IFRION
TECHNICAL ACCOUNTING ADVISORY

FREE RESOURCE

IFRS 18 Readiness Checklist

Fifteen checks to complete before annual periods beginning on or after 1 January 2027.

IFRS 18 replaces IAS 1 and introduces mandatory income statement categories, a new operating profit subtotal, and required disclosure of management-defined performance measures. Use this checklist to track your transition.

1 Understand What's Changing

- [ ] Reviewed how IFRS 18 replaces IAS 1 for your reporting entity
- [ ] Identified the three mandatory income statement categories — operating, investing, financing
- [ ] Understood the new required “operating profit” subtotal and what feeds into it

2 Assess Your Reporting Impact

- [ ] Mapped current income statement line items to the new IFRS 18 categories
- [ ] Identified any non-IFRS profit measures you report publicly (these may need MPM disclosure)
- [ ] Reviewed segment reporting for consistency with the new categories

3 Plan the Transition

- [ ] Built a restated comparative-period income statement (retrospective application is required)
- [ ] Identified system or ERP changes needed to capture the new categorisation
- [ ] Briefed the board on the new subtotal and its impact on reported KPIs

4 Prepare Disclosures

- [ ] Drafted management-defined performance measure (MPM) reconciliation notes
- [ ] Reviewed aggregation/disaggregation disclosure requirements for income statement line items
- [ ] Confirmed which MPMs need a single dedicated note, per IFRS 18

5 Confirm Your Timeline

- [ ] Confirmed effective date: annual periods beginning on or after 1 January 2027
- [ ] Decided whether early adoption makes sense for your business
- [ ] Set an internal deadline to complete transition work ahead of first reporting period

Need help working through this checklist?

IFRION's technical accounting team can scope your IFRS 18 transition in one call.

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