When is GRAP 18 Segment Reporting applicable?

ACCOUNTING STANDARDS BOARD

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Based on Standards of GRAP effective 1 April 2025

Disclaimer

The views and opinions expressed in this presentation are those of the individual. Official positions of the ASB on accounting matters are determined only after extensive due process and deliberation.

Purpose of segment reports

- Report on those activities that management views as important to track and monitor separately
- Disaggregates financial information enabling users to better understand the performance of segments
- Information about the specific operational objectives and major activities of the entity
- Information about resources devoted to and costs of objectives and activities of the entity

When to present segment reports

Segment reporting is applicable when an entity has determined that it has activities that meet the definition of a segment in terms of GRAP 18.05

A segment is an activity of an entity:

- *that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);*
- *whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and*
- *for which separate financial information is available.*

Entity-wide disclosures

Applicable to <u>all entities</u> and not only those who have determined that they have reportable segments per GRAP 18.05

Disclosure of geographical information:

- Geographical areas.
- Geographical information on (unless the information is not available and the cost to develop it would be excessive):
  - external revenues;
  - total expenditure; and
  - non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts).

Refer to FAQ 4.13 in the Frequently Asked Questions on the Standards of GRAP (updated May 2025)

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