



May 2025

Amendments to FRS 101 *Reduced Disclosure Framework*

2024/25 Cycle

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Financial Reporting Council

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Amendments to FRS 101 *Reduced Disclosure Framework*

2024/25 cycle

Amendments to FRS 101 Reduced Disclosure Framework – 2024/25 cycle amends an accounting standard. It is issued by the Financial Reporting Council, as a prescribed body, for application in the United Kingdom and Republic of Ireland.

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Overview

- (i) The FRC's overriding objective in setting accounting standards is to enable users of accounts to receive high-quality understandable financial reporting proportionate to the size and complexity of the entity and users' information needs.
- (ii) FRS 101 *Reduced Disclosure Framework* sets out an optional reduced disclosure framework that is available for the individual financial statements of subsidiaries and ultimate parents that otherwise apply the recognition, measurement and disclosure requirements of adopted IFRS. The standard is intended to enable cost effective financial reporting within groups to reduce reporting burdens, particularly for those applying IFRS Accounting Standards in their consolidated financial statements.

Amendments to FRS 101 *Reduced Disclosure Framework* – 2024/25 cycle

- (iii) The FRC carries out an annual review of amendments to IFRS Accounting Standards to decide whether FRS 101 should provide exemptions from new disclosure requirements or whether other consequential amendments are required. These amendments are the outcome of the 2024/25 annual review of FRS 101, which addressed amendments issued in the year to 31 August 2024.
- (iv) IFRS 18 *Presentation and Disclosure in Financial Statements* is a new standard that replaces IAS 1 *Presentation of Financial Statements* for annual reporting periods beginning on or after 1 January 2027. The amendments mean that FRS 101 will continue to require a similar level of disclosure both before and after the introduction of IFRS 18. However, a relatively large volume of amendments to FRS 101 are necessary to replace references to IAS 1 with references to IFRS 18, and new exemptions are provided from some new requirements in IFRS 18, including those that require disclosure in relation to management-defined performance measures.
- (v) IFRS 19 *Subsidiaries without Public Accountability: Disclosures* is a new type of IFRS Accounting Standard. This optional standard permits an eligible subsidiary to apply the recognition, measurement and presentation requirements in IFRS Accounting Standards, along with a reduced set of disclosure requirements. The objective of IFRS 19 is similar to that of FRS 101, but the IASB's approach to its development was different to the FRC's approach and there are significant differences between the two. It would not make sense for a qualifying entity to apply both IFRS 19 and FRS 101; therefore, amendments are made to FRS 101 that will prevent this from occurring. Subject to the endorsement of IFRS 19, two different reduced disclosure standards would be available in the UK and/or Republic of Ireland.
- (vi) No amendments are required to FRS 101 in respect of *Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7* or *Annual Improvements to IFRS Accounting Standards—Volume 11*.

Amendments to FRS 101 *Reduced Disclosure Framework*

Amendments to FRS 101

- 1 The following paragraphs set out the amendments to FRS 101 *Reduced Disclosure Framework* (inserted text is underlined, deleted text is struck through).
- 2 Paragraph 5 is amended as follows (the sequentially numbered footnote in this paragraph is not presented here and is unchanged by this amendment):
 - 5 A qualifying entity applying this FRS to its individual financial statements may take advantage of the disclosure exemptions in paragraphs 7A to 9, subject to paragraph 7, provided that. When applying this FRS, a qualifying entity:
 - (a) [Deleted]
 - (aA) shall not apply IFRS 19 *Subsidiaries without Public Accountability: Disclosures*.
 - (b) ~~It shall otherwise apply~~ apply as its financial reporting framework the recognition, measurement and disclosure requirements of adopted IFRS, but makes amendments to adopted IFRS requirements where necessary in order to comply with the Act and the **Regulations**. This is to ensure that the financial statements prepared by companies in accordance with this FRS, comply with the requirements of the Act and Regulations. The Application Guidance to this FRS sets out the amendments necessary to remove conflicts between adopted IFRS and the Act and Regulations. For the avoidance of doubt, the Application Guidance is an integral part of this FRS and is applicable to any qualifying entity applying this FRS, including those that are not companies.
 - (c) ~~It discloses~~ shall disclose in the notes to its financial statements:
 - (i) a brief narrative summary of the disclosure exemptions adopted; and
 - (ii) the name of the parent¹ of the group in whose consolidated financial statements its financial statements are consolidated, and from where those financial statements may be obtained.
- 3 Paragraph 7 is amended as follows (the sequentially numbered footnote in this paragraph is not presented here and is unchanged by this amendment):
 - 7 A qualifying entity which is a **financial institution** may take advantage in its individual financial statements of the disclosure exemptions set out in paragraphs 7A to 9 of this FRS, except for:
 - (a) the disclosure exemptions from IFRS 7 *Financial Instruments: Disclosures* (see paragraph 8(d));
 - (b) the disclosure exemptions from IFRS 13 *Fair Value Measurement* (see paragraph 8(e)) to the extent that they apply to financial instruments;² and
 - (c) the disclosure exemptions from ~~paragraphs 134 to 136 of IAS 1 *Presentation of Financial Statements*~~ paragraphs 126 to 129 of IFRS 18 *Presentation and Disclosure in Financial Statements* (see paragraph 8(g)).

4 Paragraph 8 is amended as follows (the sequentially numbered footnotes in this paragraph are not presented here and are unchanged by this amendment):

8 A qualifying entity may take advantage of the following disclosure exemptions, from when the relevant standard is applied:

...

(f) The requirement in ~~paragraph 38 of IAS 1~~ paragraph 31 of IFRS 18 to present comparative information in respect of:

- (i) paragraphs 53(a), (h) and (j) of IFRS 16;
- (ii) ~~paragraph 79(a)(iv) of IAS 1~~ paragraph 130(a)(iv) of IFRS 18;
- (iii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
- (iv) paragraph 118(e) of IAS 38 *Intangible Assets*;
- (v) paragraphs 76 and 79(d) of IAS 40 *Investment Property*; and
- (vi) paragraph 50 of IAS 41 *Agriculture*.

(g) The requirements of ~~paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1~~ paragraphs 10(d) and (g), 22(e), 32, 37 to 40, 83(b), 121 to 125, 126 to 129 and B13 to B15, and the last two sentences of paragraph 3, of IFRS 18.

(h) The requirements of:

- (i) paragraphs 1 to 44E, 44H(b)(ii) and 45 to ~~63~~ 65 of IAS 7 *Statement of Cash Flows*; and
- (ii) paragraphs 44F, 44G, 44H(a), 44H(b)(i), 44H(b)(iii) and 44H(c) of IAS 7 provided that equivalent disclosures are included in the consolidated financial statements in which the qualifying entity is included.

(i) The requirements of paragraphs ~~6B, 30 and 31 of IAS 8~~ Accounting Policies, Changes in Accounting Estimates and Errors Basis of Preparation of Financial Statements.

...

5 Paragraph 8B is inserted as follows:

8B A qualifying entity providing reconciliations of items of 'fixed assets', in accordance with paragraph 51 of Schedule 1 to the Regulations, need not present these reconciliations for prior periods.

6 Paragraph 10 is amended as follows:

10 When a qualifying entity prepares its financial statements in accordance with this FRS, it shall state in the notes to the financial statements: '*These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.*' The financial statements of such an entity do not comply with all of the requirements of adopted IFRS and shall not therefore contain the unreserved statement of compliance referred to in paragraph 3 of IFRS 1 and otherwise required by ~~paragraph 16 of IAS 1~~ paragraph 6B of IAS 8.

7 A sub-heading and paragraph 19 are inserted as follows:

2024/25 cycle of amendments to FRS 101

19 In May 2025, amendments were made to this FRS, including to reflect the replacement of IAS 1 with IFRS 18. In relation to the amendments set out in *Amendments to FRS 101 Reduced Disclosure Framework – 2024/25 cycle a qualifying entity shall:*

(a) apply the amendments to:

(i) paragraphs 7, 8 and 10;

(ii) the *Application Guidance Amendments to adopted IFRS for compliance with the Act and the Regulations*; and

(iii) the *Appendices*

when that qualifying entity applies IFRS 18; and

(b) apply the amendments to paragraphs 5 and 8B on issue.

Amendments to Application Guidance *Amendments to adopted IFRS for compliance with the Act and the Regulations*

8 The following paragraphs set out the amendments to the Application Guidance *Amendments to adopted IFRS for compliance with the Act and the Regulations* to FRS 101. The text of the Application Guidance sets out amendments to adopted IFRS, with inserted text underlined and deleted text struck through. The following paragraphs show the text as it appears in FRS 101 after the amendments are made.

9 Subparagraph AG1(g) is deleted and replaced with the following:

AG1(g) Paragraph 33 of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* is amended as follows:

33 An entity shall present ~~or disclose~~:

- (a) a single amount in the statement of comprehensive income comprising the total of:
 - (i) the post-tax profit or loss of discontinued operations; and
 - (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.
- (b) an analysis of the single amount in (a) into:
 - (i) the revenue, expenses and pre-tax profit or loss of discontinued operations;
 - (ii) the related income tax expense as required by paragraph 81(h) of IAS 12;
 - (iii) the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation; and
 - (iv) the related income tax expense as required by paragraph 81(h) of IAS 12.

The analysis ~~may be~~ shall be presented in the statement of comprehensive income ~~or disclosed in the notes. If it is presented in the statement of comprehensive income it shall be~~ classified in ~~the a~~ a discontinued operations category column, ie separately from continuing operations. A total column shall also be presented. The analysis is not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (see paragraph 11).

- (c) the net cash flows attributable to the operating, investing and financing activities of discontinued operations. This information may either be presented in the statement of cash flows or disclosed in the notes. These disclosures are not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (see paragraph 11).
- (d) the amount of income from continuing operations and from discontinued operations attributable to owners of the parent. This

information ~~may either be~~ is presented in the statement of comprehensive income ~~or disclosed in the notes.~~

- 10 Subparagraph AG1(h) is deleted and replaced with the following:

AG1(h) Paragraph 46 of IFRS 18 is amended as follows:

46 An entity shall include all items of income and expense in a reporting period in the statement of profit or loss unless an IFRS Accounting Standard requires or permits otherwise (see paragraphs 88–95 and B86), or unless prohibited by the Act.

- 11 Subparagraph AG1(i) is deleted and replaced with the following:

AG1(i) Paragraphs 47, 52, 68 and B29 of IFRS 18 are amended and paragraph 47A of IFRS 18 is inserted as follows:

47 An entity shall classify income and expenses included in the statement of profit or loss in one of ~~five~~ four categories (see paragraph B29):

- (a) the operating category (see paragraph 52);
- (b) the investing category (see paragraphs 53–58);
- (c) the financing category (see paragraphs 59–66); and
- (d) the income taxes category (see paragraph 67); ~~and~~
- ~~(e) the discontinued operations category (see paragraph 68).~~

47A An entity shall also classify income and expenses included in the statement of profit or loss into a discontinued operations column and a continuing operations column (see paragraph 68).

52 An entity shall classify in the operating category all income and expenses included in the statement of profit or loss that are not classified in (see paragraph B42):

- (a) the investing category;
- (b) the financing category; or
- (c) the income taxes category; ~~or~~
- ~~(d) the discontinued operations category.~~

68 An entity shall classify in the discontinued operations ~~category~~ column income and expenses from discontinued operations as required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Income and expenses that are not classified as discontinued operations are classified as continuing operations.

B29 Paragraph 47 requires an entity to classify income and expenses included in the statement of profit or loss in one of ~~five~~ four categories. The operating category comprises all income and expenses included in the statement of profit or loss that are not classified in the other categories (see paragraph 52). ~~Income and expenses classified in the discontinued operations category applying paragraph 68 are not subject to the requirements for classifying items of income and expense~~

~~in the categories listed in paragraphs 47(a)–(d). Income and expenses classified in the income taxes category applying paragraph 67 are not subject to the requirements for classifying items of income and expense in the categories listed in paragraphs 47(a)–(c).~~

12 Subparagraph AG1(j) is deleted and replaced with the following:

AG1(j) A sub-heading and paragraphs 68A to 68C are inserted into IFRS 18 as follows:

Extraordinary Items

68A A qualifying entity applying Schedule 1 to the Regulations or Schedule 1 to the LLP Regulations shall not apply paragraphs 68B and 68C. A qualifying entity applying Schedule 2 or Schedule 3 to the Regulations shall apply paragraphs 68B and 68C.

68B Ordinary activities are any activities which are undertaken by a reporting entity as part of its business and such related activities in which the reporting entity engages in furtherance of, incidental to, or arising from, these activities. Ordinary activities include any effects on the reporting entity of any event in the various environments in which it operates, including the political, regulatory, economic and geographical environments, irrespective of the frequency or unusual nature of the events.

68C Extraordinary items are material items possessing a high degree of abnormality which arise from events or transactions that fall outside the ordinary activities of the reporting entity and which are not expected to recur. They do not include items occurring within the entity's ordinary activities that are required to be disclosed by paragraph 42 of IFRS 18, nor do they include prior period items merely because they relate to a prior period.

13 Subparagraph AG1(k) is deleted and replaced with the following:

AG1(k) Paragraph 69 of IFRS 18 is amended as follows:

69 An entity shall present totals and subtotals in the statement of profit or loss for:

- (a) operating profit or loss (see paragraph 70);
- (b) profit or loss before financing and income taxes (see paragraph 71), subject to paragraph 73; ~~and~~
- (bA) profit or loss before income taxes; and
- (c) profit or loss (see paragraph 72).

14 Subparagraph AG1(kA) is inserted as follows:

AG1(kA) Paragraph 74A and the corresponding footnote are inserted into IFRS 18 and paragraph 83 of IFRS 18 is amended as follows:

74A A qualifying entity choosing to apply paragraph 1A(2) of Schedule 1 to the Regulations and adapt one of the profit and loss account formats shall apply the relevant presentation requirements of IFRS 18 *Presentation and Disclosure in Financial Statements*. A qualifying entity not permitted or not choosing to apply paragraph 1A(2) of Schedule 1 to the Regulations shall present the components of profit or loss in the statement(s) of financial performance (in either the single statement or two statement approach) in accordance with the profit and loss account format requirements of the Act^[*footnote] instead of paragraphs 24 and 47 to 82 of IFRS 18.

[*footnote] An entity shall apply, as required by company law, either Part 1 *General Rules and Formats* of Schedule 1 to the Regulations; Part 1 *General Rules and Formats* of Schedule 2 to the Regulations; Part 1 *General Rules and Formats* of Schedule 3 to the Regulations; or Part 1 *General Rules and Formats* of Schedule 1 to the LLP Regulations.

83 An entity that presents one or more line items comprising expenses classified by function in the operating category of the statement of profit or loss, or applies a profit and loss account format that includes expenses classified by function, shall also disclose in a single note:

- (a) the total for each of:
 - (i) depreciation, comprising the amounts required to be disclosed by paragraph 73(e)(vii) of IAS 16 *Property, Plant and Equipment*, paragraph 79(d)(iv) of IAS 40 *Investment Property* and paragraph 53(a) of IFRS 16 *Leases*;
 - (ii) amortisation, comprising the amount required to be disclosed by paragraph 118(e)(vi) of IAS 38 *Intangible Assets*;
 - (iii) employee benefits, comprising the amount for employee benefits recognised by an entity applying IAS 19 *Employee Benefits* and the amount for services received from employees recognised by an entity applying IFRS 2 *Share-based Payment*;
 - (iv) impairment losses and reversals of impairment losses, comprising the amounts required to be disclosed by paragraphs 126(a) and 126(b) of IAS 36 *Impairment of Assets*; and
 - (v) write-downs and reversals of write-downs of inventories, comprising the amounts required to be disclosed by paragraphs 36(e) and 36(f) of IAS 2; and

- (b) for each total listed in (a)(i)–(v):
 - (i) the amount related to each line item in the operating category (see paragraph B84); and
 - (ii) a list of any line items outside the operating category that also include amounts relating to the total.

15 Subparagraph AG1(kB) is inserted as follows:

AG1(kB) Paragraph 102A and the corresponding footnote are inserted into IFRS 18 as follows:

102A A qualifying entity choosing to apply paragraph 1A(1) of Schedule 1 to the Regulations and adapt one of the balance sheet formats shall apply the relevant presentation requirements of IFRS 18 *Presentation and Disclosure in Financial Statements*. A qualifying entity not permitted or not choosing to apply paragraph 1A(1) of Schedule 1 to the Regulations shall comply with the balance sheet format requirements of the Act^[*footnote] instead of paragraphs 24 and 96 to 106 of IFRS 18.

[*footnote] An entity shall apply, as required by company law, either Part 1 *General Rules and Formats* of Schedule 1 to the Regulations; Part 1 *General Rules and Formats* of Schedule 2 to the Regulations; Part 1 *General Rules and Formats* of Schedule 3 to the Regulations; or Part 1 *General Rules and Formats* of Schedule 1 to the LLP Regulations.

16 Subparagraph AG1(r) is deleted and replaced with the following:

AG1(r) Paragraph 29 of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* is amended as follows:

29 Grants related to income are classified and presented in the statement of profit or loss in accordance with the requirements in IFRS 18 *Presentation and Disclosure in Financial Statements*. They are included in profit or loss, ~~either as income. They are not included~~ or as a deduction in reporting the related expense.

Amendments to Appendix II Note on legal requirements

17 The following paragraphs set out the amendments to Appendix II *Note on legal requirements* (inserted text is underlined, deleted text is struck through).

18 Paragraph A2.9A is amended as follows:

A2.9A A qualifying entity choosing to apply paragraphs 1A(1) and 1A(2) of Schedule 1 to the Regulations, which permit a company to adapt the formats providing that the information given is at least equivalent to that which would have been required by the formats set out in the Regulations, shall apply the relevant presentation requirements of ~~IAS 1 *Presentation of Financial Statements*~~ IFRS 18 *Presentation and Disclosure in Financial Statements*, subject to:

(a) the disclosure of profit or loss before ~~taxation~~ income taxes and the amendment to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* set out in paragraph AG1(g) of this FRS; ~~and~~

(aA) any disclosure of additional items or further disaggregation of the statement of profit or loss, for example in relation to turnover, (which may be provided in the notes to the financial statements) that is necessary to meet the requirement to give equivalent information; and

(b) any further disaggregation of the statement of financial position, for example in relation to trade and other receivables and trade and other payables, (which may be provided in the notes to the financial statements) that is necessary to meet the requirement to give equivalent information.

This option is not available to a qualifying entity applying Schedule 2 or Schedule 3 to the Regulations.

19 Paragraph A2.9B is amended as follows:

A2.9B For a qualifying entity not permitted or not choosing to apply paragraphs 1A(1) and 1A(2) of Schedule 1 to the Regulations the format and presentation requirements of ~~IAS 1~~ IFRS 18 may conflict with those in company law because of the following:

...

20 Paragraph A2.10A is amended as follows:

A2.10A A qualifying entity that has a disposal group must ensure that its presentation of the disposal group, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, meets company law requirements. A single line presentation of non-current assets (or liabilities) held for sale will usually not meet company law requirements. Therefore additional disaggregation shall be provided either in the statement of financial position (for example, by disaggregating each relevant line item or by presenting the information in a columnar format) or in the notes. When the items are material this shall be on the face of the statement of financial position.

21 Paragraph A2.11A is amended as follows:

A2.11A Paragraph 42(2) of Schedule 1 to the Regulations requires the notes to the financial statements to be presented in the order in which, where relevant, the

items to which they relate are presented in the statement of financial position and the income statement. A qualifying entity preparing financial statements in accordance with FRS 101 shall have regard to this requirement when determining a systematic manner for the presentation of its notes to the financial statements in accordance with ~~paragraphs 113 and 114 of IAS 1~~ paragraph 114 of IFRS 18.

- 22 The 'IAS 1' row of Table I *Areas for consideration by a qualifying entity preparing accounts in accordance with FRS 101 Reduced Disclosure Framework, in order to ensure compliance with the Act* is amended as follows:

IFRS Accounting Standard	Explanation/potential issues	Amendment to UK-adopted international accounting standards
IAS 1 IFRS 18	<p><i>Formats</i></p> <p>The format requirements applicable under IAS 1IFRS 18 and those under the Regulations may be incompatible.</p> <p><i>Extraordinary items</i></p> <p>IAS 1IFRS 18 does not permit <u>contemplate</u> the presentation of extraordinary items (paragraph 87 of IAS 1); however, for some companies the Regulations require if these items are included in Schedule 2 and Schedule 3 to the Regulations.</p>	<p>Paragraphs 53A and 81C of IAS 1 are inserted to disapply paragraphs 54 to 76B, 82, 85 and 86 of IAS 1 <u>Inserted paragraphs 74A and 102A of IFRS 18 to disapply the relevant requirements, unless certain options in Schedule 1 to the Regulations are chosen.</u></p> <p><u>Amended paragraph 83 of IFRS 18 for compatibility with the format requirements of the Regulations.</u></p> <p><u>Amended paragraph 69 of IFRS 18 to require presentation of profit or loss before income taxes.</u></p> <p>Amended paragraph 87 and inserted paragraphs 87A and 87B of IAS 1 <u>Inserted paragraphs 68A to 68C of IFRS 18 to include the definition of extraordinary items consistent with that in paragraphs 5.10A and 5.10B of FRS 102.</u></p>

IFRS Accounting Standard	Explanation/potential issues	Amendment to UK-adopted international accounting standards
	<p><i>Realised profits</i></p> <p>IAS 1 Paragraph 46 of IFRS 18 requires the recognition of all income and expenses in profit or loss, unless otherwise required or permitted by an IFRS Accounting Standard requires or permits otherwise (paragraph 88 of IAS 1). The Regulations require that, subject to specific exemptions, only profits realised at the balance sheet date are included in the profit and loss account (see paragraphs A2.12 to A2.15 above).</p> <p><u><i>Analysis of results of discontinued operations</i></u></p> <p><u>As set out in the IFRS 5 row, the Regulations require an entity to show totals for turnover, profit or loss before taxation and tax on the face of the profit and loss account; this is not compatible with the option in IFRS 5 to present the analysis in the notes to the accounts.</u></p>	<p>Amended paragraph 88 of IAS 1 paragraph 46 of IFRS 18 to clarify the precedence of the Act.</p> <p><u>Amended paragraphs 47, 52, 68 and B29 of IFRS 18 and inserted paragraph 47A of IFRS 18 to accommodate the amendment made to IFRS 5.</u></p>

Amendments to Appendix III Republic of Ireland legal references

23 The following paragraphs set out the amendments to Appendix III *Republic of Ireland legal references* (inserted text is underlined, deleted text is struck through).

24 The following row is inserted into the table 'FRS 101 *Reduced Disclosure Framework*' in paragraph number order.

	UK references	RoI references	
Paragraph	Act and the Regulations (unless otherwise stated)	Companies Act 2014	Other legislative reference
<u>8B</u>	<u>Paragraph 51 of Schedule 1 to the Regulations</u>	<u>Paragraph 46 in Part IV of Schedule 3</u>	

25 The following amendments are made to rows of the table 'Application Guidance *Amendments to adopted IFRS for compliance with the Act and the Regulations*' (unamended rows of the table are not shown). All the rows in the table are then reordered to be in alphabetical order by paragraph.

	UK references	RoI references	
Paragraph	Act and the Regulations (unless otherwise stated)	Companies Act 2014	Other legislative reference
<u>AG1(h)(kB)</u>	Paragraph 1A(1) of Schedule 1 to the Regulations	Paragraph 2(2) in Section A of Part II of Schedule 3	
<u>AG1(i)(kA)</u>	Paragraph 1A(2) of Schedule 1 to the Regulations	Paragraph 2(3) in Section A of Part II of Schedule 3	
Footnotes to <u>AG1(h)(kA)</u> and <u>AG1(i)(kB)</u>	Part 1 <i>General Rules and Formats</i> of Schedule 1 to the Regulations	Part II <i>General Rules and Formats</i> of Schedule 3	
Footnotes to <u>AG1(h)(kA)</u> and <u>AG1(i)(kB)</u>	Part 1 <i>General Rules and Formats</i> of Schedule 2 to the Regulations		Part II <i>General Rules and Formats</i> of Schedule 1 to the Credit Institutions Regulations 2015
Footnotes to <u>AG1(h)(kA)</u> and <u>AG1(i)(kB)</u>	Part 1 <i>General Rules and Formats</i> of Schedule 3 to the Regulations		Part II <i>General Rules and Formats</i> of Schedule 1 to the Insurance Undertakings Regulations 2015

	UK references	Rol references	
Paragraph	Act and the Regulations (unless otherwise stated)	Companies Act 2014	Other legislative reference
Footnotes to AG1(h)(kA) and AG1(h)(kB)	Part 1 <i>General Rules and Formats</i> of Schedule 1 to the LLP Regulations	Refer to paragraph A3.9 of this appendix.	

26 The following amendment is made to the 'IAS 1' row of the table 'Table I':

	UK references	Rol references	
Paragraph	Act and the Regulations (unless otherwise stated)	Companies Act 2014	Other legislative reference
IAS 4 IFRS 18	Schedule 1 to the Regulations	Schedule 3 Refer also to paragraph A3.2 of this appendix.	

Approval by the FRC

Amendments to FRS 101 Reduced Disclosure Framework – 2024/25 cycle was approved for issue by the Financial Reporting Council on 15 May 2025.

Amendments to Basis for Conclusions FRS 101 *Reduced Disclosure Framework*

- 1 The following amendments are made to the Basis for Conclusions FRS 101 *Reduced Disclosure Framework* (inserted text is underlined, deleted text is struck through).
- 2 Paragraph 18 is amended, as follows:
 - 18 Financial institutions ~~are~~were not permitted to take advantage of the exemption from applying the capital disclosure requirements in IAS 1 *Presentation of Financial Statements* as these disclosures ~~provide~~provided information relevant to financial institutions. In the 2024/25 cycle, the FRC maintained this conclusion as those requirements were moved to paragraphs 126 to 129 of IFRS 18 *Presentation and Disclosure in Financial Statements*.
- 3 Paragraph 29 is amended, as follows:
 - 29 In the 2014/15 cycle, a query originally raised by a respondent to the 2013/14 cycle was revisited. The respondent highlighted that although FRS 101 ~~provides~~provided an explicit exemption from paragraph 10(f) of IAS 1 there ~~is~~was no explicit exemption from a similar requirement set out in paragraph 21 (and paragraph 6) of IFRS 1 *First-time Adoption of International Financial Reporting Standards* to present a third statement of financial position:
 - (a) Paragraph 10(f) of IAS 1 ~~requires~~required the presentation of a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of its financial statements.
 - (b) Paragraph 6 of IFRS 1 ~~requires~~required an entity to prepare and present an opening statement of financial position at the date of transition, and paragraph 21 of IFRS 1 ~~requires~~required that an entity's first IFRS financial statements should include at least three statements of financial position.
- 4 Paragraph 37C and an associated sub-heading are inserted immediately after paragraph 37B, as follows:

Financial instruments classified as equity that entitle the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation

37C In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to replace IAS 1. IFRS 18 transferred disclosure requirements related to financial instruments classified as equity that entitle the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation from paragraphs 80A and 136A of IAS 1 to paragraphs 19A and 19B of IFRS 7. This was considered in the 2024/25 cycle and the FRC originally proposed to provide no exemption from those requirements, to maintain the approach taken when those requirements were contained in IAS 1. However, reflecting on respondents' feedback, the FRC concluded that the requirements should not be treated differently to other requirements of IFRS 7, for which a conditional exemption is provided in paragraph 8(d) of FRS 101.

5 Paragraph 49 is amended as follows:

49 It was noted that qualifying entities are still required to provide the following disclosure requirements:

- (a) company law requirements relating to disaggregation of turnover (which are reflected in paragraph A2.11B); and
- (b) IAS 1 contains requirements relating to judgements having a significant effect on the amounts recognised in an entity's financial statements (in the 2024/25 cycle, it was noted that these requirements had been transferred to IAS 8 *Basis of Preparation of Financial Statements*).

6 Paragraphs 61K to 61M and the associated sub-heading are inserted, as follows:

IFRS 18 Presentation and Disclosure in Financial Statements

61K In April 2024, the IASB issued IFRS 18. IFRS 18 replaced IAS 1 and introduced new requirements aimed at improving companies' reporting of financial performance and giving investors a better basis for analysing and comparing companies.

61L IFRS 18 was considered in the 2024/25 cycle and the FRC's conclusions meant that FRS 101 required a similar level of disclosure both before and after the introduction of IFRS 18. Exemptions that were provided from requirements in IAS 1 were carried over to the corresponding requirements in IFRS 18 or other IFRS Accounting Standards and exemptions were given from some new requirements in IFRS 18, most notably in relation to management-defined performance measures (MPMs). Many company law requirements relate to presentation and disclosure in financial statements and therefore amendments were made to the *Application Guidance Amendments to adopted IFRS for compliance with the Act and the Regulations, Appendix II Note on legal requirements, and Appendix III Republic of Ireland legal references* to update references and provide additional clarification.

61M Paragraphs 117 to 125 of IFRS 18 require an entity to disclose explanations of MPMs, being certain company-specific measures that are related to the income statement. The FRC concluded that qualifying entities are unlikely to have MPMs as defined in IFRS 18 and that the cost of requiring all qualifying entities to consider whether they have MPMs would not be outweighed by the benefits to users of the financial statements. The FRC therefore proposed to exempt qualifying entities, other than certain listed qualifying entities, from the MPM disclosure requirements. However, reflecting on respondent feedback, the FRC concluded that few entities would have met the criteria for exclusion and, in the limited circumstances in which a qualifying entity had MPMs, the narrative reporting that accompanies the financial statements would be likely to meet users' information needs. Therefore, the FRC concluded that the proposed exclusion of certain listed qualifying entities was unnecessary and that the exemption from the MPM disclosure requirements of IFRS 18 should be available to all qualifying entities.

- 7 Paragraph 61N and the associated sub-heading are inserted, as follows:

IFRS 19 Subsidiaries without Public Accountability: Disclosures

61N In March 2024, the IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. IFRS 19 was considered in the 2024/25 cycle and the FRC concluded that it would not make sense for a qualifying entity to apply both IFRS 19 and FRS 101. Paragraph 5 of FRS 101 was amended to clarify that a qualifying entity shall not apply IFRS 19.

- 8 Paragraphs 62, 65, 65A and the associated sub-headings are amended and paragraphs 63A, 65B and the associated sub-heading are inserted, as follows:

IAS 1 Presentation of Financial-Information Statements

...

62 In May 2012, the IASB amended IAS 1 in its *Annual Improvements to IFRSs 2009–2011 Cycle*. Paragraphs 38A, 38B, 38C and 38D are concerned with comparative information in respect of the preceding period, and paragraphs 40A, 40B, 40C and 40D are concerned with a statement of financial position as at the beginning of the preceding period. Disclosure exemptions from all the above paragraphs are provided. In the 2024/25 cycle, this conclusion was maintained as those requirements were transferred to paragraphs 37 to 40 of IFRS 18.

...

63A In the 2024/25 cycle, these conclusions were maintained as presentation and format requirements were transferred to IFRS 18 and reflected in paragraphs AG1(kA) and (kB) of FRS 101.

...

65 However, one area where additional guidance was included related to the systematic manner in which the notes to the financial statements are presented. Company law requires the notes to the financial statements to be presented in a certain order. The amendments to paragraphs 113 and 114 of IAS 1 do not require entities to present notes to the financial statements in an order that would conflict with this legal requirement; however, some of the examples of how to present notes in a systematic manner are unlikely to comply with company law. An additional paragraph (paragraph A2.11A) in Appendix II *Note on legal requirements* was inserted. In the 2024/25 cycle, this conclusion was maintained as those requirements were transferred to paragraphs 114 and B112 of IFRS 18.

...

65A In January 2020, the IASB amended IAS 1 to clarify the criteria for the classification of liabilities as either current or non-current. These criteria are referenced in paragraph A2.9B(c) of Appendix II *Note on legal requirements*. Consequently, paragraph A2.9B(c) of Appendix II was amended in the 2020/21 cycle to ensure consistency with IAS 1. A further amendment was made in the 2023/24 cycle following stakeholder feedback, to ensure consistency with paragraph 69(d) of IAS 1. In the 2024/25 cycle, these references were amended to reflect the replacement of IAS 1 with IFRS 18.

Replacement of IAS 1 with IFRS 18

65B In April 2024, the IASB replaced IAS 1 with IFRS 18 and transferred some requirements to other IFRS Accounting Standards. This was considered in the 2024/25 cycle and the FRC concluded that exemptions that were provided from requirements in IAS 1 should be maintained for the corresponding requirements in IFRS 18 or other IFRS Accounting Standards. References to IAS 1 were deleted from FRS 101, effective from when a qualifying entity applies IFRS 18.

- 9 The following row is inserted at the end of Table 1 *Exposure drafts and consultation documents*:

Exposure draft		Date of issue	Finalised as	Date of issue
<u>FRED 86</u>	<u>Draft amendments to FRS 101 Reduced Disclosure Framework – 2024/25 cycle</u>	<u>Dec 2024</u>	<u>Amendments to FRS 101 Reduced Disclosure Framework – 2024/25 cycle</u>	<u>May 2025</u>

- 10 The following amendment is made to Table 2 *IASB publications*:

IFRS Accounting Standards or amendments		Date issued by IASB	Date effective	Date endorsed by the EU	Date adopted by the UK
74	<i>Lack of Exchangeability</i> (Amendments to IAS 21)	Aug 2023	1 Jan 2025	TBC Nov 2024	Jul 2024

- 11 The following rows are inserted at the end of Table 2:

IFRS Accounting Standards or amendments		Date issued by IASB	Date effective	Date endorsed by the EU	Date adopted by the UK
<u>2024/25 cycle (May 2025)</u>					
<u>75</u>	<u>IFRS 18 Presentation and Disclosure in Financial Statements</u>	<u>Apr 2024</u>	<u>1 Jan 2027</u>	<u>TBC</u>	<u>TBC</u>
<u>76</u>	<u>IFRS 19 Subsidiaries without Public Accountability: Disclosures</u>	<u>May 2024</u>	<u>1 Jan 2027</u>	<u>TBC</u>	<u>TBC</u>
<u>77</u>	<u>Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7</u>	<u>May 2024</u>	<u>1 Jan 2026</u>	<u>TBC</u>	<u>Apr 2025</u>
<u>78</u>	<u>Annual Improvements to IFRS Accounting Standards—Volume 11</u>	<u>Jul 2024</u>	<u>1 Jan 2026</u>	<u>TBC</u>	<u>Feb 2025</u>



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