

Vantage Finance & Tech

IFRS 18 in SAP S/4HANA

Income statement by function with financial statement versions and drilldown reporting

A practical guide for finance and SAP teams preparing the IFRS 18 income statement in SAP S/4HANA: what changes, how to design the financial statement version, how to report by functional area, and the constraints and errors you will meet on the way.

Prepared by Vantage Finance & Tech · Precision Finance. Agile Delivery. Integrated Solutions. · November 2026

Table of Contents

1. IFRS 18 at a glance
2. Impact on SAP S/4HANA
3. Solution design
4. Prerequisites
5. Financial statement version (OB58)
6. Drilldown form (FGI4)
7. Drilldown report (FGI1)
8. Execution, navigation and checks (FGI0)
9. Export to Excel
10. Troubleshooting
11. Design decisions to take early
12. Transactions and tables

1. IFRS 18 at a glance

IFRS 18 *Presentation and Disclosure in Financial Statements* replaces IAS 1. The IASB issued it on 9 April 2024 and the European Union endorsed it with Commission Regulation (EU) 2026/338. It applies to annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

It applies retrospectively: the 2026 comparative must also be presented under IFRS 18. In practice, the 2026 figures are needed in two views, IAS 1 and IFRS 18, so the system must support both during the transition.

Topic	What changes
Income statement categories	Income and expenses are classified as Operating, Investing and Financing, plus Income taxes and Discontinued operations.
Required subtotals	Operating profit, and Profit before financing and income taxes.
Management-defined performance measures	Measures such as EBITDA must be disclosed, explained and reconciled to the IFRS subtotals.
Aggregation and disaggregation	Stricter rules. Entities presenting expenses by function must disclose some by-nature information in the notes (depreciation, employee benefits, impairments).
Cash flow statement	The indirect method starts from Operating profit; interest and dividends have a set classification.

2. Impact on SAP S/4HANA

- Every income and expense item must map unambiguously to an IFRS 18 category. That means clean G/L accounts and correctly derived functional areas.
- The financial statement version (OB58) needs the new categories and subtotals, while the IAS 1 view stays available in parallel during the transition.
- Reporting must be adapted and the 2026 comparative restated.
- If the income statement is presented by function, the functional area becomes a first-class reporting dimension, and its derivation (cost centers, OKB9, substitutions) must be reliable.

3. Solution design

The target is an income statement in the IFRS 18 layout, by function, where every line can be broken down by functional area and G/L account. The solution uses four standard building blocks:

Component	Transaction	Role
Financial statement version	OB58	IFRS 18 hierarchy, with functional areas assigned to income statement items
Drilldown form	FGI4	Column layout (balances, debit, credit, cumulative), copied from a standard form
Drilldown report	FGI1	FS version as hierarchy, with drilldown by functional area and G/L account
Execution	FGI0	Execution, navigation and export

Why not F.01

F.01 reads the financial statement version but has no functional area column, and one cannot be added: the functional area only decides which item an amount lands in. To see the structure and the functional area as a characteristic, you need G/L drilldown reporting (FGI*).

SAP constraints to know before you start

- In OB58 an item can have either accounts or functional areas, not both. Assigned intervals cannot overlap and each functional area can sit in only one item, so a full functional area × nature matrix cannot be built in the FS version alone.
- In the FAGLFLEXT report type the Functional Area characteristic is not enabled for hierarchies or sets: GS01 sets are accepted neither in the report nor in the form rows.
- In the report, the FS version hierarchy comes through the Financial Statement Item characteristic (or FS Item/Account), not through FS Version.
- FS versions, sets, drilldown forms and reports, and roles are client-specific.

4. Prerequisites

Clients

The customizing client usually holds the configuration but no postings, so reports return nothing there. Configure the FS version, form and report in the customizing client with a transport request, copy the request into a client with data (SCC1), and check that roles exist there too.

Authorizations

Object	Values	Needed for
F_BKPF_FKB	ACTVT 03, FKBER * (or the list of functional areas)	Reading data by functional area. Without it: “No records selected”.
F_UNI_HIER	ACTVT 03 (02 to change), FS version hierarchy type	Displaying or maintaining FS versions in OB58 / FSE2.
S_CTS_SADM / S_CTS_ADMI	CTS_ADMFCT	Transport functions. Does not block reading data.
F_BKPF_BUK, F_FAGL_LDR	Company code, ledger	Reading data by company code and ledger.

At the first error or empty result, run SU53 immediately and send object and fields to the security team; after the role update, log off and on (or SU56). STAUTHTRACE traces all checks, not just the last one.

5. Financial statement version (OB58)

1. In OB58, create the IFRS 18 version by copying the current one, so balance sheet assignments are inherited.
2. In the general specifications, activate **Functional area permitted**. Without this flag, functional area assignments are ignored.
3. Check that the version uses the same chart of accounts as the company codes (OBY6).
4. Create the items and subtotals of the IFRS 18 layout.

5. On balance sheet items, assign account intervals; on cost-of-sales income statement items, assign functional areas.
6. Check that no P&L account is left in the “Not assigned” item, then save in a transport request.

Example IFRS 18 layout by function

```
Income statement
└─ Profit for the year
   ├─ Profit before taxes
   │  ├─ Profit before financing and income taxes
   │  │  ├─ Operating profit
   │  │  │  ├─ Gross profit
   │  │  │  │  ├─ Revenue
   │  │  │  │  └─ Cost of revenue
   │  │  │  ├─ Administrative expenses
   │  │  │  ├─ Selling and distribution
   │  │  │  ├─ Other operating expenses
   │  │  │  └─ Other operating income
   │  │  └─ Investing category
   │  └─ Financing category (finance costs)
   └─ Income tax expense
```

Each line is fed by one or more functional areas. Keep one logic in the primary statement: an item with a by-nature name but functional areas assigned makes totals hard to read. The by-nature breakdown under each function cannot be built in the FS version alone; in the report it comes from drilling down by G/L account.

Exporting and checking the structure

To share the structure, expand all items in OB58 and save the list as a spreadsheet. To analyse it, read the FS version tables in SE16N:

Table	Content
FAGL_011PC	Items and hierarchy (parent, child, level)
FAGL_011QT	Item texts
FAGL_011ZC	Account intervals assigned to items
FAGL_011FC	Functional areas assigned to items
SKA1 / SKAT	P&L accounts of the chart of accounts, to check that all of them are assigned

6. Drilldown form (FGI4)

The form defines the columns. The functional area must not be fixed in the form: it is added in the report as a navigation characteristic.

1. In FGI4, create a form in the customer namespace.
2. In **Copy from**, enter the standard form 0SAPBLNCE-01 (financial statement, actual/actual comparison). Avoid templates with business area, segment or profit center fixed.
3. Check that the columns contain no fixed values for year, version or company code.
4. Save in a transport request.

Lesson learned: a form built from scratch with the global variables proposed by F4 (for example 1FY, 2FY, 3FY) can raise error GU085, because those variables belong to an add-on. Copy the standard form

or use local variables.

7. Drilldown report (FGI1)

1. In FGI1, create the report on the form you just copied. Do not copy from another report.
2. On the Characteristics tab, set these before the first save:

Characteristic	Setting	Notes
Company code	From the form	Prompted at execution
Currency	Company code currency	Avoids “x” from adding different currencies
Currency type	10	Company code currency
Financial Statement Item	Hierarchy = IFRS 18 FS version	Brings in the structure
Functional Area	Blank	Must stay open for drilldown

- Variables: from period 1 to 16, fiscal year, with entry at execution. Periods 13–16 include the special closing periods, so you get the full annual balance.
- Output type: graphical report output with navigation, drilldown and detail control.
- A greyed characteristic is either already defined in the form or does not support hierarchies in this report type. Some settings cannot be changed after the first save: recreate the report.

8. Execution, navigation and checks (FGI0)

1. In FGI0, open the folder for table FAGLFLEXT and run the report for company code, year and periods 1–16.
2. In the navigation panel, double-click Financial Statement Item and expand the income statement.
3. Select an item and double-click Functional Area for the breakdown by function, or G/L Account for the account detail.
4. To show functional areas in columns, swap rows and columns; then save the layout.

Checks on the result

- **Not assigned under the structure**: P&L accounts not assigned in the FS version, or functional areas missing from it.
- **Not assigned under Functional Area**: postings without a functional area, so check derivation (cost centers, OKB9, substitutions).
- **Reconciliation**: the income statement total must equal the net result in F.01 for the same version and period.
- **Zero balance columns** with debit totals filled: check which column represents the period and the year and periods selected.

9. Export to Excel

From the report, **Copy page to XXL** exports exactly what is on screen; **Copy report to XXL** exports the whole report as a pivot. In SAP GUI for Windows Excel may open behind SAP; in the browser the file goes to Downloads.

When XXL does not work, the spool route always does: print to LOCL or LP01 with “Send to SAP spooler only”, open the request in SP01, and save it as a spreadsheet.

10. Troubleshooting

Symptom	Cause	Fix
F.01 has no functional area column	Report limitation	Use G/L drilldown reporting (FGI0)
“No records selected” even on standard reports	Missing F_BKPF_FKB (SU53 return code 12)	Request F_BKPF_FKB, ACTVT 03, FKBER *
“No records selected”, ACDOCA empty	Running in the customizing client	Run in the data client; copy objects with SCC1
Amounts shown as “x”	Different currencies being added	Fix the currency in the report
Single row “FS Version: Not assigned”	FS Version characteristic used instead of the hierarchy	Use Financial Statement Item with the FS version hierarchy
Hierarchy or set flag greyed on Functional Area	Not enabled in the FAGLFLEXT report type	Assign functional areas in OB58; do not use GS01 sets
Error GU085 in the form	Add-on global variables	Copy the standard form or use local variables
Functional area value rejected	Functional area not defined	Create it (FM_FUNCTION) with its derivation
“Transferred to XXL” but no file	Excel behind SAP or browser download	Check Downloads, or use the spool

11. Design decisions to take early

- Which functional areas feed the Investing and Financing categories, and whether new ones are needed (for example for income from investments or interest on financing).
- How to classify capital projects and other functional areas that do not fit the operating lines.
- Whether selling and administrative expenses can be separated with existing functional areas, or need a split by account.
- How to deliver the “nature under function” detail: account drilldown in SAP, or Group Reporting, SAP Analytics Cloud or a spreadsheet with an account-to-nature mapping.
- How to handle the share of results of joint ventures and associates, usually a consolidation entry rather than a company code posting.
- How to keep the IAS 1 version in parallel for the 2026 comparative, and when to retire it.
- Clean-up of test objects and the transport path of the final FS version, form and report.

12. Transactions and tables

Code	Use
OB58 / FSE2	Financial statement version
F.01	Classic financial statements by FS version (no functional area column)
FGI4 / FGI5 / FGI6	Create / change / display drilldown form
FGI1 / FGI2 / FGI3	Create / change / display drilldown report
FGI0	Execute drilldown report
FAGLB03 / FAGLL03H	G/L balances / line items with functional area
SE16N / SE16H	Table display (ACDOCA, FAGL_011*, TFKB, SKA1/SKAT)
FM_FUNCTION / OKB9	Functional area definition / derivation via CO account assignment
SU53 / SU56 / STAUTHTRACE	Authorization analysis
SP01 / SCC1	Spool requests / client copy by transport request

Sources

- IFRS Foundation – IFRS 18 Presentation and Disclosure in Financial Statements (April 2024)
- Commission Regulation (EU) 2026/338 endorsing IFRS 18
- SAP Help Portal – Financial Statement Versions and Drilldown Reporting in SAP S/4HANA

Configuration paths, transactions and authorization objects can vary by SAP S/4HANA release: check them in your system. This guide is general information, not accounting, tax or legal advice.

Vantage Finance & Tech supports companies with SAP S/4HANA Finance, Oracle Cloud ERP and PMO, from design to go-live. Contact: stefan.dumitriu30@gmail.com · +39 327 930 4297 · vantagefinanceandtech.com