

# 2018 UK GAAP ACCOUNTS

## UK GAAP Factsheet - Extract

*Practical help in a complex world*

Published 27 June 2018  
Last updated 27 June 2018

### 2018 UK GAAP Accounts

This factsheet considers the Triennial review 2017 amendments which may be early adopted in 2018 accounts. There are no new or modified UK GAAP requirements that are mandatory for accounting periods beginning in 2018.

#### Key regulations for this factsheet

This factsheet includes links and references to key regulations. There's a summary of the links, and guidance on how to use them, on page 2.

### Section 1

## Overview

### 2018 – mandatory changes

Preparers of FRS 102 and FRS 105 accounts might breathe a sigh of relief as there are no mandatory changes to UK accounting standards effective for accounting periods beginning in 2018. However, preparers of FRS 101 accounts should be aware that there are significant changes to IFRSs coming into effect in 2018. More information on the changes to IFRSs will be available in the faculty's *2018 IFRS Accounts* factsheet.

### Impact of the Triennial review 2017

In December 2017 the FRC issued *Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – Triennial review 2017 – Incremental Improvements and clarifications* (the 'Triennial review 2017 amendments'). These amendments are generally effective for accounting periods beginning on or after 1 January 2019. The transitional requirements are that early application is permitted provided that all of the amendments (with some limited, but important, exceptions) are applied at the same time.

Many of the amendments to FRS 102 are editorial or aim to clarify, rather than change, accounting treatments. However, there are some more significant amendments, for example to areas such as investment property and intangible assets, which may prove popular and entities may wish to consider early adoption. The amendments in respect of certain loans from directors (or their close family members) to small entities and the tax effect of gift aid donations are available for separate early adoption.

There are also consequential amendments to the other UK accounting standards, including some significant changes to FRS 105.

### Other regulatory changes

This factsheet does not include details of other regulatory changes affecting UK entities. More information on such changes can be found in our *UK Regulation for Company Accounts* factsheet.

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## Section 2

# Links to regulations

### Using the links and margin notes in this document

The margin notes in this factsheet identify relevant sections of standards and other regulations – these sections cannot be considered in isolation when applying them in practice.

You might find it useful to download relevant section(s) of the standard(s) so that you can refer to them when using this document.

### Make sure that you use the right version of the regulations or standards

Standards and regulations are often updated and amended, and may have transitional provisions. It is important to use the right version, and to make sure that it applies to the relevant time period. The standards below are linked to the faculty's standards tracker which shows when standards were amended, and when amendments come into effect. Links are then provided to the version of the standard relevant to specific time periods.

## Standards

### Key standards for this factsheet

[FRS 100 Application of Financial Reporting Requirements](#)

[FRS 101 Reduced Disclosure Framework](#)

[FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland](#)

[FRS 103 Insurance Contracts](#)

[FRS 104 Interim Financial Reporting](#)

[FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime](#)

### Other relevant documents

[Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – Triennial review 2017 – Incremental improvements and clarifications](#)

## Section 3

# Overview of regime and summary of changes

### The UK financial reporting regime

The current UK financial reporting regime came into effect for accounting periods beginning on or after 1 January 2015. Small entities that previously adopted the FRSSE (2015) applied the more significant aspects of the current regime for the first time in 2016. This period of radical change has been followed by a period of relative stability for FRS 102 and FRS 105 reporters, and there are no new requirements effective for accounting periods beginning in 2018.

In December 2017 the FRC issued the Triennial review 2017 amendments introducing some significant changes to current requirements. These amendments are considered further on page 5 and are the main focus of the remainder of this factsheet.

#### Practical tip: make sure you use the right version of the standards and amendments

The FRC has issued a number of amendments to UK accounting standards since their original publication. Revised versions of FRS 100, FRS 101 and FRS 102 were published in September 2015 and of all UK accounting standards in March 2018 incorporating the Triennial review 2017 amendments. Given the different application dates and rules for early adoption, care must be taken that the correct version of the standard, together with any relevant amendments, is selected for your time frame and choices on early adoption.

The faculty's [UK GAAP standards tracker](#) provides guidance and links to help you identify the correct version of the standard and amendments for different time frames and early adoption choices. Entities choosing to adopt all the Triennial review 2017 amendments early can simply refer to the March 2018 editions, which incorporate all previous amendments.

The table below deals with the pre-March 2018 versions of the standards, together with any relevant amendments applicable for accounting periods beginning on or after 1 January 2018.

#### Standards and amendments applicable to accounting periods beginning in 2018

Title	Overview	Comments
FRS 100 <i>Application of Financial Reporting Requirements</i> (September 2015)	Sets out the financial reporting requirements for UK and Republic of Ireland entities.	
FRS 101 <i>Reduced Disclosure Framework</i> (September 2015)	Sets out an optional reduced disclosure framework for the individual financial statements of qualifying subsidiaries and parents that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRSs.	IFRS 9 <i>Financial Instruments</i> and IFRS 15 <i>Revenue from Contracts with Customers</i> are effective for accounting periods beginning on or after 1 January 2018, as well as IFRIC 22 <i>Foreign Currency Transactions and Advance Consideration</i> and a number of narrow scope amendments to EU-adopted IFRSs. More detailed information will be available in the faculty's factsheet <i>2018 IFRS Accounts</i> .
To be read in conjunction with <i>Amendments to FRS 101 – 2015/16 cycle</i> (July 2016); and	Limited amendments arising from the 2015/16 review to ensure that the reduced disclosure framework maintains consistency with EU-adopted IFRSs.	The amendments are effective from the date that the entity applies the relevant IFRS(s) in its accounts.
<i>Amendments to FRS 101 and FRS 102 – Notification of shareholders</i> (December 2016); and	Requirement to notify shareholders in writing of intention to take advantage of disclosure exemptions removed.	

#### Further faculty factsheets

More information on the UK financial reporting framework, including the qualifying criteria for each of the standards, can be found in the faculty's factsheet *The UK Financial Reporting Regime*.

## Standards and amendments applicable to accounting periods beginning in 2018 (continued)

Title	Overview	Comments
<i>Amendments to FRS 101 – 2016/17 cycle</i> (July 2017)	Limited amendments arising from the 2016/17 review to ensure that the reduced disclosure framework maintains consistency with EU-adopted IFRSs.	The amendments are effective from the date that the entity applies the relevant IFRS(s) in its accounts.
<i>FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland</i> (September 2015)	Sets out the financial reporting requirements for entities that are not applying EU-adopted IFRSs, FRS 101 or FRS 105.	
To be read in conjunction with <i>Amendments to FRS 101 and FRS 102 – Notification of shareholders</i> (December 2016); and	Requirement to notify shareholders in writing of intention to take advantage of disclosure exemptions removed.	
<i>Amendments to FRS 102 – Fair value hierarchy disclosures</i> (March 2016); and	Requirements relating to the disclosure of financial instruments based on the fair value hierarchy are simplified for financial institutions and retirement benefit plans.	
Triennial review 2017 amendments – gift aid; and	Clarification of the treatment of the tax effects of gift aid donations.	This amendment is effective for accounting periods beginning on or after 1 January 2019 but is available for separate early adoption. For further detail see section 8 of this factsheet.
<b>Either</b> <i>Amendments to FRS 102: Directors' loans – optional interim relief for small entities</i> (May 2017);	Permits a loan from a director who is a natural person and a shareholder in a small entity to be measured initially at the transaction price.	
<b>Or</b> Triennial review 2017 amendments – exemption for loans from directors and shareholders to small entities.	Permits a loan from a director or their close family members to be measured initially at the transaction price when the director, or an individual close family member of the director, is a shareholder.	This amendment replaces the interim relief. It is effective for accounting periods beginning on or after 1 January 2019 but is available for separate early adoption. For further detail see section 5 of this factsheet.
<i>FRS 103 Insurance Contracts</i> (February 2017)	Consolidates existing financial reporting requirements and guidance for insurance contracts. It applies to entities that have adopted FRS 102.	
<i>FRS 104 Interim Financial Reporting</i> (March 2014)	Sets out the financial reporting requirements for interim financial reports. It does not in itself require an entity to prepare an interim financial report.	

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### Contacts and further help

#### Factsheets for faculty members

This factsheet is part of a series designed to provide practical help for Financial Reporting Faculty members in exercising their professional judgement.

The faculty cannot offer interpretations of standards or give views on the application of standards to particular companies or transactions.

#### The faculty's standards trackers

To check for current standards and recent amendments go to the faculty's standards trackers at: [icaew.com/frfstandardstracker](https://icaew.com/frfstandardstracker).

#### Factsheets

Topics covered by other factsheets include:

- The UK Financial Reporting Regime
- UK Regulation for Company Accounts
- 2017 IFRS Accounts

A complete list of factsheets can be found here:

[icaew.com/frffactsheets](https://icaew.com/frffactsheets)

#### Factsheet comments and suggestions

To comment on factsheets, or to suggest topics that you'd like to see covered by factsheets, email us at [frfac@icaew.com](mailto:frfac@icaew.com)

#### Faculty resources [icaew.com/frf](https://icaew.com/frf)

Resources published by the Financial Reporting Faculty may be found at [icaew.com/frf](https://icaew.com/frf). Resources include online access to the faculty's publications, webinar recordings and other guidance such as FAQs and the standards trackers. Faculty members also have full access to the IASB's eIFRS resource, including full texts of the standards.

#### Get full access to Financial Reporting Faculty (FRF) content

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#### The Financial Reporting Faculty

The faculty aims to help members keep up to date with the implications of new standards, regulations and practice in financial reporting.

Our international community of financial reporting professionals also contribute to the ICAEW's work in influencing the development of financial reporting concepts, standards and regulation.

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TECPLN16284