After a ten-year review, the International Accounting Standards Board (IASB) has published its new International Financial Reporting Standard (IFRS), which will come into effect from 1 January 2019.

We have been expecting this confirmation for some time now, and it has gone through several iterations, as interested parties have suggested alterations to many of the original suggested reporting standards.

The new standard adopts a new approach - the ‘right of use’ model - which differs substantially from the current arrangement where businesses do not have to report operating leases in company accounts. Under the new model, a lessee (leasing customer) would identify the right to use a leased asset on their balance sheet and incur a corresponding liability for future rental payments.

Our industry association, the BVRLA, have produced a fact sheet which seeks to explain the impact of the changes, and this is attached below for your interest.

If you have any queries regarding the forthcoming changes, we would advise you to discuss these with your financial advisors. However, you are most welcome to contact us if required