EY Ireland

Financial Reporting Update

April 2026

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Contents

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 reporting updates, guidance, and emerging issues, among other matters:

- Accounting considerations for IEEPA tariffs and potential recoveries
- Accounting considerations related to geopolitical events and uncertainty
- Proposed amendments to the fair value option in IAS 28
- ESRS and EU Taxonomy
- ESMA Public Statement on Implementation of IFRS 18 Presentation and Disclosure in Financial Statements
- Amendments to FRS 102 and FRS 105-Adapted formats
- FRC updated strategic report guidance
- FRC guidance on improving the quality of ‘comply or explain’ reporting when applying the UK Corporate Governance Code.

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 accessed on https://www.ey.com/en_ie/frg-newsletter.

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Section 01

IFRS Accounting Standards (IFRS)

Accounting considerations for IEEPA tariffs and potential recoveries

The US Supreme Court ruled on 20 February 2026 that tariffs imposed under the US International Emergency Economic Powers Act (IEEPA) are unlawful, concluding that the government's executive branch does not have the authority under IEEPA to impose tariffs. The ruling invalidated tariffs imposed by US President Trump in April 2025 under the IEEPA on goods from Canada, Mexico and China, as well as other global and country specific tariffs. The ruling also invalidated the potential for tariffs in accordance with executive orders related to Venezuela, Russia, Iran, Brazil and Cuba. The Court did not decide whether, and to what extent, importers may claim refunds of IEEPA tariffs already paid.

Tariffs imposed under Section 232 of the Trade Expansion Act of 1962 or Section 301 of the Trade Act of 1974 remain in place. The administration has already invoked other available authorities to impose tariffs and maintain continuity in its tariff policy. Following the ruling, the 10% global tariffs imposed on most US imports fall under Section 122 of the Trade Act of 1974, which allows the President to adjust import duties for up to 150 days in response to trade imbalances. In addition to the tariff measures imposed under Sections 122, 232 and 301, other authorities include Section 338 of the Trade Act of 1930, which allows the President to increase tariffs up to 50% or block imports if a trading partner is discriminating against US goods or commerce.

Entities need to carefully consider the implications of the ruling when preparing their financial statements and the extent of information to be disclosed and to continue monitoring developments on how the US government may refund previously paid IEEPA tariffs.

Our IFRS Developments publication highlights the accounting and financial reporting considerations related to the ruling.

[Accounting considerations for IEEEPA tariffs]

Accounting considerations related to geopolitical events and uncertainty

Events around the world, including geopolitical instability and conflicts, continue to drive economic uncertainty that impacts entities globally. In turn, this raises many IFRS accounting considerations. Entities may be impacted by fluctuations in commodity prices, foreign exchange rates, restrictions to imports and exports, supply chain disruptions and possible slowdowns in global economies.

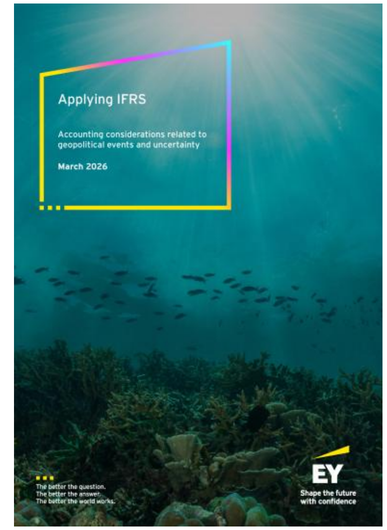
Inflation has fallen from recent highs but remains above target levels in many countries, while interest rates globally remain relatively high compared to historic levels for the past decade. Earlier rises in inflation led many central banks to raise interest rates and policy remains sensitive to persistent inflation. Ongoing conflicts and geopolitical tensions continue to contribute to volatility in energy and commodity markets, foreign exchange rates and other macroeconomic factors.

Entities that have debt continue to face increased borrowing costs and, potentially, higher refinancing costs in the future. Furthermore, many IFRS accounting standards use discounting to account for the time value of money in measuring non-current assets and liabilities (for example, the fair value measurement of investment properties using discounted cash flows). Considering the current market volatility, discount rates may rise in the near future and thus reduce the present value of assets and liabilities. This may affect a number of areas of financial reporting, including impairment calculations, provisions, retirement obligations, leases, financial instruments and revalued tangible and intangible assets. Entities need to apply judgement to ensure that assumptions used are consistent and reflect current market conditions.

Entities may also have contracts that are explicitly inflation-linked and this may mean assets and liabilities, such as, real estate leases, or inflation linked bonds need to be adjusted for inflation. There are several IFRS accounting standards that specifically refer to inflation as one of the assumptions to be considered for measurement purposes. For example, inflation is particularly relevant in assessing asset impairments, which require estimates to be made about future revenue and expenditure. Inflation also affects many other areas of accounting, such as determining the residual value of property, plant and equipment and net realisable values of inventories. The measurement of provisions for obligations in the future (for example, decommissioning provisions), can also be significantly impacted by inflation.

The current economic and geopolitical uncertainty has increased the need for clear disclosure of uncertainties in the financial statements.

Our Applying IFRS publication considers the IFRS accounting impacts arising from geopolitical instability and economic uncertainty providing a reminder of some of the existing accounting requirements to be addressed when considering the impact of uncertain events.

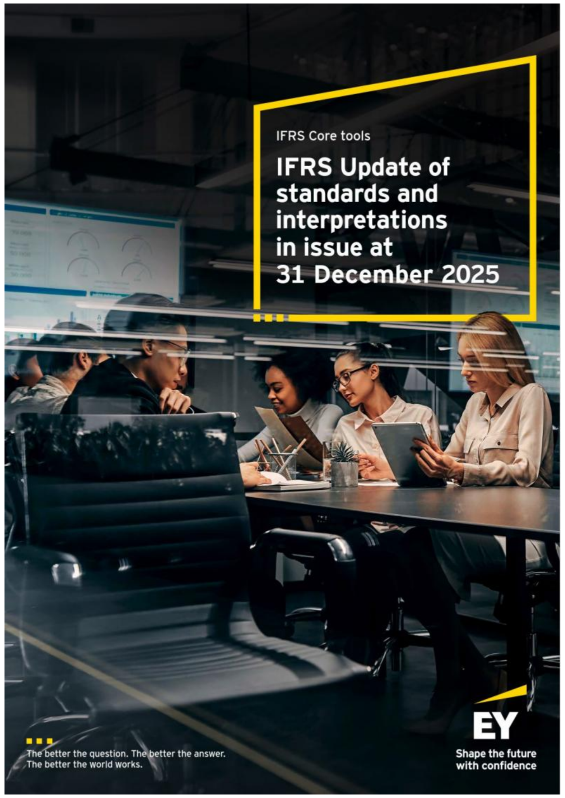


[Accounting considerations related to geopolitical events and uncertainty]

Other IFRS reference material

Standards and interpretations in issue at 31 December 2025

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 (December 2025)

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.

EFRAG
Financial reporting

THE EU ENDORSEMENT STATUS REPORT 27 FEBRUARY 2026

IASB/IFRIC documents not yet endorsed: [Revisions to this schedule are marked in **bold**. Steps marked in green have been completed.]	EFRAG draft endorsement advice	EFRAG endorsement advice	ARC Vote	When might endorsement be expected	IASB Effective date	Endorsement expected before the effective date
IFRS STANDARDS[1] AND INTERPRETATIONS						
IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued on 9 May 2024)	√ 23/05/2025	√ 25/09/2025			01/01/2027	
AMENDMENTS						
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency* (issued on 13 November 2025)	√ 18/12/2025	√ **26/02/2026**			01/01/2027	▲
Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued on 21 August 2025)	√ 29/09/2025	√ 18/12/2025			01/01/2027	

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.

Good Group (International) Limited (December 2025)

Good Group (International) Limited (December 2024) Alternative Format

Good Group IFRS 18 illustrative financial statements (December 2025)

International GAAP® Disclosure Checklist (30 June 2026)

Interim Financial Statements (30 June 2026)

Good Bank (International) Limited (December 2025)

Good Mining (International) Limited (December 2021)

Good Real Estate Group (December 2024)

Good Real Estate Group Limited – IFRS 18 (December 2025)

Good Life Insurance (International) Limited

Good General Insurance (International) Limited

Good Petroleum (International) Limited (December 2020)

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

International GAAP®: Free access

EY's International GAAP® 2026 is available online free of charge to clients and non-clients via the free content channel on EY Atlas Client Edition. A downloadable version for offline use can also be accessed on our EY IFRS Technical resources site.

About International GAAP® 2026

International GAAP® 2026, written by EY financial reporting professionals from around the world, is our detailed guide to interpreting and implementing International Financial Reporting Standards and IFRS sustainability disclosure standards. It sets International Financial Reporting Standards and IFRS sustainability disclosure standards in a relevant business context, provides insights on how complex practical issues could be resolved, and explains complex technical accounting and sustainability 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, sustainability and auditing information. Along with International GAAP® 2026, EY Atlas Client Edition also provides free access to other thought leadership from EY teams relating to IFRS accounting and sustainability reporting (e.g., Applying IFRS and IFRS Developments and IFRS Sustainability 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® 2026 publication in a user-, easy to browse and search, digital format.

User- style

International GAAP® 2026 utilises a style layout that highlights excerpts from relevant standards, extracts from published financial statements and call-out boxes clearly highlighting EY views.

Free to all users on EY Atlas Client Edition

International GAAP® 2026 is available to access free of charge via the free content channel in EY Atlas Client Edition. Additionally, International GAAP® 2026 is also included within the premium subscription channel in EY Atlas Client Edition.

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To ensure an offline copy of our detailed guide is accessible to readers across the globe, EY also produces a downloadable PDF version of International GAAP® 2026 for offline use.

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- 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
- Available in downloadable PDF format in a single file with embedded bookmarks to aid navigation

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

Proposed amendments to the fair value option in IAS 28

On 19 February 2026, the International Accounting Standards Board (IASB) issued an Exposure Draft (the ED) proposing targeted amendments to IAS 28 *Investments in Associates and Joint Ventures* to clarify which investments in associates and joint ventures can be measured using the fair value option.

The proposals respond to diversity in practice in applying the fair value option in IAS 28 and the resulting effects on the classification of income and expenses in the statement of profit or loss under IFRS 18 *Presentation and Disclosure in Financial Statements*.

The issue has become more prominent as entities consider whether to apply the transitional provisions in IFRS 18 that allow an entity that qualifies for the fair value option in IAS 28 to change its election for measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. The proposed narrow-scope amendments are intended to improve consistency in application and provide clarity ahead of the effective date of IFRS 18.

Comments are due by 20 April 2026, and the IASB expects to finalise any amendments by mid-2026.

Refer to our IFRS Developments publication for further details.

[Amendments to fair value option in IAS 28]

IFRS Interpretation Committee (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 17-18 March 2026 and discussed the following issues among others:

- Reassessment of Control (IFRS 10 Consolidated Financial Statements)
- Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset) (IFRS 18)
- Economic Benefits from Use of a Battery under an Offtake Arrangement (IFRS 16 Leases)
- Assessment of a Specified Main Business Activity for the Purposes of the Separate Financial Statements of a Parent (IFRS 18)
- Scope of the Requirement to Disclose Expenses by Nature (IFRS 18)
- Classification of Gains and Losses on a Derivative Managing a Foreign Currency Exposure (IFRS 18)
- Presentation of Taxes or Other Charges that Are Not Tax Expense or Tax Income Applying IAS 12 Income Taxes (IFRS 18)
- Control Assessment for a Single-investor Fund (IFRS 10).

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

[IFRIC Update March 2026]

Section 02

Sustainability Reporting

EFRAG proposes major ESRS simplifications to cut reporting burden

On 3 December 2025, the European Financial Reporting Advisory Group (EFRAG) submitted its technical advice on the revised ESRS to the European Commission (EC) after addressing feedback from its public consultation on the Exposure Drafts, outreach events and field tests.

The revision was triggered by the EC's first Omnibus Simplification Package, announced in February 2025, aimed at reducing the reporting burden on European undertakings subject to the Corporate Sustainability Reporting Directive (CSRD) and supporting European Union(EU) competitiveness.

The advice proposes a simplified set (the "revised ESRS") of ESRS Set 1 adopted by the EC in July 2023 comprising 12 ESRS and the related glossary. Key changes include a 61% reduction of mandatory datapoints.

EFRAG identified the following six levers for the revision:

- Simplify the Double Materiality Assessment (DMA)
- Better readability and conciseness of the sustainability statements
- Eliminate overlaps between general disclosures and topical standards
- Improve understandability, clarity and accessibility of the ESRS
- Introduce several burden-reduction reliefs
- Enhance interoperability with global reporting standards.

EFRAG published complementary materials on 23 December 2025, including the Basis for Conclusions and a Cost-Benefit Analysis. The revised list of datapoints (IG3) and the non-binding guidance are planned to be released in 2026.

The EC is reviewing the technical advice and plans to adopt the final revised ESRS – potentially with changes – via a Delegated Act by mid-2026. The final revised ESRS would apply from financial year (FY) 2027, with an option to early apply from FY 2026.

Our EU Sustainability Developments publication provides more information on EFRAG's technical advice.

EU Sustainability Developments Issue

Revised Delegated Act on EU Taxonomy

On 4 July 2025, as part of its effort to simplify sustainability legislation in the EU, the European Commission (the Commission) adopted a new Delegated Act concerning the EU Taxonomy.

The revised Delegated Act on the EU Taxonomy (Delegated Act) entered into force across the European Union (EU) on 28 January 2026. It applies to the 2026 reporting cycle covering financial year 2025, although undertakings may elect to continue applying the non-amended reporting rules for financial year 2025. The Delegated Act aims to reduce reporting complexity while maintaining the core structure of the Taxonomy framework.

Key updates include the introduction of new materiality thresholds, allowing both non-financial and financial undertakings to exclude non-material activities or exposures from eligibility and alignment assessments under defined conditions. Targeted amendments to the Pollution "Do No Significant Harm" (DNSH) criteria reduce the scope of substances that must be assessed, aligning the requirements more closely with existing EU legislation.

Reporting templates have been significantly simplified, including major reductions in datapoints and the introduction of new summary tables for Taxonomy KPIs. Financial institutions also have the option to defer Taxonomy KPI disclosures until 31 December 2027, subject to meeting specified conditions.

On 17 December 2025, the Commission published a Draft Notice, providing interpretation and implementation guidance on the amendments introduced by the revised EU Taxonomy Delegated Act.

Refer to our EU Sustainability Developments publication for more detail.

EU Sustainability Developments

Section 03

Regulator pronouncements and guidance

ESMA

Implementation of IFRS 18 Presentation and Disclosure in Financial Statements

On 17 February 2026, the European Securities and Markets Authority (ESMA) issued a Statement on the implementation of IFRS 18 *Presentation and Disclosure in Financial Statements* ('IFRS 18' or 'the Standard') to promote consistent application of European securities and markets legislation, and that of IFRS Accounting Standards. ESMA calls on issuers to ensure high-quality implementation of the Standard and transparency on its (expected) impacts.

Given that the new presentation and disclosure requirements may require changes to issuers' IT systems, management reports, communication strategy and policies, ESMA urges issuers to proceed with their implementation efforts on a timely basis. This is particularly important as IFRS 18 must be applied retrospectively, necessitating the restatement of comparative figures.

Management and supervisory bodies of issuers (including audit committees) and their auditors should take the ESMA Statement into consideration during the implementation of IFRS 18, particularly when disclosing, supervising and auditing information in the IFRS financial statements (annual and interim), including on the (expected) effects of the Standard as well as when preparing European Single Electronic Format (ESEF) reporting.

ESMA, together with national competent authorities, will closely monitor the level of transparency that issuers provide in their financial statements about the implementation and (expected) effects of IFRS 18.

Refer to ESMA's Statement for more detail.

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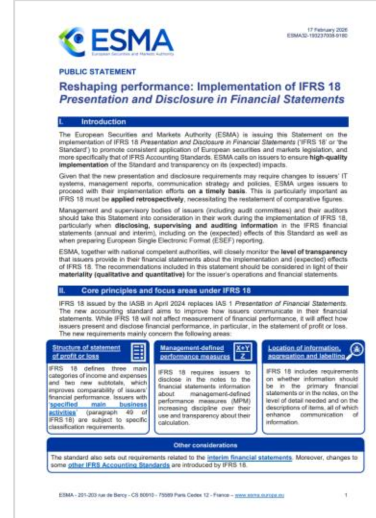


ESMA

17 February 2026

PUBLIC STATEMENT

Reshaping performance: Implementation of IFRS 18 *Presentation and Disclosure in Financial Statements*

I. Introduction

The European Securities and Markets Authority (ESMA) is issuing this Statement on the implementation of IFRS 18 *Presentation and Disclosure in Financial Statements* ('IFRS 18' or 'the Standard') to promote consistent application of European securities and markets legislation, and more specifically that of IFRS Accounting Standards. ESMA calls on issuers to ensure **high-quality implementation** of the Standard and transparency on its (expected) impacts.

Given that the new presentation and disclosure requirements may require changes to issuers' IT systems, management reports, communication strategy and policies, ESMA urges issuers to proceed with their implementation efforts **on a timely basis**. This is particularly important as IFRS 18 must be **applied retrospectively**, necessitating the restatement of comparative figures.

Management and supervisory bodies of issuers (including audit committees) and their auditors should take this Statement into consideration in their work during the implementation of IFRS 18, particularly when **disclosing, supervising and auditing information** in the IFRS financial statements (annual and interim), including on the (expected) effects of this Standard as well as when preparing European Single Electronic Format (ESEF) reporting.

ESMA, together with national competent authorities, will closely monitor the **level of transparency** that issuers provide in their financial statements about the implementation and (expected) effects of IFRS 18. The recommendations included in this statement should be considered in light of their **materiality (qualitative and quantitative)** for the issuer's operations and financial statements.

II. Core principles and focus areas under IFRS 18

IFRS 18 issued by the IASB in April 2024 replaces IAS 1 *Presentation of Financial Statements*. The new accounting standard aims to improve how issuers communicate in their financial statements. While IFRS 18 will not affect measurement of financial performance, it will affect how issuers present and disclose financial performance, in particular, in the statement of profit or loss. The new requirements mainly concern the following areas:

Structure of statement of profit or loss

IFRS 18 defines three main categories of income and expenses and two new subtotals, which improves comparability of issuers' financial performance. Issuers with 'specified main business activities' (paragraph 49 of IFRS 18) are subject to specific classification requirements.

Management-defined performance measures

IFRS 18 requires issuers to disclose in the notes to the financial statements information about management-defined performance measures (MPM) increasing discipline over their use and transparency about their calculation.

Location of information, aggregation and labelling

IFRS 18 includes requirements on whether information should be in the primary financial statements or in the notes, on the level of detail needed and on the descriptions of items, all of which enhance communication of information.

Other considerations

The standard also sets out requirements related to the interim financial statements. Moreover, changes to some other IFRS Accounting Standards are introduced by IFRS 18.

ESMA - 201-203 rue de Bercy - CS 80910 - 75589 Paris Cedex 12 - France – www.esma.europa.eu 1

Implementation of IFRS 18 Presentation and Disclosure in Financial Statements

FRC

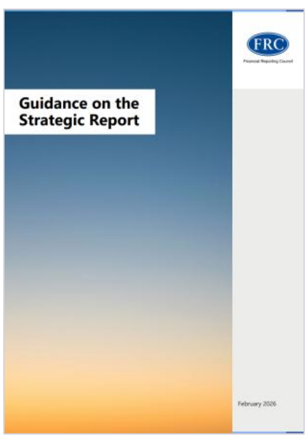
Updated strategic report guidance

On 4 February 2026, the Financial Reporting Council (FRC) issued updated Guidance on the Strategic Report. The guidance has been developed to support all UK entities that prepare strategic reports under company law, and is intended to help entities address their reporting obligations in a way that is practical, proportionate and supports high-quality reporting.

The guidance has been updated to reflect changes to legislative and regulatory requirements, including the recent revision of the UK Corporate Governance Code 2024, legislative changes to directors' report disclosures, and other developments in sustainability-related and wider corporate reporting practice. In addition, the updated guidance includes improvements to its structure and accessibility to enhance usability and functionality for preparers.

Alongside the guidance, the FRC has also published [updated Scoping Tables] to support entities complying with Companies Act 2006 disclosure requirements for the strategic report, the directors' report and the energy and carbon report to reflect reporting of payment practices within the directors' report.

Refer to the FRC's Guidance on the Strategic Report for more detail.



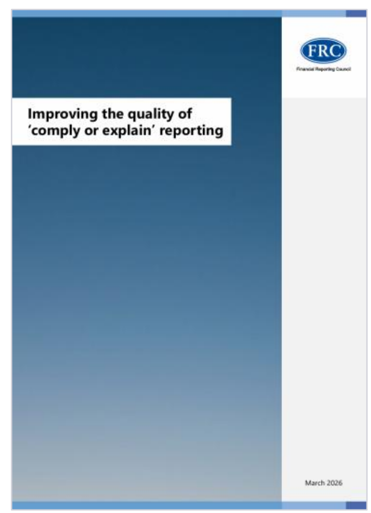
[Updated strategic report guidance]

Improving the quality of 'comply or explain' reporting

On 16 March 2026, the FRC published updated guidance on 'comply or explain' reporting. The guidance is intended to help investors, proxy advisors and other users of corporate reporting better understand and appreciate the value of companies that choose to depart from provisions of the UK Corporate Governance Code.

The guidance is intended to help investors and advisors understand what to look for when reading a departure explanation, and why a departure accompanied by a clear and transparent explanation should be seen as a positive indicator of a board engaging seriously with its governance responsibilities. The FRC reinforces that a thoughtful, well-reasoned explanation for departing from a Code provision is not a governance failure but frequently evidence of a more considered and sophisticated approach to governance than a simple box-ticking exercise.

The FRC's guidance provides more detail.



[Improving the quality of 'comply or explain']

Section 04

Irish Generally Accepted Accounting Practice (GAAP)

Amendments to FRS 102 and FRS 105-Adapted formats

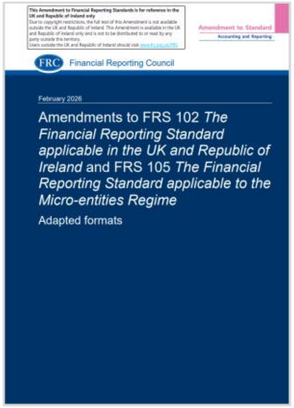
On 18 February 2026, the FRC published '*Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime – Adapted formats'* (the Amendments) to provide companies with an updated framework when adapting the formats of their balance sheets and profit and loss accounts in their annual report and accounts.

The amendments support entities taking advantage of presentation options within company law and in the case of FRS 102, have been developed to maintain alignment with the presentation requirements of International Financial Reporting Standards (IFRS), following the introduction of IFRS 18 '*Presentation and Disclosure in Financial Statements*'. Entities that do not choose to adapt their financial statement formats under FRS 102 will not be impacted by these amendments.

The FRC also made limited clarifications to the 'Periodic Review 2024 amendments', relating to both FRS 102 and FRS 105.

The Amendments to FRS 102 are effective for accounting periods beginning on or after 1 January 2027, to align with the effective date of IFRS 18 and early adoption is permitted. The Amendments to FRS 105 are effective for accounting periods beginning on or after 1 January 2026. Early application is permitted, provided that all amendments are applied at the same time.

Refer to the FRC's Amendments for more information.



Amendments to FRS 102 and FRS 105-Adapted formats

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EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

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EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

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