HMRC - CFM23015 - FRS 102: History Of FRS 102

New UK GAAP is the term used by this manual to refer to FRS 101 and FRS 102.

Origins of FRS 101

FRS 101 “Reduced Disclosure Framework’’ was issued in November 2012. It brings the recognition and measurement requirements of IFRS into UK GAAP (albeit with a few amendments for company law). For purposes of this manual references to IAS 32 and IAS 39 will apply to users of FRS 101 unless otherwise stated.

It is expected that FRS 101 will be updated annually for changes to IFRS.

Origins of FRS 102

FRS 102 “The Financial Reporting Standard Applicable in the UK and Republic of Ireland” is the result of a number of years of work and consultation about how UK GAAP was going to be updated.

Issued in March 2013 FRS 102, FRS 102 is available to all entities other than those that are required to prepare accounts in accordance with IFRS. It was updated in August 2013 in particular in relation to the classification and hedging requirements regarding financial instruments.

FRS 102 is derived from the IFRS for SMEs with adjustments made to ensure compliance with UK company law and to incorporate additional accounting options. In certain areas of accounting it represents a significant change to Old UK GAAP.

It is expected that FRS 102 will be reviewed every 3 years. The first three year review will take place in 2016/17 such that a revised FRS 102 would be effective in 2018.

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