

# IFRS 18 Presentation and Disclosure in Financial Statements — Key terms

## Operating profit or loss

The total of all income and expenses classified in the operating category.

## Profit or loss before financing and income taxes

The total of operating profit or loss and all income and expenses classified in the investing category.

## Entities with specified main business activities

An entity can have one or more main business activities. To classify income and expenses into the categories of operating, investing and financing as required by IFRS 18, an entity needs to assess whether it invests in assets or provides financing to customers as a main business activity.

## Management-defined performance measures

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 IFRS 18 or specifically required to be presented or disclosed by IFRS Accounting Standards.

## Public communications

Public communications include management commentary, press releases and investor presentations. For the purpose of defining management-defined performance measures, public communications exclude oral communications, written transcripts of oral communications and social media posts.

## Useful structured summary

A structured summary provided in a primary financial statement of a reporting entity's recognised assets, liabilities, equity, income, expenses and cash flows that is useful for:

- a. obtaining an understandable overview of the entity's recognised assets, liabilities, equity, income, expenses and cash flows;
- b. making comparisons between entities, and between reporting periods for the same entity; and
- c. identifying items or areas about which users of financial statements may wish to seek additional information in the notes.

*This list of key terms is for educational purposes only. IFRS 18 terms are defined in Appendix A of the Standard.*