

Implementation costs

Interview questions

1. Cover Page

Dear stakeholder,

This interview aims to obtain views of preparers of financial statements who apply UK-adopted International Accounting Standards on expected **implementation costs** associated with the recently issued Standard IFRS 18 *Presentation and Disclosure in Financial Statements* (the Standard).

IFRS 18 was issued by the International Accounting Standards Board (IASB) in April 2024 and provides general presentation and disclosure requirements to improve how information is communicated in the financial statements, with a focus on the income statement.

The information collected is intended to help the UK Endorsement Board (UKEB)* assess the impact of IFRS 18 on UK organisations adopting the Standard. This will form part of the work necessary to assess the Standard for UK adoption. If adopted in the UK, IFRS 18 will apply to annual reporting periods beginning on or after 1 January 2027.

More information on IFRS 18, including on how to access the final Standard, and supporting material can be found [here](#).

Your responses will make a valuable contribution to the UKEB's understanding of preparers' views on the implementation of IFRS 18 and will be used as input to the UKEB's decision on whether to adopt the Standard for use in the UK.

Who should participate?

Organisations that prepare financial statements using IFRS and are listed and/or incorporated in the UK as they could be impacted by the timing of the endorsement and adoption of IFRS 18.

If you are not the best placed person in the organisation to respond or do not possess all the information you need, please circulate the questionnaire among relevant colleagues (this is why we use Word version) and don't hesitate to contact us if you need support in completing the questions.

* The UK Endorsement Board (UKEB) is the UK standard setter for IFRS Accounting Standards. As part of its role, the UKEB endorses and adopts new or amended international accounting standards for use in the UK.

How long will it take?

This interview is expected to last for 1 hour via a Microsoft Teams meeting.

Data Usage¹

The information collected is intended to help the UKEB assess the impact of IFRS 18 on UK organisations adopting the Standard if it were adopted for use in the UK. Responses will be used by the UKEB as evidence for the assessment of the endorsement and adoption of IFRS 18. Responses will be considered individually, kept confidential and anonymised for the purposes of the endorsement assessment.

¹ By taking this interview, you accept that we will process your personal data in line with our [Privacy Statement](#) and [Individual Rights \(Data Privacy\) Policy](#). We will securely store your personal data until the research period concludes. We may then anonymise your responses to enable us to use the responses for further research. We respect your trust and protect your privacy, and therefore will not sell or share this personal data with any third parties. Where consent is given, the Secretariat may use contact details provided to contact individual respondents to clarify aspects of their response or further investigate themes/topics. Individual responses will not be published. Your contact details will not be used for any other purposes. If you have any questions or change your mind, please contact privacy@endorsement-board.uk.

2. Filtering questions

1. Is your entity either listed or incorporated in the UK, or both?

Yes

No

3. Filtering IFRS reporters

2. Does your entity or group apply IFRS (UK-adopted International Accounting Standards)?

Yes

No

3. Please indicate the name of your entity

4. Are you responding on behalf of a group or an individual entity?

Entities that prepare consolidated financial statements should respond on behalf of their group, to the extent possible.

Group

Individual entity

5. Does your entity conduct either of the following specified business activities as a main business activity?

Please select all that apply.

The entity invests in assets as a main business activity

The entity provides financing to customers as a main business activity

4. Baseline costs

The following question will ask you to provide an estimate of the costs you incurred to prepare your most recent set of annual financial statements. These figures will be used as a “baseline cost” estimate to be compared against incremental adoption costs for IFRS 18. The cost figure should:

- be at group level (consolidated), if possible (please indicate otherwise);
- comprise: ongoing accounting system maintenance; staff costs; audit and legal costs;
- include any costs incurred to prepare interim reporting;
- exclude, to the extent possible, costs of producing non-financial statements information, such as the first half of the annual report or investors' presentations.

Figures provided will be kept confidential and aggregated with other responses.

6. With reference to the costs you incurred to prepare your most recent set of annual financial statements:

- These costs are internally available, and we would be able to provide them here
- These costs are internally available, but we would not be able to provide them here
- These costs are unavailable

5. Baseline costs

7. Please provide an estimate in £ millions of the costs you incurred to prepare your most recent set of annual financial statements:

(Figures provided will be kept confidential and aggregated with other responses. Please take note of this figure as it will be used in the responses of the following questions)

8. Concerning your baseline costs to prepare your most recent set of financial statements. Do they represent:

- The costs for day-to-day finance operations (i.e. the daily crunching of numbers)
- The cost for the end-of-year extraction of accounts (i.e. pulling out the numbers at the end)
- Other (Please explain)

Please explain your answer:

6. Incremental one-off costs

In the following question, we will ask you to estimate expected extra **one-off costs** that your entity will incur for the implementation of IFRS 18 **in the first year of adoption** as a share of baseline costs. We understand that your organisation may not yet have carried out a detailed analysis – estimated costs will still be helpful if you can provide them.

In the following questions:

- **Accounting system** is understood as the system (increasingly software) designed to record the accounting transactions and events of a business and account for them in a way that complies with its policies and procedures.
- **Data handling** is understood as the flowing of transaction data through processes and controls and the recording of these data flows in accounting information systems/software as well as the conversion of year-end and consolidation journals/adjustments into that data flow, before financial statements and notes disclosures are prepared.
- **Accounts preparation** is understood as the final step of preparation of financial statements and disclosure notes, assuming the data needed has been recorded and appropriate adjustments made.

9. Please provide an estimate of the extra one-off costs that you anticipate your entity will incur for the implementation of IFRS 18 in the first year of adoption as a share of the costs you incurred to prepare your most recent set of annual financial statements.

	Nil	<1% of baseline cost	Between 1% and 5% of baseline cost	Between 5% and 10% of baseline cost	> 10% of baseline cost
Familiarisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Changes to data handling processes and controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounts preparation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounting system changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication with third parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Nil	<1% of baseline cost	Between 1% and 5% of baseline cost	Between 5% and 10% of baseline cost	> 10% of baseline cost
Audit (internal and external)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal (internal and external)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please provide an aggregated absolute estimate in GBP, if available (e.g., one-off implementation costs estimated to be £100,000)

7. Incremental ongoing costs

In the following questions, we will ask you to estimate any expected extra ongoing costs that your entity will incur for the adoption of IFRS 18 in the years after the adoption as a share of baseline costs. We understand that your organisation may not yet have carried out a detailed analysis – estimated costs will still be helpful if you can provide them.

The definitions and instructions that apply to one-off costs, apply to ongoing costs too. Please see the previous page if you need a refresher.

10. Please provide an estimate of any annual extra costs that you anticipate your entity will incur for the implementation of IFRS 18 on an ongoing basis as a share of the costs you incurred to prepare your most recent set of annual financial statements.

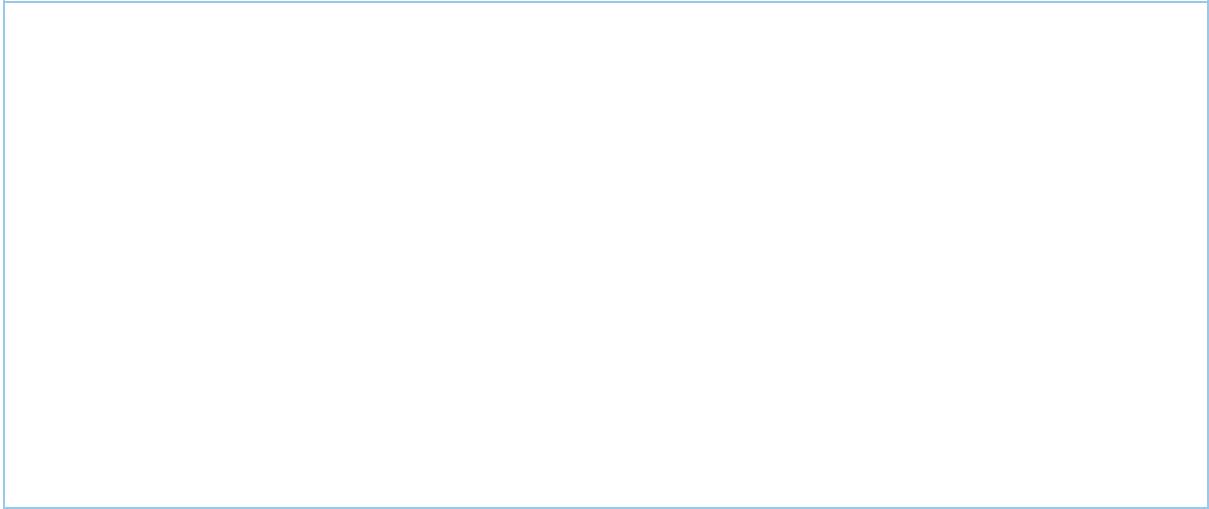
	Nil	<1% of baseline costs	Between 1% and 5% of baseline cost	Between 5% and 10% of baseline cost	>10% of baseline cost
Changes to data handling processes and controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounts preparation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounting system maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication with third parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Audit (internal and external)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal (internal and external)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please provide an aggregated absolute estimate in GBP, if available (e.g., ongoing implementation costs estimated to be £20,000 per annum)

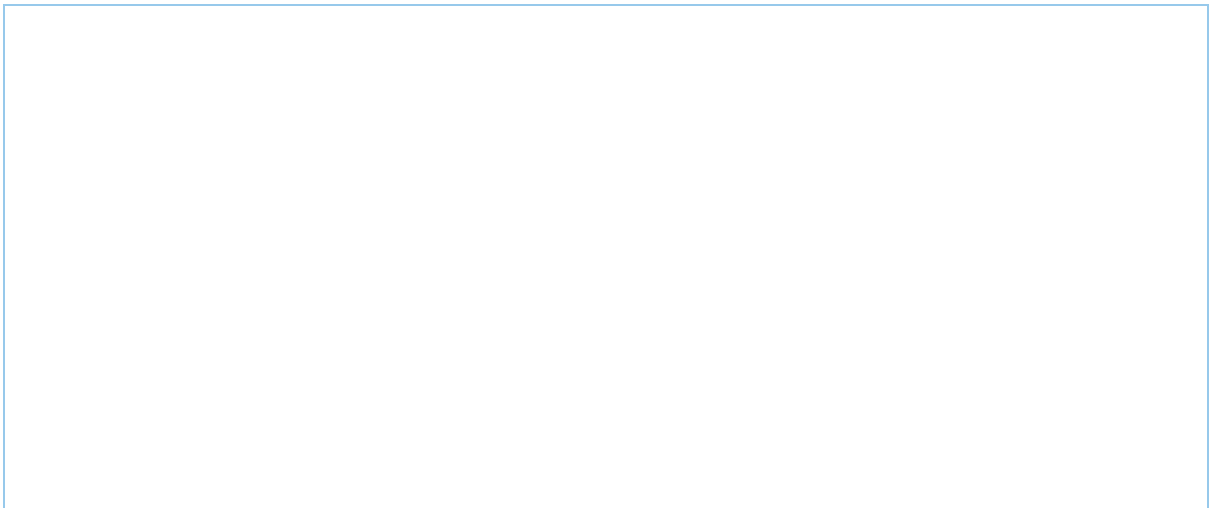
11. Please provide an estimate of the number of years for which your entity is expecting to incur extra ongoing costs.

Ongoing costs

12. Do you have any expected costs savings as a result of IFRS 18? Please state them:

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13. Do you have any direct benefits you expect to gain as a result of IFRS 18? Please state them:

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14. Which requirements do you expect to be more costly? Please rank them in order from 1 (most costly) – 4 (least costly):

Categories and subtotals	<input type="text"/>
Management-defined performance measures	<input type="text"/>
Aggregation and disaggregation	<input type="text"/>
Limited amendments to the statement of cash flows	<input type="text"/>

8. Incremental one-off costs

In the following question, we will ask you to estimate expected extra **one-off costs** that your entity will incur for the implementation of IFRS 18 in the first year of adoption as a share of operating costs. We understand that your organisation may not yet have carried out a detailed analysis – estimated costs will still be helpful if you can provide them.

In the following questions:

Accounting system is understood as the system (increasingly software) designed to record the accounting transactions and events of a business and account for them in a way that complies with its policies and procedures.

Data handling is understood as the flowing of transaction data through processes and controls and the recording of these data flows in accounting information systems/software as well as the conversion of year-end and consolidation journals/adjustments into that data flow, before financial statements and notes disclosures are prepared.

Accounts preparation is understood as the final step of preparation of financial statements and disclosure notes, assuming the data needed has been recorded and appropriate adjustments made.

15. Please provide an estimate of the extra one-off costs that you anticipate your entity will incur for the implementation of IFRS 18 in the first year of adoption as a share of your 2023 YE operating costs.

	Nil	<1% of operating cost	Between 1% and 5% of operating cost	> 5% of operating costs
Familiarisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Changes to data handling processes and controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounts preparation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounting system changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication with third parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Audit (internal and external)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal (internal and external)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please provide an aggregated absolute estimate in GBP, if available (e.g., one-off implementation costs estimated to be £100,000 per annum)

9. Incremental ongoing costs

In the following questions, we will ask you to estimate any expected extra ongoing costs that your entity will incur for the adoption of IFRS 18 in the years after the adoption as a share of operating costs. We understand that your organisation may not yet have carried out a detailed analysis – estimated costs will still be helpful if you can provide them.

The definitions and instructions that apply to one-off costs, apply to ongoing costs too. Please see the previous pages if you need a refresher.

16. Please provide an estimate of the extra ongoing costs that you anticipate your entity will incur for the implementation of IFRS 18 on a regular basis as a share of your 2023 YE operating costs.

	Nil	<1% of operating cost	Between 1% and 5% of operating cost	> 5% of operating costs
Changes to data handling processes and controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounts preparation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounting system changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication with third parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Audit (internal and external)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal (internal and external)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please provide an aggregated absolute estimate in GBP, if available (e.g., one-off implementation costs estimated to be £100,000 per annum)

10. Closing

17. What is the driver behind your organisation's actions to implement IFRS 18? (please explain in the comment box)

- We seek to make the minimum changes necessary to make sure we comply with IFRS 18.
- We seek to engage in wider transformational change whilst making sure we comply with IFRS 18.
- We'll use adoption of IFRS 18 as an opportunity to re-think our presentation on the face of financial statements and enhance our disclosures
- Other.

Please explain the reason for your choice:

18. Taking into consideration both technical accounting and economic implications (e.g., costs/benefits), please indicate overall how supportive you are of the requirements in IFRS 18 on a scale from 1 to 10 (1 being “least supportive” and 10 being “most supportive”).

Support

Please indicate the reason for your choice.

19. Please indicate how familiar you are with the requirements of IFRS 18.

- My knowledge comes from an in-depth assessment of the Standard
- My knowledge comes from a high-level assessment of the Standard

- I am familiar with the overall requirements but have not conducted an assessment
- No knowledge at all, this was the first time I have thought about the topic

11. Consent for further discussion

20. Do you consent to being contacted to further discuss your responses?

- Yes
- No

20. Do you consent to being contacted to other UKEB projects?

- Yes
- No

12. Contact details

21. Please provide your details:

Name

Position Held

Email address