International Financial Reporting Standards, amendments and interpretations (IFRICs) application mandatory for periods beginning 1 February 2018

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
1 January 2018	IFRS 15: Revenue from Contracts with Customers	The standard represents a single revenue recognition standard to be applied across various industries. The standard replaces IAS 11 Construction Contracts and IAS 18 Revenue. The core principle of the Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The Standard also requires enhanced disclosures about revenue, provides guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improves guidance for multiple-element arrangements. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts.
1 January 2018	Clarifications to IFRS 15: Revenue from Contracts with Customers	The amendments clarify how the principles in IFRS 15 should be applied and specifically cover how to: • Identify a performance obligation in a contract; • Determine whether the company is a principal or an agent; and • Determine whether the revenue from granting a licence should be recognised at a point in time or over time. There are also two additional reliefs that have been introduced when first adopting IFRS 15.

International Financial Reporting Standards, amendments and interpretations (IFRICs) application mandatory for periods beginning 1 February 2018

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
1 January 2018	IFRS 9: Financial Instruments	This is part of a project to replace IAS 39 Financial Instruments: Recognition and Measurement and deals with the classification and measurement of financial assets and financial liabilities. In November 2009, the IASB published IFRS 9 Financial Instruments which covered the classification and measurement of financial assets. In October 2010 the requirements for classifying and measuring financial liabilities were added to IFRS 9. In November 2013 the IASB has issued hedge accounting and amendments to IFRS 9, IFRS 7 and IAS 39 covering general hedge accounting requirements. The requirements use a principles-based model which will more closely align hedge accounting with an entity's risk management activities when hedging financial and non-financial risk exposures. The requirements also include enhanced presentation and new disclosure requirements. Further amendments have been issued relating to the introduction of a fair value through other comprehensive income (FVOCI) measurement category for debt instruments that would be based on an entity's business model and expected credit losses are to be recognised on all financial instruments within the scope of the amendment from when they are originated or purchased. Full lifetime expected credit losses are recognised when a financial instrument deteriorates significantly in credit quality.
1 January 2018	Amendments to IFRS 4: Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts*	The amendments address concerns arising from implementing IFRS 9, the new financial instruments standard, before implementing the replacement insurance contracts standard that is currently being developed for IFRS 4. The amendments introduce two approaches: an overlay approach and a deferral approach. The amendments will: • Give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and • Give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply IAS 39, the existing financial instruments standard.

International Financial Reporting Standards, amendments and interpretations (IFRICs) application mandatory for periods beginning 1 February 2018

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
1 January 2018	Amendments to IFRS 2: Classification and measurement of share-based payments	The amendments clarify three issues arising in the accounting of share-based payment transactions. The clarifications and amendments deal with: • Accounting for cash-settled share-based payment transactions that include a performance condition • Classification and disclosures of share-based payment transactions with net settlement features for withholding tax obligations Accounting for modifications of share-based payment transactions from cash-settled to equity-settled
1 January 2018	Amendments to IAS 40: Transfers of Investment Property	The amendments clarify the treatment of transfers into, or out of, investment property and IAS 40 now specifies that: • a transfer into, or out of investment property should be made only when there has been a change in use of the property; and • such a change in use would involve an assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The list of evidence in IAS 40 paragraph 57 (a) to (d) has now been designated as a non-exhaustive list of examples giving rise to a change in use as a result of the amendment.
1 January 2018	Annual improvements to IFRSs 2014-2016 cycle	These improvements form part of the IASB's annual improvement process which is designed to make necessary, but not urgent, amendments to IFRSs. The amendments relate to: • IFRS 12 Disclosure of Interests in Other Entities - clarifies the scope of the disclosure requirements in IFRS 12 • IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters; and • IAS 28 Investments in Associates and Joint Ventures - Measuring investees at fair value through profit or loss: an investment-by-investment choice or a consistent policy choice.

International Financial Reporting Standards, amendments and interpretations (IFRICs) application mandatory for periods beginning 1 February 2018

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
1 January 2018	IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration	This Interpretation addresses how to determine the date of a transaction for the purpose of determining which exchange rate to use in reporting foreign currency transactions when payment is made or received in advance. IAS 21 *The Effects of Changes in Foreign Exchange Rates* specifies the exchange rate to use when initially recording a foreign currency transaction in an entity's functional currency. However it does not address how to determine the exchange rate for the recognition of revenue when an entity has received advance consideration in a foreign currency and hence the Interpretation has been issued to clarify the date of a transaction and covers both single and multiple payments or receipts of advance consideration. This interpretation does not does not apply to those related assets, income or expenses that are required to be recognised initially at its fair value.

Nexia Smith & Williamson

International Financial Reporting Standards, amendments and interpretations (IFRICs) not yet mandatory but EU endorsed and available for early adoption for periods beginning 1 February 2018

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
1 January 2019	Amendments to IFRS 9: Prepayment Features with Negative Compensation	These amendments to IFRS 9 Financial Instruments are designed to enable, if certain conditions are met, companies to measure at amortised cost certain prepayable financial assets with so-called negative compensation and also clarifies the accounting for non-substantial modifications of financial liabilities should follow the same process as financial assets in similar circumstances.
1 January 2019	IFRIC Interpretation 23: Uncertainty over Income Tax Treatments	This Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. When there is uncertainty over income tax treatment, the Interpretation addresses: • whether an entity considers uncertain tax treatments separately; • the assumptions an entity makes about the examination of tax treatments by taxation authorities; • how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and • how an entity considers changes in facts and circumstances. Early adoption is permitted and full retrospective application is permitted, if an entity can do that without using hindsight. This Interpretation does not change any existing requirements or introduce new disclosure requirements in IAS 12.
1 January 2019	IFRS 16: Leases	The standard replaces IAS 17 Leases and has the effect of bringing almost all leases onto the balance sheet in a manner similar to the current ‘finance lease’ treatment. Short term leases (with a term of no more than 12 months) and low value leases (not specifically defined so may vary by entity, as a rule of thumb $5k fair value of the leased asset) may remain consistent with current ‘operating lease’ treatment. Service contracts may also need to be accounted for separately from lease components of a contract. Early adoption is only permitted if IFRS 15 is also adopted.

International Financial Reporting Standards, amendments and interpretations (IFRICs) not yet mandatory and not yet EU endorsed so not yet available for early adoption

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
1 January 2019 (not yet endorsed by EU)	Amendments to IAS 28: Long-term interests in associates and joint ventures	These amendments clarify that IFRS 9 applies to long-term interests in associates or joint ventures including the expected loss impairment model. Long-term interests are interests to which the equity method of accounting is not applied but that, in substance, form part of the net investment in an associate of joint venture.
1 January 2019 (not yet endorsed by EU)	Annual improvements to IFRS 2015-2017 cycle	These improvements form part of the IASB's annual improvement process which is designed to make necessary, but not urgent, amendments to IFRSs. The amendments relate to: • IFRS 3 Business combinations and IFRS 11 Joint arrangements: The amendments provide clarification on how an entity should account for previously held interests in a business, if the entity then acquires control, or joint control, of that business. • IAS 12 Income taxes: The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way. • IAS 23 Borrowing costs: The amendments clarify that companies treat as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
1 January 2019 (not yet endorsed by EU)	Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	The amendments clarify the calculation of current service cost and net interest when an entity re-measures the net defined benefit liability (asset) when a plan amendment, curtailment or settlement occurs. The amendments are applied prospectively and early application is permitted.
1 January 2020 (not yet endorsed by EU)	Conceptual Framework for Financial Reporting	The amendments build upon the existing Conceptual Framework to provide a comprehensive set of concepts for financial reporting. There have been new concepts added for measurement, presentation and disclosure and derecognition. Updated concepts for definitions and recognition and clarifications to concepts for stewardship, measurement uncertainty, substance over form and the return of a clarified concept of prudence.
1 January 2020 (not yet endorsed by EU)	Amendments to IFRS 3: Definition of a Business	The amendment provides clearer guidance to help distinguish between acquiring a business or a group of assets when applying IFRS 3.

International Financial Reporting Standards, amendments and interpretations (IFRICs) not yet mandatory and not yet EU endorsed so not yet available for early adoption

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
1 January 2020 (not yet endorsed by EU)	Amendments to IAS 1 and IAS 8: Definition of Material	The amendments to both IAS 1 and IAS 8 refine the definition of 'material' and clarify its application. The amendments improve understanding of the existing requirements, but because they are based on existing guidance, they do not significantly affect how materiality judgements are made in practice or significantly affect entities' financial statements.
1 January 2021(not yet endorsed by EU)	IFRS 17: Insurance Contracts	IFRS 17 has been issued as the first truly international IFRS Standard for insurance contracts and is expected to help investors and others better understand insurers' risk exposure, profitability and financial position. The standard is for all insurers, in all jurisdictions, and should apply to all contract types on a consistent basis. IFRS 17 replaces IFRS 4, which was brought in as an interim standard only, and it solves the comparison problems created by IFRS 4 as IFRS 17 requires all insurance contracts not covered by other standards (e.g. warranties) to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values, instead of historical cost and the standard requires the information to be updated regularly, providing more useful information to users of financial statements. Early adoption is only permitted if both IFRS 9 and IFRS 15 are also adopted.
1 January 2019 (not yet endorsed by EU)	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments address an inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the sale or contribution of a subsidiary. The main consequence of the amendments is that a full gain or loss is recognised on the loss of control of a business (whether it is housed in a subsidiary or not), including cases in which the investor retains joint control of, or significant influence over, the investee.

Other requirements, guidance and discussion papers

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
Not applicable	FRC letters: Year end advice and improvements to reporting for investors	The latest annual letter from the FRC has been written to the preparers of accounts and audit committee chairs of listed companies. The letter highlights key issues and improvements that can be made to annual reports in the 2018/9 reporting season to help foster investment in the UK. The letter can be found here: https://www.frc.org.uk/getattachment/e49d2fa2-604a-4c0e-8e61-18344542e990/End-of-year-letter-241018-FINAL.pdf
Not applicable	Annual review of corporate reporting	In October 2018, the FRC published a report on their assessment of corporate governance and reporting in the UK based on its Corporate Reporting Review team's monitoring work on cases opened in the year to 31 March 2018, and more recently performed thematic reviews. The report gives an overview of the current state of corporate reporting in the UK. This report also summarises on corporate governance and stewardship through research performed by external parties. The report aims to help stakeholders improve the quality of their reporting and governance. The full report can be found here: https://www.frc.org.uk/getattachment/f70e56b9-7daf-4248-a1ae-a46bad67c85e/Annual-Review-of-CG-R-241018.pdf.

Other requirements, guidance and discussion papers

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
Not applicable	UK Corporate Governance reform: evolution rather than revolution	In July 2018, the UK Government Department for Business, Energy and Industrial Strategy published The Companies (Miscellaneous Reporting) Regulations 2018 which amends and adds new reporting requirements for large* companies, those with over 250 employees and those in very large global groups for periods beginning 1 January 2019. The regulation sets out disclosures which can be summarised into 6 categories; section 172(1) statement, UK employee engagement, engagement with suppliers, customers & others, corporate governance statement, CEO pay ratio remuneration disclosures and additional directors' remuneration disclosures. The new legislation can be found here: http://www.legislation.gov.uk/uksi/2018/860/pdfs/uksi_20180860_en.pdf In July 2018, the FRC issued Revised Guidance on the Strategic Report which includes extra emphasis on non-financial reporting areas such as those required by the Miscellaneous Reporting legislation. A copy of the revised guidance can be found here: https://www.frc.org.uk/news/july-2018/revised-guidance-on-the-strategic-report In July 2018, the FRC released the 2018 UK Corporate Governance Code. The new code aims to reflect the changing business environment and help UK companies achieve the highest levels of governance. The Code is shorter and sharper and builds on the findings from the FRC's Culture Report published in 2016. See the code here: https://www.frc.org.uk/news/july-2018/a-uk-corporate-governance-code-that-is-fit-for-the In December 2018, the FRC launched a new code called the Wates Corporate Governance Principles for Large Private Companies**. Large private companies are encouraged to follow six principles to inform and develop their corporate governance practices and adopt them on an 'apply and explain' basis. Mandatory reporting against these or another appropriate set of corporate governance principles for large companies** will take effect on 1 January 2019. See the consultation documents here: https://www.frc.org.uk/news/december-2018-(1)/wates-principles-to-improve-corporate-governance-s *For this purpose "large" refers to all public and ineligible companies and private companies with two of three of more than 250 employees, turnover over £36m and total assets over £18m for periods beginning 1 January 2019. **For this purpose "large" refers to companies with either more than 2,000 employees or turnover over £200m and total assets over £2bn for periods beginning 1 January 2019.

Other requirements, guidance and discussion papers

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
Not applicable	FRC Financial Reporting Lab project report: Business model reporting; Risk and viability reporting	In October 2018, the FRC's Financial Reporting Lab published a report covering the implementation of the recommendations from their reports on business model reporting and risk and viability reporting, both of which were published in 2017. The new report covers how companies have responded to the good practice disclosure and includes extracts of those companies' disclosures. The FRC Lab report is available here: https://www.frc.org.uk/news/october-2018/implementation-study-business-model-reporting;-ri
Not applicable	FRC announces 2018/19 thematic reviews	The FRC will be looking at: • The expected effect of the new IFRS for lease accounting; and • The effects of Brexit on companies' disclosure of principal risks and uncertainties. The corporate reports selected for review in 2018/19 will have regard to the following priority sectors: • Financial Services, with particular emphasis on banks, other lenders and insurers; • Oil and Gas; • General Retailers; and • Business Support Services. For more information see the press release here: https://frc.org.uk/news/november-2017/frc-announces-2018-19-thematic-reviews-to-stimulat

Other requirements, guidance and discussion papers

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
Not applicable	QCA Corporate Governance Review	The QCA have issued their 2018/19 Corporate Governance review which reviews AIM listed companies in light of the new regulatory requirement to state the corporate governance code they choose to follow. The review analyses companies' disclosures against the QCA Code after the instigation of the new AIM rule on 28 September. Institutional investors examined the results of the QCA's analysis and their reflections have led to five recommendations for companies to improve their corporate governance disclosures. The review can be used as a resource for companies to judge their own disclosures against a market benchmark and can be found here: https://www.theqca.com/article_assets/articledir_348/174461/Corporate%20Governance%20Behaviour%20Review%202018.pdf

Other requirements, guidance and discussion papers

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
Not applicable	FRC publishes thematic review findings of IFRS 9 and IFRS 15 company disclosures	The FRC published two thematic reviews to help companies improve the quality of their corporate reporting in relation to IFRS 9 and IFRS 15. IFRS 15 - the FRC expect to see: • clear identification and explanation of performance obligations with a focus on judgements made both in their determination and when they are considered to be satisfied; and • the impact of the standard on the balance sheet to also be addressed. IFRS 9 - the FRC expect to see: • quantification of the effect of estimation uncertainty in measuring expected credit losses and disclosure of the sensitivity of the amounts to changes in assumptions and estimations and / or a range of reasonably possible outcomes; and • evidence of consideration of the potential impact of the new standard, even where it does not have a material effect. Companies are encouraged to invest sufficient time during their year-end preparation to ensure that transition disclosures are comprehensive and company-specific and will challenge companies who do not provide an adequate level of disclosure about the impact of the new standards through their regular accounts review process next year. For more information see the press release here: https://www.frc.org.uk/news/november-2018/frc-publishes-thematic-review-findings-of-ifrs-9-a

Other requirements, guidance and discussion papers

Effective for periods beginning on or after:	Pronouncement	Brief summary of requirements
1 April 2019	The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018	The Government has approved The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which introduces new reporting requirements for UK large sized companies and LLPs. In the company's Directors' Report it must state various figures relating to carbon emissions such as the tonnes of CO_2 equivalent resulting from the purchase of electricity by the company for its own use including for the provision of transport. Exemptions are available if total energy usage is under 40,000 kWh. Quoted companies are already required to make disclosures regarding emissions of CO_2. The disclosures regarding energy consumed are new for quoted companies. Large LLPs have to produce a new report titled the energy and carbon report in their financial statements. The same disclosures as unquoted large companies are required in this new report and in addition they must state the names of all persons who have been members during the year. To read the new legislation itself please go here: http://www.legislation.gov.uk/uksi/2018/1155/contents/made
Not applicable	FRC Financial Reporting Lab projects on digital reporting: Artificial Intelligence - How does it measure up?	In January 2019, the FRC's Financial Reporting Lab published a report covering artificial intelligence (AI) and corporate reporting. The reports aims to explore both the ways in which AI can, and is, being used for corporate reporting. The FRC Lab report is available here: https://www.frc.org.uk/news/january-2019-(1)/artificial-intelligence-and-corporate-reporting

Exposure drafts issued by the International Accounting Standards Board

Status	Pronouncement	Brief summary of requirements
No proposed effective date*	Exposure draft: amendments to IAS 1 Classification of Liabilities	The proposed amendments are designed to improve presentation in financial statements by clarifying the criteria for the classification of a liability as either current or non-current. The proposed amendments do this by: a. Clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period; and b. Making clear the link between the settlement of the liability and the outflow of resources from the entity. The amendments are expected to be held back until after the IASB has redeliberated the definitions of assets and liabilities in the Conceptual Framework. *ED did not contain a proposed effective date. However, the ED proposes that the amendments would be applied retrospectively and that early application should be permitted.
No proposed effective date*	Exposure draft: Availability of a refund from a defined Benefit Plan (Proposed amendments to IFRIC 14)	The exposure draft is to clarify whether a trustee's power to augment benefits or to wind up a plan affects the employer's unconditional right to a refund and thus, in accordance with IFRIC 14, restricts recognition of an asset The amendments are expected to be deferred and not issued at least until a wider project on IAS19 Employee benefits has progressed further. *ED did not contain a proposed effective date. However, the ED proposes that the amendments would be applied retrospectively and that early application should be permitted.
No proposed effective date*	Exposure Draft: Property, Plant and Equipment—Proceeds before Intended Use (proposed amendments to IAS 16)	The exposure draft proposes amendments that would prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the entity would recognise those sales proceeds and related costs in profit or loss. The project is being considered by the IASB. *ED did not contain a proposed effective date. However, the ED proposes that the amendments would be applied retrospectively in limited circumstances only and that early application should be permitted.

Exposure drafts issued by the International Accounting Standards Board

Status	Pronouncement	Brief summary of requirements
No proposed effective date*	Exposure Draft: Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)	The exposure draft proposes amendments to IAS 8 designed to help entities distinguish accounting policies from accounting estimates by clarifying how they relate to each other by making the definition of accounting policies clearer and more concise and explaining that accounting estimates are used in applying accounting policies. The amendments also clarify whether some common scenarios constitute making accounting estimates or selecting accounting policies. The project is being considered by the IASB. *ED did not contain a proposed effective date. However, the ED proposes that the amendments would be applied prospectively and early application should be permitted.
No proposed effective date*	Exposure Draft: Accounting policy changes (Proposed amendments to IAS 8)	Companies sometimes decide to change an accounting policy as a result of an agenda decision published by the IFRS Interpretations Committee. Agenda decisions can inform companies of expected application of accounting/financial reporting standards. The exposure draft's proposed amendments to IAS 8 are to promote greater consistency in the application of IFRS Standards by reducing the burden on companies when they change an accounting policy as a result of an agenda decision. The project is being considered by the IASB. In December the Board tentatively decided not to proceed which will be confirmed at a future meeting. *ED did not contain a proposed effective date. However, the ED proposes that the amendments would be applied prospectively.
No proposed effective date*	Exposure Draft: Onerous Contracts — Cost of Fulfilling a Contract (Proposed amendments to IAS 37)	The exposure draft proposes amendments to IAS 37 which specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. The amendments include examples of costs which do and do not relate directly to a contract and specific transition requirements for entities already reporting using IFRS Standards. The amendments do not make new disclosure requirements or transition requirements for entities IFRS Standards for the first time. The exposure draft is open for comments until 15 April 2019. *ED did not contain a proposed effective date. However, the ED proposes that the amendments would be applied prospectively and early application should be permitted.

Exposure drafts issued by the International Accounting Standards Board

Status	Pronouncement	Brief summary of requirements
N/A	Discussion Paper Financial Instruments with Characteristics of Equity	Increasingly complex financial instruments can make it difficult to classify between debt and equity using existing IAS 32 guidance. The discussion paper sets out the IASB's preferred approach to classification, their aim is to make the information more useful to investors and also help the companies by providing clearer principles on the accounting treatment. The project is being considered by the IASB.