The views expressed in this publication represent our perspectives as of January 2024. Additional issues may be identified as we continue to analyse application of the various IFRS accounting standards, and our views may evolve.



[Accounting for payments from suppliers](#)

## Other IFRS reference material

### IFRS Update of standards and interpretations in issue on 31 December 2023

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



[IFRS Update \(31 December 2023\)](#)

### 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 STANDARD/ INTERPRETATIONS	IASB ISSUANCE DATE	IASB EFFECTIVE DATE	IASB EFFECTIVE DATE IN EU	ENDORSEMENT DECISION DATE
Amendments to IFRS 17, Financial Instruments: Measurement	01/01/2023	01/01/2023	01/01/2023	01/01/2023
Amendments to IFRS 17, Financial Instruments: Measurement	01/01/2023	01/01/2023	01/01/2023	01/01/2023

[EU Endorsement status report](#)



# 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 \(December 2023\)](#)



[Good Group \(International\) Limited \(December 2023\) Alternative Format](#)



[Financial Statements Disclosure Checklist \(December 2023\)](#)



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



[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

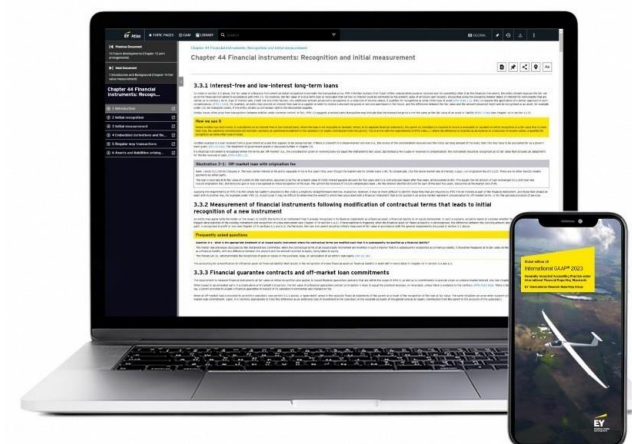
International GAAP® 2024 utilises a style layout that highlights excerpts from relevant standards, extracts from published financial statements and callout boxes clearly highlighting EY views.

### 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](https://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

## IASB proposed amendments to IFRS 3 and IAS 36

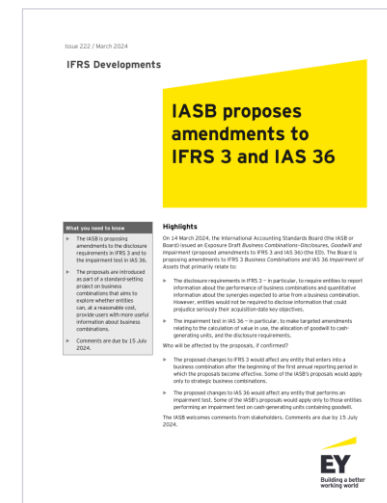
On 14 March 2024, the International Accounting Standards Board (the IASB) issued an [Exposure Draft Business Combinations–Disclosures, Goodwill and Impairment \(proposed amendments to IFRS 3 and IAS 36\)](#) (The ED). The IASB is proposing amendments to IFRS 3 Business Combinations and IAS 36 Impairment of Assets that primarily relate to :

- ▶ The disclosure requirements in IFRS 3 - in particular, to require entities to report information about the performance of business combinations and quantitative information about the synergies expected to arise from a business combination. However, entities would not be required to disclose information that could prejudice seriously their acquisition date key objectives.
- ▶ The impairment test in IAS 36- in particular, to make targeted amendments relating to the calculation of value in use, the allocation of goodwill to cash generating units ,and the disclosure requirements.

The proposed changes to IFRS 3 would affect any entity that has business combination transactions after the beginning of the first annual reporting period in which the proposals become effective. Some of the IASB's proposals would apply only to strategic business combinations.

The proposed changes to IAS 36 would affect any entity that performs an impairment test but some of the IASB's proposals would apply only to those entities performing an impairment test on cash generating units containing goodwill.

The IASB welcomes comments from stakeholders and comments are due by 15 July 2024. Refer our IFRS developments Issue 222 for more information on the IASB's proposed amendments.



[IFRS Developments Issue 222](#)

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

## IFRS IC Updates

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 5 March 2024 and discussed the following issues :

- ▶ Climate-related Commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets)
- ▶ Payments Contingent on Continued Employment during Handover Periods (IFRS 3 Business Combinations)–
- ▶ Post-implementation Review of IFRS 9 Financial Instruments–Impairment

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



[IFRS IC Update March 2024](#)



# Section 02

## Sustainability Reporting

# Implication of sector specific ESRS and third country ESRS postponement

In October 2023, the European Commission (the Commission) proposed to postpone the release of the sector specific European Sustainability Reporting Standards (ESRS) and the third country company ESRS for two years, to June 2026. The European Parliament and the Council of EU member states subsequently provisionally agreed on 7 February 2024 to grant the proposed two-year adoption postponement for the sector-specific standards and the third country company ESRS. The Commission stated that this would give companies time to implement the general sector-agnostic ESRS, and to prepare for the sectorial ESRS.

The two-year adoption postponement does not prevent the Commission from releasing the sector-specific ESRS before June 2026. The European Parliament and Council of EU member states confirmed in the agreement reached on 7 February 2024, that the Commission should endeavour to adopt eight of the sector-specific ESRS as soon as they are ready, particularly in the case of oil, gas and mining sectors. The application date of the Corporate Sustainability Reporting Directive (CSRD) has not changed.

The postponement of the adoption of third country company standards from June 2024 to June 2026 means that the affected companies will have less time to prepare for the third country company standards (which have not yet been published), because the first reports are still expected for financial years starting on or after 1 January 2028. Companies need to monitor the development of sector-specific standards that are relevant to their business, so that they are prepared to apply these standards after they are adopted.

Our EU Sustainability Developments Issue 4 discusses the impact of the February 2024 deferral of release of sector-specific ESRS and third country company ESRS.



[EU Sustainability Developments Issue 4](#)

## International Sustainability Standards Board (ISSB) climate-related disclosure checklist

Our checklist is intended to provide a summary of required climate-related disclosures set out in the International Sustainability Standards (ISSB Standards) and related guidance. Entities should refer directly to the relevant International ISSB Standards for the comprehensive disclosure requirements and additional context.

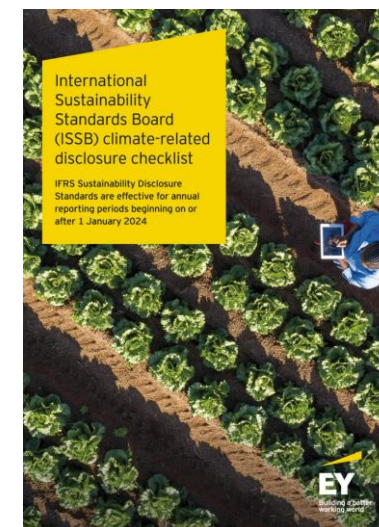
An entity that prepares sustainability-related financial disclosures in accordance with the ISSB Standards must always apply IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1). IFRS S1 identifies the essential elements of a complete set of sustainability-related disclosures and sets out the qualitative characteristics of useful sustainability-related financial information. An entity will apply IFRS S1 in preparing and reporting sustainability-related financial disclosures for the full 'universe' of sustainability-related information.

IFRS S2 Climate-related disclosures (IFRS S2) further specifies the information an entity is required to disclose about climate-related risks and opportunities. IFRS S1 and IFRS S2 must always be applied together.

The checklist includes disclosure requirements from both IFRS S1 and IFRS S2. For the purposes of this checklist, the wording of the related paragraphs in IFRS S1 has been amended from the more generic term 'sustainability-related financial information' to the more specific term 'climate-related financial information' to avoid confusion.

Note that the paragraph references related to the disclosure requirements in IFRS S1 have been retained, so that the user of the checklist can refer directly to IFRS S1 for more information. While our checklist includes the relevant disclosure requirements from IFRS S1, it does not address the disclosures of any other sustainability risks and opportunities, apart from climate. The checklist is updated annually, to include any amendments to IFRS S1 or S2 that may have been made by the ISSB.

ISSB Standards are effective for annual reporting periods on or after 1 January 2024. Entities applying the ISSB Standards under a local endorsement mechanism must consider the relevant local effective dates.



[ISSB Climate-related disclosure checklist](#)

## Section 03

### Regulator pronouncements and guidance

## IAASA

### Outcome of financial statement examinations completed in 2023

On 30 January 2024, the Irish Auditing and Accounting Supervisory Authority (IAASA) published a summary of the outcomes of its examinations of financial reports completed in 2023.

The summary indicates :

- ▶ That, in general, the level of compliance by companies with financial reporting requirements continues to be strong
- ▶ The impact of climate change and climate impact mitigation initiatives on companies reflecting IAASA's focus on the financial reporting implications of climate change and climate commitments by companies.

Per IAASA's report, the adoption of European Sustainability Reporting Standards (ESRSs) across Europe on a phased basis from 2024 (with sustainability reporting first being published in 2025) will significantly impact environmental reporting requirements for companies.

Refer to IAASA's report for more details.



[Outcome of financial statements examinations](#)

# ESMA

## 2023 Corporate Reporting Enforcement and Regulatory Activities

On 27 March 2024, the European Security and Markets Authority (ESMA) issued a report on the 2023 Corporate Reporting Enforcement and Regulatory Activities. The Report summarises the 2023 activities of national enforcers in the European Economic Area and ESMA, related to supervising and enforcing financial and non-financial information, as well as European Single Electronic Format reporting. It provides overarching messages to issuers and auditors to improve future financial and non-financial reports by assessing how issuers comply with International Financial Reporting Standards and non-financial reporting obligations, and apply ESMA's recommendations, including the European Common Enforcement Priorities.

The Report provides an overview of the activities carried out by ESMA and enforcers around financial and non-financial information, as well as digital reporting focusing on enforcement and regulatory activities related to issuers whose securities are admitted to trading on regulated markets.

The Report is mainly addressed to issuers (e.g., issuers' management as well as administrative and supervisory bodies, including audit committees), auditors and other professionals working in the field of corporate reporting.

Refer ESMA Report for more information.



[ESMA Report](#)

## FRC

### Review of reporting by the UK's largest private companies

On 31 January 2024, the Financial Reporting Council (FRC) published its thematic review of reporting by the UK's largest private companies which highlighted the following key findings that companies and their auditors should consider for future annual reports :

- ▶ The best strategic report disclosures focused on the matters that are key for an understanding of the company. These were explained in a clear, concise and understandable way that was consistent with the disclosures in the financial statements. Good quality reporting does not necessarily require greater volume.
- ▶ Better examples of judgement and estimates disclosures included detail of the specific judgement involved and clearly explained the rationale for the conclusion. The significance of estimation uncertainty was much more apparent when sensitivities were quantified.
- ▶ Accounting policies for complex transactions and balances were often untailored, providing boilerplate wording. Entity-specific policies are particularly critical for revenue, where the better examples explained the nature of each significant revenue stream, the timing of recognition and how the value of revenue was determined

Refer the FRC's Thematic review report for more information.



[UK's largest private companies : Thematic Review](#)



## FRC

### FRC Revises UK Corporate Governance Code

On 22 January 2024, the FRC announced important revisions to the UK Corporate Governance Code (the Code) which come into effect from 1 January 2025. The FRC dropped its earlier proposals for revisions to the Code related to the role of audit committees on environmental, social and governance issues and expanded the following areas :

- ▶ Diversity and inclusion expectations
- ▶ Over-boarding provisions
- ▶ Expectations on Committee Chairs' engagement with shareholders.

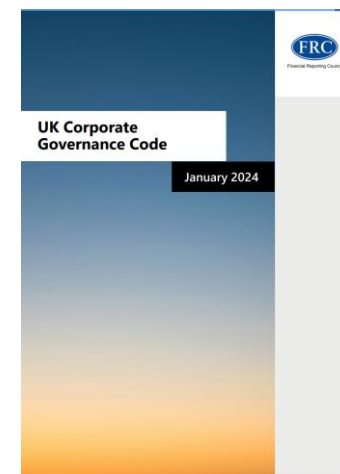
While the FRC's expectations relating to internal controls remain unchanged, the FRC now expect Boards to explain through a declaration in their Annual Reports how they have fulfilled the expectations and their conclusions relating to internal controls. The expectation for the Board declaration will come into effect from 1 January 2026, one year after the rest of the updated Code comes into effect from 1 January 2025 to give Boards more time to develop their approaches to internal controls.

A small number of other minor changes have been made to the Code that aim to better streamline the expectations or clarify the language including the Code's provisions on malus and clawback and audit committee minimum standards.

On 29 January 2024, the FRC published [digitally accessible guidance associated with the Code](#). The guidance is not part of the Code and should not be seen as a requirement of the FRC. It is aimed at helping Boards in complying with the Code.

Refer to the FRC's new Corporate Governance Code for more details.

Our EY's UK Centre for Board Matters will hold a webcast on 23 April 2024 to discuss some of the changes made to the UK Corporate Governance Code. [You can register to attend the webcast through this link](#).



[UK Corporate Governance Code](#)

# Section 04

## Irish Generally Accepted Accounting Practice (Irish GAAP)

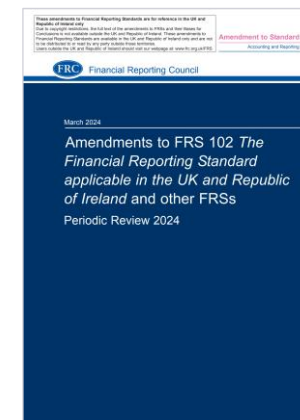
### FRC revises UK and Ireland accounting standards

On 27 March 2024, the Financial Reporting Council (FRC) issued Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and other FRSS - Periodic Review 2024, concluding its second periodic review of the financial reporting standards.

The changes are part of the FRC's five-year periodic review of FRS 102. The most significant changes relate to leases and revenue recognition where amendments were made to align FRS 102 with recent changes to international financial reporting standards. The FRC also made several improvements and clarifications that are designed to make it easier for preparers to apply and understand the standards. Along with the amendments, the FRC also issued a three-pager document summarising the key changes to FRS 102. The effective date for most amendments is periods beginning on or after 1 January 2026, with early adoption permitted.

The FRC intends to publish new editions of the standards and updated staff factsheets with guidance on key aspects of the new requirements during 2024 and will be [hosting a webinar to discuss the new standards at 11am on 15 May 2024](#).

Refer FRC's amendments to FRS102 publication and the three pager on the key changes for more information on the amendments.



[Amendments to FRS 102](#)



[Key changes](#)

# 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.



**Derarca Dennis**

*Partner, Assurance, EY Ireland*  
+353 1 221 1675  
[derarca.dennis@ie.ey.com](mailto:derarca.dennis@ie.ey.com)



**Mark Kelly**

*Executive Director, Financial Reporting Group, EY Ireland*  
+353 1 221 2761  
[mark.kelly@ie.ey.com](mailto:mark.kelly@ie.ey.com)



**Tinei Muwandi**

*Director, Financial Reporting Group, EY Ireland*  
+353 1 221 1948  
[tinei.muwandi@ie.ey.com](mailto:tinei.muwandi@ie.ey.com)

## EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organisation, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organisation, please visit [ey.com](https://ey.com).

© 2023 Ernst & Young. All Rights Reserved.

P\_024770.pptx. Produced by Creative (Ireland). 10/2023. ED none.

The Irish firm Ernst & Young is a member practice of Ernst & Young Global Limited. It is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business in the Republic of Ireland.

Ernst & Young, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

[ey.com](https://ey.com)