Standard

Accounting and Reporting

Financial Reporting Council

January 2022

FRS 104
Interim Financial Reporting

The FRC's purpose is to serve the public interest by setting high standards of corporate governance, reporting and audit and by holding to account those responsible for delivering them. The FRC sets the UK Corporate Governance and Stewardship Codes and UK standards for accounting and actuarial work; monitors and takes action to promote the quality of corporate reporting; and operates independent enforcement arrangements for accountants and actuaries. As the Competent Authority for audit in the UK the FRC sets auditing and ethical standards and monitors and enforces audit quality.

Financial Reporting Council

January 2022

FRS 104
Interim Financial Reporting

FRS 104 is issued by the Financial Reporting Council. It is the FRC's pronouncement on interim reporting that UK and Irish issuers not using adopted IFRS may apply under the Disclosure and Transparency Rules and the *Transparency (Directive 2004/109/EC) Regulations 2007* (as amended) respectively.

Contents

Overview

(i) The FRC's overriding objective in setting financial reporting 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.

FRS 104 *Interim Financial Reporting*

(ii) FRS 104 *Interim Financial Reporting* is based on IAS 34 *Interim Financial Reporting*; it is not an accounting standard[1]. It does not require any entity to prepare an interim report, nor does it change the extent to which laws or regulations may require the preparation of such a report. Entities should consider whether any such laws or regulations apply to them. For example, paragraph 4.2.2R of the Disclosure and Transparency Rules (DTRs) requires listed entities within the scope of that rule to prepare a half-yearly financial report that must include a condensed set of financial statements, such as the interim financial report described in FRS 104. Similarly, AIM companies are required under the AIM Rules for Companies issued by the London Stock Exchange to prepare a half-yearly report.

(iii) When an entity prepares an interim financial report, FRS 104 does not, in itself, require such reports to be prepared in accordance with FRS 104. However, laws or regulations may contain such a requirement. Paragraph 4.2.10R of the DTRs sets out that UK issuers within the scope of that rule which do not apply UK-adopted international accounting standards in their annual financial statements can prepare their condensed interim financial statements in accordance with IAS 34 or FRS 104 issued by the FRC.

(iv) FRS 104 is intended for use in the preparation of interim reports by entities that apply FRS 102 when preparing their annual financial statements. Entities applying FRS 101 to prepare the annual financial statements may also use FRS 104 as a basis for their interim financial reports.

(v) As explained above, FRS 104 does not impose an obligation on entities to produce interim financial reports nor does it mandate its application by any entity. However, entities that make a statement of compliance with this standard are required to apply all of the provisions of FRS 104.

Organisation of FRS 104

(vi) Terms defined in the Glossary (Appendix I) are in **bold type** the first time they appear in FRS 104.

(vii) This edition of FRS 104 issued in January 2022 updates the edition issued in March 2018 for the following:

(a) *Amendments to FRS 104 Interim Financial Reporting – Going concern* issued in October 2020;

(b) *Amendments to UK and Republic of Ireland accounting standards – UK exit from the European Union* issued in December 2020; and

(c) some minor typographical or presentational corrections.

[1] Refer to the *Foreword to Accounting Standards* issued in January 2022 for more detail on accounting standards.

FRS 104
Interim Financial Reporting

Objective

1 **Timely** and **reliable** interim financial reporting can improve the ability of investors, creditors or others to understand an entity's capacity to generate earnings and **cash flows** and its **financial position** and liquidity.

1A This FRS sets out content, **recognition** and **measurement** principles for **interim financial reports**.

Scope

2 This FRS, in itself, does not require an entity to prepare interim financial reports. Where an entity is required by laws or regulations or voluntarily chooses to prepare interim financial reports it may voluntarily choose to apply this FRS. This FRS does not mandate how frequently or how soon after the end of an **interim period**, interim financial reports should be issued.

2A This FRS is intended for use by entities that prepare annual **financial statements** in accordance with **FRS 102**. If entities that prepare the annual financial statements in accordance with **FRS 101** apply this FRS, references made in this FRS to FRS 102 shall be read as references to the equivalent requirements in **adopted IFRS** as amended by paragraph AG1 of FRS 101.

3 An entity that makes a statement of compliance with this FRS shall comply with all of the provisions of this FRS. This FRS does not need to be applied to immaterial items.

3A Issuers not using adopted IFRS that include a statement in their half-yearly financial report that the condensed set of financial statements has been prepared in accordance with FRS 104 *Interim Financial Reporting* issued by the FRC,[2] shall apply this FRS.

4 [Deleted]

Going concern

4A When preparing interim financial statements, the management of an entity applying this FRS shall make an assessment of the entity's ability to continue as a **going concern**. An entity is a going concern unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, 12 months from the date when the interim financial statements are authorised for issue.

4B When management is aware, in making its assessment, of **material** uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare the interim financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the interim financial statements and the reason why the entity is not regarded as a going concern.

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[2] UK issuers shall refer to DTR 4.2.10(4)R. Irish issuers shall refer to the *Transparency (Directive 2004/109/EC) Regulations 2007*, Regulation 8(5)(d).

Content of an interim financial report

5 [Deleted]

6 In the interest of timeliness and cost and to avoid repetition of information previously reported, an entity may be required to or may elect to provide less information at interim dates as compared with its annual financial statements. This FRS defines the minimum components of an interim financial report as including condensed interim financial statements and selected explanatory notes (see paragraph 8). The interim financial report is intended to provide an update on the most recent complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported.

7 Nothing in this FRS is intended to prohibit or discourage an entity from publishing a complete set of financial statements as described in Section 3 *Financial Statement Presentation* of FRS 102, instead of the condensed interim financial statements and selected explanatory notes described in paragraph 8. A complete set of financial statements shall include all of the disclosures required by this FRS as well as the disclosures required by FRS 102. The recognition and measurement requirements set out in this FRS also apply to a complete set of financial statements.

Minimum components of an interim financial report

8 An interim financial report shall include, at a minimum, the following components:

(a) a condensed **statement of financial position**;

(b) a single condensed **statement of comprehensive income** or a separate condensed **income statement** and a separate condensed statement of comprehensive income;

(c) a condensed statement of changes in equity;

(d) a condensed **statement of cash flows**; and

(e) selected explanatory notes.

8A An entity shall present a single condensed statement of comprehensive income or a separate condensed income statement and a separate condensed statement of comprehensive income (see paragraph 8(b)), consistent with the basis of presentation applied in its most recent annual financial statements.

8B An entity that has presented a single **statement of income and retained earnings** in place of the statement of comprehensive income and statement of changes in equity in accordance with paragraph 3.18 of FRS 102 in its most recent annual financial statements, is permitted to present a single condensed statement of income and retained earnings if, during any of the periods for which the interim financial statements are required to be presented in accordance with paragraph 20A, the only changes to **equity** arise from **profit or loss**, payment of dividends, corrections of prior period **errors** or changes in **accounting policies**.

8C An entity that has presented only an income statement, or a statement of comprehensive income in which the ‘bottom line’ is labelled ‘profit or loss’ in accordance with paragraph 3.19 of FRS 102 in its most recent annual financial statements, is permitted to use the same basis of presentation if there are no items of **other comprehensive income** in any of the periods for which the interim financial statements are required to be presented in accordance with paragraph 20B.

8D When the presentation of the components of the interim financial statements will be changed in its next annual financial statements an entity is permitted to present the components of the interim financial statements on that new basis, instead of the basis applied in its most recent annual financial statements as required by paragraphs 8A to 8C.

8E An entity may use titles for the statements other than those used in this FRS as long as they are not misleading.

8F Paragraph 8(d) does not apply to an entity that will not present a statement of cash flows in its next annual financial statements.

Form and content of interim financial statements

9 If an entity publishes a complete set of financial statements in its interim financial report, the form and content of those statements shall conform to the requirements of Section 3 of FRS 102 for a complete set of financial statements. An entity that will not present a statement of cash flows in its next annual financial statements is not required to include that statement in its interim financial report.

10 The condensed interim financial statements shall include, at a minimum, each of the headings and subtotals that were included in the entity's most recent annual financial statements and the selected explanatory notes as required by this FRS. Additional line items or notes shall be included if their omission would make the condensed interim financial statements misleading.

11 An entity shall present basic and diluted earnings per share for an interim period when the entity has presented earnings per share information in accordance with IAS 33 *Earnings per Share* (as adopted in the relevant jurisdiction) in its most recent annual financial statements.

11A If an entity presents basic and diluted earnings per share, it shall do so in the statement that presents the components of profit or loss (see paragraph 8(b)).

12–14 [Deleted]

Significant events and transactions

15 An entity shall include in its interim financial report an explanation of events and transactions that are significant to an understanding of the changes in financial position and **performance** of the entity since the end of the last annual **reporting period**. Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report.

15A A user of an entity's interim financial report will have access to the most recent annual financial report of that entity. Therefore, it is unnecessary for the interim financial report to provide relatively insignificant updates to the information that was reported in the most recent annual financial report.

15B The following is a list of events and transactions for which disclosures would be required, if they are significant, either in the notes to the interim financial statements or, if disclosed elsewhere in the interim financial report, cross-referred to the disclosure in the notes to the interim financial statements. Disclosure of this information is required in an entity's interim financial report only if the entity would be required to make the disclosure in its annual financial statements. This list is not exhaustive:

(a) the write-down of **inventories** to net realisable value and the reversal of such a write-down;

(b) recognition of a loss from the impairment of **financial assets**, **property, plant and equipment**, **intangible assets**, or other **assets**, and the reversal of such an **impairment loss**;

(c) the reversal of any **provisions** for the costs of **restructuring**;

(d) acquisitions and disposals of items of property, plant and equipment;

(e) commitments for the purchase of property, plant and equipment;

(f) litigation settlements;

(g) corrections of prior period errors;

(h) changes in the business or economic circumstances that affect the **fair value** of the entity's financial assets and **financial liabilities**, where those assets or liabilities are measured at fair value;

(i) any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period;

(j) **related party transactions**, unless the transaction was entered into between two or more members of a **group**, provided that any **subsidiary** which is party to the transaction is wholly owned by such a member; and

(k) [Deleted]

(l) [Deleted]

(m) changes in **contingent liabilities** or **contingent assets**.

15C Individual sections of FRS 102 provide guidance regarding disclosure requirements for many of the items listed in paragraph 15B. When an event or transaction is significant to an understanding of the changes in an entity's financial position or performance since the last annual reporting period, its interim financial report should provide an explanation of and an update to the relevant information included in the financial statements of the last annual reporting period.

16–18 [Deleted]

Other disclosures

16A In addition to disclosing significant events and transactions in accordance with paragraphs 15–15C, an entity shall include the following information, either in the notes to its interim financial statements or, if disclosed elsewhere in the interim financial report, cross-referred from the notes (the information shall normally be reported on a financial year-to-date basis):

(a) A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change.

(aA) Any material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, as required by paragraph 4B.[3]

[3] It should be noted that when a company is subject to the UK Corporate Governance Code, it requires the board to state, in the annual and half-yearly financial statements, whether they consider it appropriate to adopt the going concern basis of accounting and to identify any material uncertainties to the company's ability to do so for a period of at least 12 months from the date of approval of the financial statements.

(aB) If an entity does not prepare its interim financial statements on a going concern basis, it shall disclose that fact, the basis on which the interim financial statements are prepared, and the reason why the entity is not regarded as a going concern, as required by paragraph 4B.

(b) Explanatory comments about the seasonality or cyclicality of interim operations.

(c) The nature and amount of items affecting assets, **liabilities**, equity, profit or loss or cash flows that are unusual because of their nature, size or incidence.

(d) The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

(e) Issues, repurchases and repayments of debt and equity securities.

(f) Dividends paid (aggregate or per share) separately for **ordinary shares** and other shares.

(g) The following segment information (disclosure of segment information is required in an entity's interim financial report only if the entity has presented segment information in accordance with IFRS 8 *Operating Segments* (as adopted in the relevant jurisdiction) in its most recent annual financial statements):

(i) **Revenues** from external customers, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker.

(ii) Intersegment revenues, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker.

(iii) A measure of segment profit or loss.

(iv) A measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the most recent annual financial statements for that reportable segment.

(v) A description of differences from the most recent annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

(vi) A reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before **tax expense** (tax income) and **discontinued operations**. However, if an entity allocates to reportable segments items such as tax expense (tax income), the entity may reconcile the total of the segments' measures of profit or loss to profit or loss after those items. Material reconciling items shall be separately identified and described in that reconciliation.

(h) Events after the interim period that have not been reflected in the financial statements for the interim period.

(i) The effect of changes in the composition of the entity during the interim period, including **business combinations**, obtaining or losing control of subsidiaries and long-term investments, restructurings, and discontinued operations. In the case of business combinations, the entity shall disclose the information required by paragraphs 19.25 and 19.25A of FRS 102 (disclosure of this information is required in an entity's interim financial report only if the entity would be required to make the disclosure in the annual financial statements).

(j) For **financial instruments** disclosures that help users of interim financial reports to evaluate the significance of financial instruments measured at fair value; the entity shall disclose the information required by paragraphs 11.43, 11.48A(e) and

34.22 of FRS 102 (disclosure of this information is required in an entity's interim financial report only if the entity would be required to make the disclosure in its annual financial statements).

(k) [Deleted]

16B An interim financial report that covers part of an annual financial reporting period during which an entity transitions from one financial reporting framework to another shall, in order to comply with the disclosure requirements in paragraph 16A(a), disclose the following information:

(a) a description of the nature of each change in accounting policy;

(b) a reconciliation of its equity determined in accordance with its previous financial reporting framework to its equity determined in accordance with the new financial reporting framework for the following dates:

(i) the **date of transition** to the new financial reporting framework; and

(ii) at the end of the comparable year-to-date period of the immediately preceding financial year; and

(c) a reconciliation of profit or loss determined in accordance with its previous financial reporting framework for the comparable interim period (current and if different year-to-date) of the immediately preceding financial year.

The requirements of paragraph 35.14 of FRS 102 apply in respect of the reconciliations presented.

Disclosure of compliance with this FRS

19 If an entity's interim financial report is in compliance with this FRS, that fact shall be disclosed.

Periods for which interim financial statements are required to be presented

20 Interim financial reports shall include interim financial statements (condensed or complete) for periods as follows:

(a) A statement of financial position as of the end of the current interim period and a comparative statement of financial position as of the end of the immediately preceding financial year.

(b) A single statement of comprehensive income or separate statements of income and of comprehensive income for the current interim period and, if different, cumulatively for the current financial year to date, with a comparative single statement of comprehensive income or separate statements of income and of comprehensive income for the comparable interim period (current and, if different, year-to-date) of the immediately preceding financial year. Paragraph 8A sets out when an entity shall present a single statement of comprehensive income or separate statements of income and of comprehensive income.

(c) A statement of changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.

(d) A statement of cash flows cumulatively for the current financial year-to-date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year. This requirement does not apply to entities that do not present a statement of cash flows in accordance with paragraphs 8F or 9.

20A An entity that presents a single condensed statement of income and retained earnings in place of the statement of comprehensive income and statement of changes in equity in accordance with paragraph 8B, shall present a single condensed statement of income and retained earnings for the periods set out in paragraph 20(b).

20B An entity that presents an income statement, or a statement of comprehensive income in which the 'bottom line' is labelled 'profit or loss' in accordance with paragraph 8C, shall present an income statement, or a statement of comprehensive income on that basis for the periods set out in paragraph 20(b).

21 For an entity whose business is highly seasonal, financial information for the 12 months up to the end of the interim period and comparative information for the prior 12-month period may be useful. Accordingly, entities whose business is highly seasonal are encouraged to consider reporting such information in addition to the information called for in paragraphs 20 to 20B.

22 See paragraphs A2.1 and A2.2 of Appendix II *Illustrations and Examples* to this FRS for illustrative examples of the periods that shall be presented by an entity that reports half-yearly and an entity that reports quarterly.

Materiality

23 In deciding how to recognise, measure, classify, or disclose an item for interim financial reporting purposes, materiality shall be assessed in relation to the interim period financial data. In making assessments of materiality, it shall be recognised that interim measurements may rely on estimates to a greater extent than measurements of annual financial data.

24 As described in paragraph 2.6 of FRS 102, an item is material if its omission or misstatement could influence the economic decisions of users of the financial statements.

25 While judgement is always required in assessing materiality, this FRS bases the recognition and disclosure decision on data for the interim period by itself for reasons of understandability of the interim figures. Thus, for example, unusual items, changes in accounting policies or estimates, and errors are recognised and disclosed on the basis of materiality in relation to interim period data to avoid misleading inferences that might result from non-disclosure. The overriding goal is to ensure that an interim financial report includes all information that is **relevant** to understanding an entity's financial position and performance during the interim period.

26–27 [Deleted]

Recognition and measurement

Same accounting policies as annual

28 An entity shall apply the same accounting policies in its interim financial statements as are applied in its most recent annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements.

28A The frequency of an entity's reporting (annual, half-yearly or quarterly) shall not affect the measurement of its annual results, with the exception described in paragraph 30(a). To achieve that objective, measurements for interim reporting purposes shall be made on a year-to-date basis.

29 Year-to-date measurements may involve changes in estimates of amounts reported in prior interim periods of the current financial year, but the principles for recognising assets, liabilities, **income**, and **expenses** for interim periods are the same as in annual financial statements.

30 To illustrate:

(a) The principles for recognising and measuring losses from inventory write-downs, restructurings, or impairments in an interim period are the same as those that an entity would follow if it prepared only annual financial statements. However, if such items are recognised and measured in one interim period and the estimate changes in a subsequent interim period of that financial year, the original estimate is changed in the subsequent interim period either by accrual of an additional amount of loss or by reversal of the previously recognised amount, unless the reversal of a previously recognised impairment is prohibited by FRS 102.

(b) A cost that does not meet the definition of an asset at the end of an interim period is not deferred in the statement of financial position either to await future information as to whether it has met the definition of an asset or to smooth earnings over interim periods within a financial year.

(c) **Income tax** expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year, using the tax rates and laws that have been enacted or **substantively enacted** at the end of an interim reporting period. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

31 Under Section 2 *Concepts and Pervasive Principles* of FRS 102, recognition is the '... process of incorporating in the statement of financial position or statement of comprehensive income an item that meets the definition of an asset, liability, equity, income or expense and satisfies the ... criteria [for recognition]'. The definitions of assets, liabilities, equity, income, and expenses are fundamental to recognition, at the end of both annual and interim financial reporting periods.

32 For assets, the same tests of future economic benefits apply at interim dates and at the end of an entity's financial year. Costs that, by their nature, would not qualify as assets at financial year-end would not qualify at interim dates either. Similarly, a liability at the end of an interim reporting period must represent an existing obligation at that date, just as it must at the end of an annual reporting period.

33 An essential characteristic of income (revenue) and expenses is that the related inflows and outflows of assets and liabilities have already taken place. If those inflows or outflows have taken place, the related revenue and expense are recognised; otherwise they are not recognised. Section 2 of FRS 102 states that 'an entity shall recognise expenses in the statement of comprehensive income (or in the income statement, if presented) when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably'. Section 2 of FRS 102 does not allow the recognition of items in the statement of financial position which do not meet the definition of assets or liabilities.

34 In measuring the assets, liabilities, equity, income, expenses, and cash flows reported in its financial statements, an entity that reports only annually is able to take into account information that becomes available throughout the financial year. Its measurements are, in effect, on a year-to-date basis.

35 An entity uses information available when the interim financial report is being prepared. Amounts of income and expenses reported in the current interim period will reflect any changes in estimates of amounts reported in the last published financial statements. The amounts reported in the last published financial statements, whether at the end of a prior interim period or at the end of the prior financial year, are not retrospectively adjusted for a **change in accounting estimate**. Paragraph 16A(d) requires that the nature and amount of any significant changes in estimates are disclosed.

36 [Deleted]

Revenues received seasonally, cyclically, or occasionally

37 **Revenues that are received seasonally, cyclically, or occasionally within a financial year shall not be anticipated or deferred as of an interim date if anticipation or deferral would not be appropriate at the end of the entity's financial year.**

38 Examples include dividend revenue, royalties, and government grants. Additionally, some entities consistently earn more revenues in certain interim periods of a financial year than in other interim periods, for example, seasonal revenues of retailers. Such revenues are recognised when they occur.

Costs incurred unevenly during the financial year

39 **Costs that are incurred unevenly during an entity's financial year shall be anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.**

40 See paragraphs A2.3 to A2.38 of Appendix II to this FRS for illustrative examples of applying the requirements set out in paragraphs 28 to 39.

Use of estimates

41 **The measurement procedures to be followed in an interim financial report shall be designed to ensure that the resulting information is reliable and that all material financial information that is relevant to an understanding of the financial position or performance of the entity is appropriately disclosed. While measurements in both annual and interim financial reports are often based on reasonable estimates, the preparation of interim financial reports generally will require a greater use of estimation methods than annual financial reports.**

42 See paragraphs A2.39 to A2.47 of Appendix II to this FRS for illustrative examples of the use of estimates in interim periods.

Restatement of previously reported interim periods

43 **A change in accounting policy, other than one for which the transition is specified in FRS 102, shall be reflected by:**

(a) **restating the financial statements of prior interim periods of the current financial year and the comparable interim periods of any prior financial years that will be restated in the annual financial statements in accordance with Section 10 *Accounting Policies, Estimates and Errors* of FRS 102; or**

(b) **when it is impracticable to determine the cumulative effect at the beginning of the financial year of applying a new accounting policy to all prior periods, adjusting the financial statements of prior interim periods of the current financial year, and comparable interim periods of prior financial years to apply the new accounting policy prospectively from the earliest date practicable.**

44 One objective of the preceding principle is to ensure that a single accounting policy is applied to a particular class of transactions throughout an entire financial year. Under Section 10 of FRS 102, a change in accounting policy is reflected by **retrospective application**, with restatement of prior period financial data as far back as is practicable. However, if the cumulative amount of the adjustment relating to prior financial years is impracticable to determine, then under Section 10 of FRS 102 the new policy is applied prospectively from the earliest date practicable. The effect of the principle in paragraph 43 is to require that within the current financial year any change in accounting policy is applied either retrospectively or, if that is not practicable, prospectively, from no later than the beginning of the financial year.

45 To allow accounting changes to be reflected as of an interim date within the financial year would allow two differing accounting policies to be applied to a particular class of transactions within a single financial year. The result would be interim allocation difficulties, obscured operating results, and complicated analysis and understandability of interim period information.

Date from which effective

46 This FRS is effective for interim periods beginning on or after 1 January 2015. Early application is permitted if an entity also applies FRS 101 or FRS 102 for an accounting period beginning before 1 January 2015.

47–56 [Deleted]

Triennial review 2017

56A In December 2017 amendments were made to this FRS as a result of the triennial review 2017. An entity shall apply the amendments to this FRS as set out in the *Triennial review 2017 amendments* for interim periods beginning on or after 1 January 2019. Early application is permitted if an entity also applies the *Triennial review 2017 amendments* to FRS 101 or FRS 102 for an accounting period beginning before 1 January 2019.

Going concern

56B In October 2020 amendments were made to this FRS to insert paragraphs 4A, 4B, 16(aA), and 16(aB) and make other minor consequential amendments. These amendments are effective for interim periods beginning on or after 1 January 2021. Early application is permitted. If an entity applies these amendments to an interim period beginning before 1 January 2021 it shall disclose that fact.

UK exit from the European Union

56C In December 2020 amendments were made to this FRS to reflect changes in UK company law following the UK exit from the European Union. An entity shall apply these amendments for interim periods beginning on or after 1 January 2021. Similar amendments were made to FRS 101 and FRS 102.

Consequential amendments to FRS 100 *Application of Financial Reporting Requirements*

57 The consequential amendments made to FRS 100 *Application of Financial Reporting Requirements* have been reflected in the September 2015, and subsequent, editions of FRS 100.

Consequential amendments to FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*

58 The consequential amendments made to FRS 102 have been reflected in the September 2015, and subsequent, editions of FRS 102.

Appendix I
Glossary

This appendix is an integral part of this FRS.

accounting policies	The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting **financial statements**.
adopted IFRS	**IFRS** that have been adopted in the relevant jurisdiction. In the UK, this refers to **UK-adopted international accounting standards**. In the Republic of Ireland, this refers to **EU-adopted IFRS**.
asset	A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.
associate	An entity, including an unincorporated entity such as a partnership, over which the investor has **significant influence** and that is neither a **subsidiary** nor an interest in a **joint venture**.
business	An integrated set of activities and **assets** conducted and managed for the purpose of providing: (a) a return to investors; or (b) lower costs or other economic benefits directly and proportionately to policyholders or participants. A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate **revenues**. If **goodwill** is present in a transferred set of activities and assets, the transferred set shall be presumed to be a business.
business combination	The bringing together of separate entities or **businesses** into one reporting entity.
carrying amount	The amount at which an **asset** or **liability** is recognised in the **statement of financial position**.
cash	Cash on hand and demand deposits.
cash equivalents	Short-term, highly liquid investments that are readily convertible to known amounts of **cash** and that are subject to an insignificant risk of changes in value.
cash flows	Inflows and outflows of **cash** and **cash equivalents**.
cash-generating unit	The smallest identifiable group of **assets** that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

change in accounting estimate	An adjustment of the **carrying amount** of an **asset** or a **liability**, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of **errors**.
component of an entity	Operations and **cash flows** that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.
contingent asset	A possible **asset** that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
contingent liability	A contingent liability is either: (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (b) a present obligation that arises from past events but is not recognised because: (i) it is not **probable** that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient **reliability**.
control (of an entity)	The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
current tax	The amount of **income tax** payable (refundable) in respect of the **taxable profit (tax loss)** for the current period or past **reporting periods**.
date of transition	The beginning of the earliest period for which an entity presents full comparative information in a given standard in its first **financial statements** that comply with that standard.
deferred tax	**Income tax** payable (recoverable) in respect of the **taxable profit (tax loss)** for future **reporting periods** as a result of past transactions or events.
derivative	A **financial instrument** or other contract with all three of the following characteristics: (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (sometimes called the ‘underlying’), provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date.

discontinued operation	A **component of an entity** that has been disposed of and: (a) represented a separate major line of **business** or geographical area of operations; (b) was part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) was a **subsidiary** acquired exclusively with a view to resale.
DTRs	Disclosure and Transparency Rules issued by the Financial Conduct Authority.
employee benefits	All forms of consideration given by an entity in exchange for service rendered by employees.
equity	The residual interest in the **assets** of the entity after deducting all its **liabilities**.
errors	Omissions from, and misstatements in, the entity's **financial statements** for one or more prior periods arising from a failure to use, or misuse of, reliable information that: (a) was available when financial statements for those periods were authorised for issue; and (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.
EU-adopted IFRS	**IFRS** that have been adopted in the European Union in accordance with EU Regulation 1606/2002.
expenses	Decreases in economic benefits during the **reporting period** in the form of outflows or depletions of **assets** or incurrences of **liabilities** that result in decreases in **equity**, other than those relating to distributions to equity investors.
fair value	The amount for which an **asset** could be exchanged, a **liability** settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction. The guidance in the Appendix to Section 2 *Concepts and Pervasive Principles* of **FRS 102** shall be used in determining fair value.
fair value less costs to sell	The amount obtainable from the sale of an **asset** or **cash-generating unit** in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.
financial asset	Any **asset** that is: (a) **cash**; (b) an equity instrument of another entity; (c) a contractual right: (i) to receive cash or another financial asset from another entity; or (ii) to exchange financial assets or **financial liabilities** with another entity under conditions that are potentially favourable to the entity; or

	(d) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or (ii) a **derivative** that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.
financial instrument	A contract that gives rise to a **financial asset** of one entity and a **financial liability** or equity instrument of another entity.
financial liability	Any **liability** that is: (a) a contractual obligation: (i) to deliver **cash** or another **financial asset** to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a **derivative** that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.
financial position	The relationship of the **assets**, **liabilities** and **equity** of an entity as reported in the **statement of financial position**.
financial statements	Structured representation of the **financial position**, financial **performance** and **cash flows** of an entity.
financing activities	Activities that result in changes in the size and composition of the contributed **equity** and borrowings of the entity.
FRS 101	FRS 101 *Reduced Disclosure Framework*
FRS 102	FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*
going concern	An entity is a going concern unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

goodwill	Future economic benefits arising from **assets** that are not capable of being individually identified and separately recognised.
group	A **parent** and all its **subsidiaries**.
IAS / IFRS	Standards and interpretations issued (or adopted) by the International Accounting Standards Board (IASB). They comprise: (a) International Financial Reporting Standards; (b) International Accounting Standards; and (c) Interpretations developed by the IFRS Interpretations Committee (Interpretations Committee) (IFRIC) or the former Standing Interpretations Committee (SIC).
impairment loss	The amount by which the **carrying amount** of an **asset** exceeds: (a) in the case of **inventories**, its selling price less costs to complete and sell; or (b) in the case of other assets, its **recoverable amount**.
impracticable	Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.
income	Increases in economic benefits during the **reporting period** in the form of inflows or enhancements of **assets** or decreases of **liabilities** that result in increases in **equity**, other than those relating to contributions from equity investors.
income statement	**Financial statement** that presents all items of **income** and **expense** recognised in a **reporting period**, excluding the items of **other comprehensive income**.
income tax	All domestic and foreign taxes that are based on **taxable profits**. Income tax also includes taxes, such as withholding taxes, that are payable by a **subsidiary**, **associate** or **joint venture** on distributions to the reporting entity.
intangible asset	An identifiable non-monetary **asset** without physical substance. Such an asset is identifiable when: (a) it is separable, ie capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or **liability**; or (b) it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.
interim financial report	A financial report containing either a complete set of **financial statements** or a set of condensed financial statements for an **interim period**.
interim period	A financial **reporting period** shorter than a full financial year.

inventories	**Assets**: (a) held for sale in the ordinary course of **business**; (b) in the process of production for such sale; or (c) in the form of materials or supplies to be consumed in the production process or in the rendering of services.
joint control	The contractually agreed sharing of **control** over an economic activity. It exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the **venturers**).
joint venture	A contractual arrangement whereby two or more parties undertake an economic activity that is subject to **joint control**. Joint ventures can take the form of jointly controlled operations, jointly controlled assets, or **jointly controlled entities**.
jointly controlled entity	A **joint venture** that involves the establishment of a corporation, partnership or other entity in which each **venturer** has an interest. The entity operates in the same way as other entities, except that a contractual arrangement between the venturers establishes **joint control** over the economic activity of the entity.
key management personnel	Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
liability	A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.
material	Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the **financial statements**. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.
measurement	The process of determining the monetary amounts at which the elements of the **financial statements** are to be recognised and carried in the **statement of financial position** and **statement of comprehensive income**.
ordinary share	An equity instrument that is subordinate to all other classes of equity instrument.
other comprehensive income	Items of **income** and **expense** (including reclassification adjustments) that are not recognised in **profit or loss** as required or permitted by **FRS 102** or by law.
parent	An entity that has one or more **subsidiaries**.
performance	The relationship of the **income** and **expenses** of an entity, as reported in the **statement of comprehensive income**.

post-employment benefits	**Employee benefits** (other than **termination benefits** and short-term employee benefits) that are payable after the completion of employment.
post-employment benefit plans	Formal or informal arrangements under which an entity provides **post-employment benefits** for one or more employees.
present value	A current estimate of the present discounted value of the future net **cash flows** in the normal course of **business**.
probable	More likely than not.
profit or loss	The total of **income** less **expenses**, excluding the components of **other comprehensive income**.
property, plant and equipment	Tangible assets that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period.
prospectively (applying a change in accounting policy)	Applying the new **accounting policy** to transactions, other events and conditions occurring after the date as at which the policy is changed.
provision	A **liability** of uncertain timing or amount.
recognition	The process of incorporating in the **statement of financial position** or **statement of comprehensive income** an item that meets the definition of an **asset, liability, equity, income** or **expense** and satisfies the following criteria: (a) it is **probable** that any future economic benefit associated with the item will flow to or from the entity; and (b) the item has a cost or value that can be measured with **reliability**.
recoverable amount	The higher of an **asset's** (or **cash-generating unit's**) **fair value less costs to sell** and its **value in use**.
related party	A related party is a person or entity that is related to the entity that is preparing its **financial statements** (the reporting entity). (a) A person or a close member of that person's family is related to a reporting entity if that person: (i) has **control** or **joint control** over the reporting entity; (ii) has **significant influence** over the reporting entity; or (iii) is a member of the **key management personnel** of the reporting entity or of a **parent** of the reporting entity. (b) An entity is related to a reporting entity if any of the following conditions apply: (i) the entity and the reporting entity are members of the same **group** (which means that each parent, **subsidiary** and fellow subsidiary is related to the others).

	(ii) one entity is an **associate** or **joint venture** of the other entity (or of a member of a group of which the other entity is a member). (iii) both entities are joint ventures of the same third entity. (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) the entity is a **post-employment benefit plan** for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity. (vi) the entity is controlled or jointly controlled by a person identified in (a). (vii) a person identified in (a)(i) has **significant influence** over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
related party transaction	A transfer of resources, services or obligations between a reporting entity and a **related party**, regardless of whether a price is charged.
relevant or relevance	The quality of information that allows it to influence the economic decisions of users by helping them evaluate past, present or future events or confirming, or correcting, their past evaluations.
reliable or reliability	The quality of information that makes it free from **material error** and bias and represents faithfully that which it either purports to represent or could reasonably be expected to represent.
reporting period	The period covered by **financial statements** or by an **interim financial report**.
restructuring	A restructuring is a programme that is planned and controlled by management and materially changes either: (a) the scope of a **business** undertaken by an entity; or (b) the manner in which that business is conducted.
retrospective application (of an accounting policy)	Applying a new **accounting policy** to transactions, other events and conditions as if that policy had always been applied.
revenue	The gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in **equity**, other than increases relating to contributions from equity participants.
significant influence	Significant influence is the power to participate in the financial and operating policy decisions of the **associate** but is not **control** or **joint control** over those policies.

statement of cash flows	**Financial statement** that provides information about the changes in **cash** and **cash equivalents** of an entity for a period, showing separately changes during the period from operating, investing and **financing activities**.
statement of comprehensive income	**Financial statement** that presents all items of **income** and **expense** recognised in a period, including those items recognised in determining **profit or loss** (which is a subtotal in the statement of comprehensive income) and items of **other comprehensive income**. If an entity chooses to present both an **income statement** and a statement of comprehensive income, the statement of comprehensive income begins with profit or loss and then displays the items of other comprehensive income.
statement of financial position	**Financial statement** that presents the relationship of an entity's **assets**, **liabilities** and **equity** as of a specific date.
statement of income and retained earnings	**Financial statement** that presents the **profit or loss** and changes in retained earnings for a **reporting period**.
subsidiary	An entity, including an unincorporated entity such as a partnership, that is **controlled** by another entity (known as the **parent**).
substantively enacted	Tax rates shall be regarded as substantively enacted when the remaining stages of the enactment process historically have not affected the outcome and are unlikely to do so. A UK tax rate shall be regarded as having been substantively enacted if it is included in either: (a) a Bill that has been passed by the House of Commons and is awaiting only passage through the House of Lords and Royal Assent; or (b) a resolution having statutory effect that has been passed under the Provisional Collection of Taxes Act 1968. (Such a resolution could be used to collect taxes at a new rate before that rate has been enacted. In practice, corporation tax rates are now set a year ahead to avoid having to invoke the Provisional Collection of Taxes Act for the quarterly payment system.) A Republic of Ireland tax rate can be regarded as having been substantively enacted if it is included in a Bill that has been passed by the Dáil.
tax expense	The aggregate amount included in **total comprehensive income** or **equity** for the **reporting period** in respect of **current tax** and **deferred tax**.
taxable profit (tax loss)	The profit (loss) for a **reporting period** upon which **income taxes** are payable or recoverable, determined in accordance with the rules established by the taxation authorities. Taxable profit equals taxable income less amounts deductible from taxable income.

termination benefits	**Employee benefits** provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept voluntary redundancy in exchange for those benefits.
timely or timeliness	Providing the information in **financial statements** within the decision time frame.
total comprehensive income	The change in **equity** during a period resulting from transactions and other events, other than those changes resulting from transactions from equity participants (equal to the sum of **profit or loss** and **other comprehensive income**).
UK-adopted international accounting standards	**IAS** that have been adopted for use within the UK in accordance with the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/685).
value in use	The **present value** of the future **cash flows** expected to be derived from an **asset** or **cash-generating unit**.
venturer	A party to a **joint venture** that has **joint control** over that joint venture.

Appendix II
Illustrations and examples

This appendix accompanies, but is not part of this FRS. It provides guidance for applying some of the requirements in this FRS.

Illustration of periods required to be presented

The following examples illustrate the application of the principle in paragraph 20 of FRS 104.

Entity publishes interim financial reports half-yearly

A2.1 The entity's financial year ends on 31 December (calendar year). The entity will present the following financial statements (condensed or complete) as identified by a tick (✓) in its half-yearly interim financial report for the six-month period ending on 30 June 20X1:

	30 Jun 20X0	31 Dec 20X0	30 Jun 20X1
Statement of financial position as at	×	✓	✓
Single statement of comprehensive income or separate statements of income and comprehensive income for the six-month period ending on	✓	×	✓
Statement of changes in equity for the six month period ending on	✓	×	✓
Statement of cash flows for the six-month period ending on	✓	×	✓

Entity publishes interim financial reports quarterly

A2.2 The entity's financial year ends on 31 December (calendar year). The entity will present the financial statements (condensed or complete) as shown in paragraph A2.1 and the financial statements (condensed or complete) shown below as identified by a tick (✓) in its quarterly interim financial report for the six month period ending on 30 June 20X1:

	30 Jun 20X0	31 Dec 20X0	30 Jun 20X1
Single statement of comprehensive income or separate statements of income and comprehensive income for the three-month period ending on	✓	×	✓

Examples of applying the recognition and measurement principles

The following are examples of applying the general recognition and measurement principles set out in paragraphs 28 to 39 of FRS 104.

Employer payroll taxes and insurance contributions

A2.3 If employer payroll taxes or contributions to government-sponsored insurance funds are assessed on an annual basis, the employer's related expense is recognised in interim periods using an estimated average annual effective payroll tax or contribution rate, even though a large portion of the payments may be made early in the financial year. A common example is an employer payroll tax or insurance contribution that is imposed up to a certain maximum level of earnings per employee. For higher income employees, the maximum income is reached before the end of the financial year, and the employer makes no further payments through the end of the year.

Major planned periodic maintenance or overhaul

A2.4 The cost of a planned major periodic maintenance or overhaul or other seasonal expenditure that is expected to occur late in the year is not anticipated for interim reporting purposes unless an event has caused the entity to have a legal or constructive obligation. The mere intention or necessity to incur expenditure related to the future is not sufficient to give rise to an obligation.

Provisions

A2.5 A provision is recognised when an entity has no realistic alternative but to make a transfer of economic benefits as a result of an event that has created a legal or constructive obligation. The amount of the obligation is adjusted upward or downward, with a corresponding loss or gain recognised in profit or loss, if the entity's best estimate of the amount of the obligation changes.

A2.6 FRS 104 requires that an entity applies the same criteria for recognising and measuring a provision at an interim date as it would at the end of its financial year. The existence or non-existence of an obligation to transfer benefits is not a function of the length of the reporting period. It is a question of fact.

Year-end bonuses

A2.7 The nature of year-end bonuses varies widely. Some are earned simply by continued employment during a time period. Some bonuses are earned based on a monthly, quarterly, or annual measure of operating result. They may be purely discretionary, contractual, or based on years of historical precedent.

A2.8 A bonus is anticipated for interim reporting purposes if, and only if:

(a) the bonus is a legal obligation or past practice would make the bonus a constructive obligation for which the entity has no realistic alternative but to make the payments; and

(b) a reliable estimate of the obligation can be made.

Section 28 *Employee Benefits* of FRS 102 provides guidance.

Contingent lease payments

A2.9 Contingent lease payments can be an example of a legal or constructive obligation that is recognised as a liability. If a lease provides for contingent payments based on the lessee achieving a certain level of annual sales, an obligation can arise in the interim periods of the financial year before the required annual level of sales has been achieved, if that required level of sales is expected to be achieved and the entity, therefore, has no realistic alternative but to make the future lease payment.

Intangible assets

A2.10 An entity will apply the definition and recognition criteria for an intangible asset in the same way in an interim period as in an annual period. Costs incurred before the recognition criteria for an intangible asset are met are recognised as an expense. Costs incurred after the specific point in time at which the criteria are met are recognised as part of the cost of an intangible asset. 'Deferring' costs as assets in an interim statement of financial position in the hope that the recognition criteria will be met later in the financial year is not justified.

Pensions

A2.11 The cost of a defined benefit plan for an interim period is calculated on a year-to-date basis. For the measurement of the defined benefit obligation at an interim reporting date refer to paragraph A2.42.

Vacations, holidays, and other short-term compensated absences

A2.12 Accumulating paid absences are those that are carried forward and can be used in future periods if the current period's entitlement is not used in full. Section 28 of FRS 102 requires that an entity measure the expected cost of an obligation for accumulating paid absences at the amount the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. That principle is also applied at the end of interim financial reporting periods. Conversely, an entity recognises no expense or liability for non-accumulating paid absences at the end of an interim reporting period, just as it recognises none at the end of an annual reporting period.

Other planned but irregularly occurring costs

A2.13 An entity's budget may include certain costs expected to be incurred irregularly during the financial year, such as charitable contributions and employee training costs. Those costs generally are discretionary even though they are planned and tend to recur from year to year. Recognising an obligation at the end of an interim financial reporting period for such costs that have not yet been incurred generally is not consistent with the definition of a liability.

Measuring interim income tax expense

A2.14 Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings; that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

A2.15 This is consistent with the basic concept set out in paragraph 28 of FRS 104 that the same accounting recognition and measurement principles shall be applied in an interim financial report as are applied in annual financial statements. Income taxes are assessed on an annual basis. Interim period income tax expense is calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings; that is, the estimated average annual effective income tax rate. That estimated average annual rate would reflect a blend of the progressive tax rate structure expected to be applicable to the full year's earnings including enacted or substantively enacted changes in the income tax rates scheduled to take effect later in the financial year. The estimated average annual income tax rate would be re-estimated on a year-to-date basis, consistent with paragraph 28 of FRS 104. Paragraph 16A of FRS 104 requires disclosure of a significant change in estimate.

A2.16 To the extent practicable, a separate estimated average annual effective income tax rate is determined for each taxing jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction. Similarly, if different income tax rates apply to different categories of income (such as capital gains or income earned in particular industries), to the extent practicable a separate rate is applied to each individual category of interim period pre-tax income. While that degree of precision is desirable, it may not be achievable in all cases, and a weighted average of rates across jurisdictions or across categories of income is used if it is a reasonable approximation of the effect of using more specific rates.

A2.17 To illustrate the application of the foregoing principle, an entity reporting quarterly expects to earn Currency Units (CU)10,000 pre-tax each quarter and operates in a jurisdiction with a tax rate of 20 per cent on the first CU20,000 of annual earnings and 30 per cent on all additional earnings. Actual earnings match expectations. The following table shows the amount of income tax expense that is reported in each quarter:

	1st Quarter	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	**Annual**
Tax expense	CU2,500	CU2,500	CU2,500	CU2,500	CU10,000

CU10,000 of tax is expected to be payable for the full year on CU40,000 of pre-tax income.

A2.18 As another illustration, an entity reports quarterly, earns CU15,000 pre-tax profit in the first quarter but expects to incur losses of CU5,000 in each of the three remaining quarters (thus having zero income for the year), and operates in a jurisdiction in which its estimated average annual income tax rate is expected to be 20 per cent. The following table shows the amount of income tax expense that is reported in each quarter:

	1st Quarter	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	**Annual**
Tax expense	CU3,000	CU(1,000)	CU(1,000)	CU(1,000)	nil

Difference in financial reporting year and tax year

A2.19 If the financial reporting year and the income tax year differ, income tax expense for the interim periods of that financial reporting year is measured using separate weighted average estimated effective tax rates for each of the income tax years applied to the portion of pre-tax income earned in each of those income tax years.

A2.20 To illustrate, an entity's financial reporting year ends on 30 June and it reports quarterly. Its taxable year ends on 31 December. For the financial year that begins 1 July, Year 1 and ends 30 June, Year 2, the entity earns CU10,000 pre-tax each quarter. The estimated average annual income tax rate is 30 per cent in Year 1 and 40 per cent in Year 2.

	Quarter ending 30 Sep Year 1	**Quarter ending 31 Dec Year 1**	**Quarter ending 31 Mar Year 2**	**Quarter ending 30 Jun Year 2**	**Year ending 30 Jun Year 2**
Tax expense	CU3,000	CU3,000	CU4,000	CU4,000	CU14,000

Tax credits

A2.21 Some tax jurisdictions give taxpayers credits against the tax payable based on amounts of capital expenditures, exports, research and development expenditures, or other bases. Anticipated tax benefits of this type for the full year are generally reflected in computing the estimated annual effective income tax rate, because those credits are granted and calculated on an annual basis under most tax laws and regulations. On the other hand, tax benefits that relate to a one-off event are recognised in computing income tax expense in that interim period, in the same way that special tax rates applicable to particular categories of income are not blended into a single effective annual tax rate.

Tax loss and tax credit carrybacks and carryforwards

A2.22 The benefits of a tax loss carryback are reflected in the interim period in which the related tax loss occurs. Section 29 *Income Tax* of FRS 102 provides that 'an entity shall recognise a current tax asset for the benefit of a tax loss that can be carried back to recover tax paid in a previous period'. A corresponding reduction of tax expense or increase of tax income is also recognised.

A2.23 Section 29 of FRS 102 provides that unrelieved tax losses shall only be recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

A2.24 To illustrate, an entity that reports quarterly has an operating loss carryforward of CU10,000 for income tax purposes at the start of the current financial year for which a deferred tax asset has not been recognised. The entity earns CU10,000 in the first quarter of the current year and expects to earn CU10,000 in each of the three remaining quarters. Excluding the carryforward, the estimated average annual income tax rate is expected to be 40 per cent. Tax expense is as follows:

	1st Quarter	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	**Annual**
Tax expense	CU3,000	CU3,000	CU3,000	CU3,000	CU12,000

Contractual or anticipated purchase price changes

A2.25 Volume rebates or discounts and other contractual changes in the prices of raw materials, labour, or other purchased goods and services are anticipated in interim periods, by both the payer and the recipient, if it is probable that they have been earned or will take effect. Thus, contractual rebates and discounts are anticipated but discretionary rebates and discounts are not anticipated because the resulting asset or liability would not satisfy the conditions set out in FRS 102 that an asset must be a resource controlled by the entity as a result of a past event and that a liability must be a present obligation whose settlement is expected to result in an outflow of resources.

Depreciation and amortisation

A2.26 Depreciation and amortisation for an interim period is based only on assets owned during that interim period. It does not take into account asset acquisitions or dispositions planned for later in the financial year.

Inventories

A2.27 Inventories are measured for interim financial reporting by the same principles as at financial year-end. Section 13 *Inventories* of FRS 102 establishes standards for recognising and measuring inventories. Inventories pose particular problems at the end of any financial reporting period because of the need to determine inventory quantities, costs, and net realisable values. Nonetheless, the same measurement principles are applied for inventories at an interim date. To save cost and time, entities often use estimates to measure inventories at interim dates to a greater extent than at the end of annual reporting periods. Following are examples of how to apply the net realisable value test at an interim date and how to treat manufacturing variances at interim dates.

Net realisable value of inventories

A2.28 The net realisable value of inventories is determined by reference to selling prices and related costs to complete and dispose at interim dates. An entity will reverse a write-down to net realisable value in a subsequent interim period only if it would be appropriate to do so at the end of the financial year.

A2.29 [Deleted]

Interim period manufacturing cost variances

A2.30 Price, efficiency, spending, and volume variances of a manufacturing entity are recognised in income at interim reporting dates to the same extent that those variances are recognised in income at financial year-end. Deferral of variances that are expected to be absorbed by year-end is not appropriate because it could result in reporting inventory at the interim date at more or less than its portion of the actual cost of manufacture.

Foreign currency translation gains and losses

A2.31 Foreign currency translation gains and losses are measured for interim financial reporting by the same principles as at financial year-end.

A2.32 Section 30 *Foreign Currency Translation* of FRS 102 specifies how to translate the financial statements for foreign operations into the presentation currency, including guidelines for using average or closing foreign exchange rates and guidelines for recognising the resulting adjustments in profit or loss, or in other comprehensive income. Consistently with Section 30 of FRS 102, the actual average and closing rates for the interim period are used. Entities do not anticipate future changes in foreign exchange rates in the remainder of the current financial year in translating foreign operations at an interim date.

A2.33 If Section 30 of FRS 102 requires translation adjustments to be recognised as income or expense in the period in which they arise, that principle is applied during each interim period. Entities do not defer some foreign currency translation adjustments at an interim date if the adjustment is expected to reverse before the end of the financial year.

Interim financial reporting in hyperinflationary economies

A2.34 Interim financial reports in hyperinflationary economies are prepared by the same principles as at financial year-end.

A2.35 Section 31 *Hyperinflation* of FRS 102 requires that the financial statements of an entity that reports in the currency of a hyperinflationary economy shall be stated in terms of the measuring unit current at the end of the reporting period, and the gain or loss on the net monetary position is included in profit or loss. Also, comparative financial data reported for prior periods are restated to the current measuring unit.

A2.36 Entities follow those same principles at interim dates, thereby presenting all interim data in the measuring unit as of the end of the interim period, with the resulting gain or loss on the net monetary position included in the interim period's profit or loss. Entities do not annualise the recognition of the gain or loss. Nor do they use an estimated annual inflation rate in preparing an interim financial report in a hyperinflationary economy.

Impairment of assets

A2.37 Section 27 *Impairment of Assets* of FRS 102 requires that an impairment loss be recognised if the recoverable amount has declined below carrying amount.

A2.38 FRS 104 requires that an entity shall apply the same impairment testing, recognition, and reversal criteria at an interim date as it would at the end of its financial year. That does not mean, however, that an entity must necessarily make a detailed impairment calculation at the end of each interim period. Rather, an entity will review for indications of significant impairment since the end of the most recent financial year to determine whether such a calculation is needed.

Examples of the use of estimates

The following examples illustrate the application of the principle in paragraph 41 of FRS 104.

Inventories

A2.39 Full stock-taking and valuation procedures may not be required for inventories at interim dates, although it may be done at financial year-end. It may be sufficient to make estimates at interim dates based on sales margins.

Classifications of assets and liabilities

A2.40 Entities may do a more thorough investigation for classifying assets as current or fixed assets and liabilities as due within one year or after more than one year (or an equivalent classification between current and non-current assets and liabilities) at annual reporting dates than at interim dates.

Provisions

A2.41 Determination of the appropriate amount of a provision (such as a provision for warranties, environmental costs, and site restoration costs) may be complex and often costly and time-consuming. Entities sometimes engage outside experts to assist in the annual calculations. Making similar estimates at interim dates often entails updating of the prior annual provision rather than the engaging of outside experts to do a new calculation.

Pensions

A2.42 Section 28 of FRS 102 requires an entity to determine the present value of defined benefit obligations and the fair value of plan assets at the end of each reporting period. FRS 102 does not require an entity to involve a professionally qualified actuary in the measurement of the obligations nor does FRS 102 require an annual comprehensive actuarial valuation. For interim reporting purposes, the defined benefit obligation can often be reliably measured by extrapolation of the latest actuarial valuation adjusted for changes in employee demographics such as number of employees and salary levels.

Income taxes

A2.43 Entities may calculate income tax expense and deferred income tax liability at annual dates by applying the tax rate for each individual jurisdiction to measures of income for each jurisdiction. Paragraph A2.16 acknowledges that while that degree of precision is desirable at interim reporting dates as well, it may not be achievable in all cases, and a weighted average of rates across jurisdictions or across categories of income is used if it is a reasonable approximation of the effect of using more specific rates.

Contingencies

A2.44 The measurement of contingencies may involve the opinions of legal experts or other advisers. Formal reports from independent experts are sometimes obtained with respect to contingencies. Such opinions about litigation, claims, assessments, and other contingencies and uncertainties may or may not also be needed at interim dates.

Revaluations and fair value accounting

A2.45 Section 17 *Property, Plant and Equipment* of FRS 102 allows an entity to choose as its accounting policy the revaluation model whereby items of property, plant and equipment are revalued to fair value. Similarly, Section 16 *Investment Property* of FRS 102 requires an entity to measure the fair value of investment property (other than those rented to another group entity, for which there is an accounting policy choice). For those measurements, an entity that relies on professionally qualified valuers at annual reporting dates is not required to rely on them at interim reporting dates.

A2.46 [Deleted]

Specialised industries

A2.47 Because of complexity, costliness, and time, interim period measurements in specialised industries might be less precise than at financial year-end. An example would be calculation of insurance reserves by insurance companies.

Appendix III
Table of comparison between terminology used in the DTRs and FRS 104

The following table compares broadly equivalent terminology used in the Disclosure and Transparency Rules (DTRs) with terminology used in this FRS.

Terminology used in the DTRs	**FRS 104 terminology**
Balance sheet	Statement of financial position
Condensed set of financial statements	Condensed interim financial statements and selected explanatory notes
Half-yearly financial report	Interim financial report
Profit and loss account	Income statement (under the two-statement approach) Part of the statement of comprehensive income (under the single-statement approach)

Appendix IV
Note on UK regulatory requirements

A4.1 This appendix provides an overview of how the requirements in FRS 104 complement the legal reporting requirements set out in the Disclosure and Transparency Rules (DTRs) of the UK Financial Conduct Authority (FCA).

Scope

A4.2 FRS 104 does not specify whether, how frequently or how soon after the end of an interim period an entity should present interim financial reports. The DTRs set out requirements in this regard.

A4.3 Issuers that are required to publish half-yearly financial reports in accordance with the DTRs must include a responsibility statement in the report. In accordance with paragraph 4.2.10R of the DTRs, a person making the responsibility statement will satisfy the requirement to confirm that the condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer (or the undertakings included in the consolidation as a whole) by including a statement that the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*, or, for UK issuers not using UK-adopted international accounting standards, FRS 104 issued by the FRC.

A4.4 The application of FRS 104 is conditional upon the person making the responsibility statement having reasonable grounds to be satisfied that the condensed set of financial statements prepared in accordance with FRS 104 is not misleading.

Content and basis of preparation of the interim financial statements

A4.5 In accordance with the DTRs, an issuer that is required to prepare consolidated accounts must prepare the condensed set of financial statements in accordance with IAS 34 and the requirements set out in FRS 104 do not apply to these issuers.

A4.6 An issuer that is not required to prepare consolidated accounts must, as a minimum, apply the content and preparation requirements set out in paragraph 4.2.5R of the DTRs. The content and preparation requirements of FRS 104 are consistent with those set out in the DTRs, although they are more prescriptive and detailed.

A4.7 As required by the DTRs and FRS 104, the accounting policies and presentation applied to the interim financial statements should be consistent with those of the most recent annual financial statements, unless changes are made in the next annual financial statements. In that case the new accounting policies and presentation must be reflected in the interim financial statements. An interim financial report prepared in the year of adoption of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* must therefore be prepared in accordance with the new FRS 102 compliant accounting policies and presentation requirements. FRS 104 also requires certain transitional disclosures in the first set of interim financial statements that is prepared in accordance with the new FRS 102 compliant accounting policies.

Cross-referencing to the interim management report

A4.8 Paragraphs 4.2.7R and 4.2.8R of the DTRs require issuers to publish an interim management report and specify certain minimum disclosures. Where FRS 104 requires disclosure of the same information in the interim financial statements, an issuer is permitted to include a cross-reference to the information disclosed in the interim management report, instead of duplicating the same information in the notes.

Appendix V
Republic of Ireland legal references

A5.1 In the Republic of Ireland the *Companies Act 2014* provides for, inter alia, the implementation of certain aspects of the EU Transparency Directive (Directive 2004/109/EC). Where entities fall within the scope of the EU Transparency Directive, the half-yearly reporting requirements are set out in Regulation 6 of SI No. 277 of 2007 – *Transparency (Directive 2004/109/EC) Regulations 2007* (as amended) (Transparency Regulations).

A5.2 FRS 104 includes various references to the requirements of the Disclosure and Transparency Rules (DTRs) of the Financial Conduct Authority as they apply to issuers whose home state is the United Kingdom. The tables below outline the corresponding provisions in the Transparency Regulations as they apply to Irish issuers.

A5.3 FRS 104 constitutes the pronouncement on interim reporting for Irish issuers not using EU-adopted IFRS, as provided for in Regulation 8(5)(d)(ii) of the Transparency Regulations.

Overview

Paragraph	DTRs reference	Transparency Regulations reference
(ii)	Paragraph 4.2.2R	Regulation 6(2)
(iii)	Paragraph 4.2.10R	Regulation 8(5)(a) to (d)

Appendix I *Glossary*

'DTRs'	Corresponding aspects of the EU Transparency Directive are implemented in the Republic of Ireland through the Transparency (Directive 2004/109/EC) Regulations 2007, including any subsequent amendments thereto.

Appendix IV *Note on UK regulatory requirements*

Paragraph	DTRs reference	Transparency Regulations reference
A4.3	Paragraph 4.2.10R	Regulation 8(5)(a) to (d)
A4.6	Paragraph 4.2.5R	Regulation 7(3)
A4.8	Paragraphs 4.2.7R and 4.2.8R	Regulations 8(2) and 8(3)

Approval by the FRC

FRS 104 *Interim Financial Reporting* was approved for issue by the Financial Reporting Council on 4 March 2015.

Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – Triennial review 2017 – Incremental improvements and clarifications was approved for issue by the Financial Reporting Council on 6 December 2017.

Amendments to FRS 104 Interim Financial Reporting – Going concern was approved for issue by the Financial Reporting Council on 29 September 2020.

Amendments to UK and Republic of Ireland accounting standards – UK exit from the European Union was approved for issue by the Financial Reporting Council on 2 December 2020.

Basis for Conclusions
FRS 104 *Interim Financial Reporting*

This Basis for Conclusions[4] accompanies, but is not part of, FRS 104 Interim Financial Reporting and summarises the main issues considered by the Financial Reporting Council (FRC) in developing FRS 104.

Feedback from a number of exposure drafts and consultation documents has been considered in the development of FRS 104 (see Table 1 at the end of this Basis for Conclusions). Unless otherwise stated, respondents to the consultations supported the proposals made; detailed feedback statements to all consultations are available on the FRC website.

The effective dates and any transitional arrangements for FRS 104, and any amendments to it, are set out in the FRS and for ease of reference also summarised in Table 1.

1 FRS 104 *Interim Financial Reporting* replaced the Statement *Half-yearly financial reports*. FRS 104 is based on the interim financial reporting requirements set out in IAS 34 *Interim Financial Reporting*. It is intended for use in the preparation of interim reports by entities that apply FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* when preparing their annual financial statements. Entities applying FRS 101 *Reduced Disclosure Framework* to prepare the annual financial statements may also use FRS 104 as a basis for their interim financial reports.

2 FRS 104 does not require any entity to prepare an interim report, nor does it change the extent to which laws or regulations may require the preparation of such a report.

Objective

3 In developing financial reporting standards, the overriding objective of the FRC 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.

4 In achieving this objective, the FRC aims to provide succinct financial reporting standards that:

(a) have consistency with global accounting standards through the application of an IFRS-based solution unless an alternative clearly better meets the overriding objective;

(b) balance improvement, through reflecting up-to-date thinking and developments in the way businesses operate and the transactions they undertake, with stability;

(c) balance consistent principles for accounting by all UK and Republic of Ireland entities with proportionate and practical solutions, based on size, complexity, public interest and users' information needs;

(d) promote efficiency within groups; and

(e) are cost-effective to apply.

Basis and scope

5 A replacement of the ASB Statement *Half-yearly Financial Reports* was necessary because of changes to the annual financial reporting requirements for entities applying UK and Ireland accounting standards.

[4] This Basis for Conclusions replaces the Accounting Council's Advice included in the original edition of FRS 104 (issued in March 2015).

6 In 2012, during the development of FRS 102, the FRC consulted on the introduction of interim financial reporting requirements into that FRS. It proposed that entities applying FRS 102 and preparing interim financial reports should apply IAS 34. Some respondents highlighted a potential issue with the scope in that it might have extended the requirement to prepare interim reports beyond those set by the relevant regulators. Consequently, rather than requiring application of IAS 34 by those entities preparing interim reports, the ASB Statement *Half-yearly Financial Reports* was reviewed with a view to replacing it with a new standard.

7 In November 2014, draft FRS 104 was proposed. It was based on IAS 34, with certain adaptations to tailor the reporting requirements to entities that prepare their annual financial statements in accordance with FRS 102.

8 FRS 104 was developed primarily for entities preparing their annual financial statements in accordance with FRS 102. However, a small number of entities may prepare their annual financial statements in accordance with FRS 101. These entities may be required to produce half-yearly financial reports in accordance with the Disclosure and Transparency Rules (DTRs) because, although being a member of a larger group, they have issued their own listed debt securities.

9 As only a small minority of entities that apply FRS 101 will also produce interim financial reports, it was concluded that it was not an effective solution to develop a separate set of interim reporting requirements solely for entities that apply FRS 101. Instead, as set out in FRS 104, these entities should apply the requirements applicable to entities that use FRS 102, except that any reference to a specific requirement in FRS 102 is read as a reference to the equivalent requirement in adopted IFRS, as amended by paragraph AG1 of FRS 101.

Key changes to IAS 34 in developing FRS 104

10 The reporting requirements of IAS 34 have been adapted for application by entities that prepare their annual financial statements in accordance with FRS 102. The key changes made to IAS 34 for the purposes of developing FRS 104 include:

(a) Disclosures that are not required by FRS 102 have been deleted. For example, certain fair value disclosure requirements that apply under IAS 34 have not been repeated in FRS 104.

(b) Some disclosure requirements, for example those in relation to fair value measurements and business combinations, apply only if the entity would be required to make the same disclosures in the annual financial statements.

(c) Related party disclosures may be omitted for transactions between wholly-owned members of a group since FRS 102 exempts such transactions from disclosure in the annual financial statements.

(d) Disclosure requirements that apply when an entity adopts a new financial reporting framework for the first time have been inserted. Similar disclosures are required under IFRS, although they are not part of IAS 34.

(e) The annual financial statements disclosure requirements in paragraph 26 of IAS 34 concerning significant changes in estimates reported in an interim period have been deleted because FRS 104 addresses only reporting requirements in interim financial reports.

(f) FRS 102 permits the presentation of simplified primary financial statements in certain circumstances. These presentation requirements have been included in FRS 104 to ensure consistency of presentation in the annual and interim financial statements.

(g) Entities that are not required to present a cash flow statement in the annual financial statements are also exempt from this requirement in the interim financial report.

(h) The principle that the frequency of reporting should not affect the measurement of the annual results has been qualified when FRS 102 would prohibit a reversal of an impairment charge[5]. This is consistent with the requirements in IFRIC 10 *Interim Financial Reporting and Impairment*.

(i) The preparation requirements in paragraph 14 of IAS 34 pertaining to consolidated interim financial reports have been deleted, because entities that apply FRS 104 will generally prepare entity-only annual financial statements and interim financial reports.

11 A number of respondents recommended that the illustrative examples to IAS 34 should be repeated in FRS 104 as they provide useful guidance for preparers. Consequently, the appendices were included as non-mandatory guidance in FRS 104 adapted for use by entities that prepare their annual financial statements in accordance with FRS 102.

Other information included in the interim financial report

12 FRS 104 sets out the minimum components of an interim financial report and, consistent with IAS 34, requires only the inclusion of a set of interim financial statements and explanatory notes. However, laws and regulations may set out additional narrative reporting requirements. For example, the DTRs require entities to prepare an interim management report.

13 A minority of respondents suggested that the FRC should issue separate guidance on narrative reporting in interim financial reports. However, additional narrative reporting requirements were not included in FRS 104 as entities applying the standard would be subject to reporting requirements that exceed those of entities that apply IFRS.

Comparative information

14 FRS 104 requires entities to present comparative period information and that the comparatives are presented on the same basis as the current period information. Entities that adopt FRS 102 are, on first-time adoption, required to restate the comparative period information in accordance with FRS 102. Additionally, as set out in paragraph 16B of FRS 104, entities are required to provide explanations of the effect of the accounting policy changes and reconciliations of equity and profit or loss. These disclosures are necessary for users of interim financial reports to understand the impact of the adoption of FRS 102.

Preliminary announcements

15 The ASB Statement *Preliminary announcements* was published in 1998 and had not subsequently been updated to reflect regulatory changes and market practice developments. The guidance contained therein was therefore out of date.

16 A majority of respondents supported the proposed withdrawal of the ASB Statement *Preliminary announcements*, however a small number of respondents suggested that new guidance in this area should be developed. It was concluded that a future project would be undertaken to consider if new guidance in this area is useful.

[5] Following amendments made to FRS 102 in July 2015, impairment losses recognised for goodwill cannot be reversed.

Going concern

17 In October 2020, amendments were made to this FRS to clarify the requirement for management to assess an entity's ability to continue as a going concern and disclose any related material uncertainties when preparing interim financial reports.

18 The FRC was made aware of an unintentional difference between the requirements for assessing and reporting on the going concern basis of accounting when preparing interim financial reports in accordance with EU-adopted IFRS[6] and FRS 104. EU-adopted IFRS require management to assess an entity's ability to continue as a going concern and disclose any related material uncertainties when preparing interim financial statements.

19 FRS 104 did not previously contain any requirements that explicitly covered the assessment and reporting on the going concern basis of accounting. However, an entity was required to state that the same accounting policies are applied as compared with the most recent annual financial statements, which would include any statement about the going concern basis of accounting.

UK exit from the European Union

20 In January 2020, the UK exited the European Union. As a result, changes were required to UK company law to ensure that it continues to operate effectively. FRS 104 was amended in December 2020 to reflect these changes. This included amending the references to 'EU-adopted IFRS' to read 'adopted IFRS', which incorporates the accounting standards referred to in both UK and Irish company law (UK-adopted international accounting standards and EU-adopted IFRS, respectively).

[6] This reflects the standards referenced in UK company law at the time, prior to the UK exit from the European Union (see paragraph 20 of this Basis for Conclusions).

Table 1

Exposure drafts and consultation documents

Feedback to the following exposure drafts and consultation documents has been considered in the development of FRS 104.

More detailed information on the early development of current UK and Republic of Ireland accounting standards can be found on the FRC website.

Exposure draft		**Date of issue**	**Finalised as**	**Date of issue**	**Mandatory effective date**
FRED 56	*Draft FRS 104 Interim Financial Reporting*	Nov 2014	FRS 104 *Interim Financial Reporting*	Mar 2015	1 Jan 2015
Request for information	*Request for comments on the implementation of FRS 102 in order to inform the future development of FRS 102*	Mar 2016	*Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – Triennial review 2017 – Incremental improvements and clarifications*	Dec 2017	1 Jan 2019
FRED 67	*Draft amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – Triennial review 2017 – Incremental improvements and clarifications*	Mar 2017			
FRED 75	*Draft amendments to FRS 104 Interim Financial Reporting – Going concern*	Jul 2020	*Amendments to FRS 104 Interim Financial Reporting – Going concern*	Oct 2020	1 Jan 2021
N/A			*Amendments to UK and Republic of Ireland accounting standards – UK exit from the European Union*	Dec 2020	1 Jan 2021

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