



May 2026

Amendments to FRS 101 *Reduced Disclosure Framework*

2025/26 cycle

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Amendments to FRS 101 Reduced Disclosure Framework – 2025/26 cycle amends an accounting standard. It is issued by the Financial Reporting Council, as a prescribed body, for application in the United Kingdom and Republic of Ireland.

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Overview

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

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- (iii) The FRC carries out an annual review of amendments to IFRS Accounting Standards to decide whether FRS 101 should provide exemptions from new disclosure requirements or whether other consequential amendments are required. These amendments are the outcome of the 2025/26 annual review of FRS 101, which addressed amendments issued by the International Accounting Standards Board (IASB) in the year to 31 August 2025.
- (iv) After performing the 2025/26 annual review, no amendments were made to FRS 101 in respect of new IASB pronouncements *Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7* and *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures*. The Basis for Conclusions is amended to reflect this decision.
- (v) Drafting improvements were, however, made to paragraph 7 of FRS 101, paragraph AG1 to the Application Guidance *Amendments to adopted IFRS for compliance with the Act and the Regulations* to FRS 101 and paragraph A2.9A of Appendix II *Note on legal requirements*.

Amendments to FRS 101 *Reduced Disclosure Framework*

Amendments to FRS 101

- 1 The following paragraph sets out the amendments to FRS 101 *Reduced Disclosure Framework* (inserted text is underlined, deleted text is struck through).
- 2 Paragraph 7 is amended as follows (the sequentially numbered footnote in this paragraph is not presented here and is unchanged by this amendment):
 - 7 A qualifying entity which is a **financial institution** ~~may take advantage in its individual financial statements of the disclosure exemptions set out in paragraphs 7A to 9 of this FRS, except for~~ shall not take advantage of:
 - (a) the disclosure exemptions from IFRS 7 *Financial Instruments: Disclosures* (see paragraph 8(d));
 - (b) the disclosure exemptions from IFRS 13 *Fair Value Measurement* (see paragraph 8(e)) to the extent that they apply to financial instruments;² and
 - (c) the disclosure exemptions from paragraphs 126 to 129 of IFRS 18 *Presentation and Disclosure in Financial Statements* (see paragraph 8(g)).

Amendments to Application Guidance

Amendments to adopted IFRS for compliance with the Act and the Regulations

3 The following paragraph sets out the amendments to the Application Guidance *Amendments to adopted IFRS for compliance with the Act and the Regulations* to FRS 101 (inserted text is underlined, deleted text is struck through).

4 Paragraph AG1 is amended as follows:

AG1 In accordance with the Act, an entity may prepare Companies Act accounts or IAS accounts. A qualifying entity that applies this FRS prepares Companies Act accounts. This Application Guidance sets out amendments to adopted IFRS that are necessary ~~to achieve compliance with the Act and related Regulations~~ to remove conflicts between adopted IFRS and the Act and the Regulations (deleted text is struck through and inserted text is underlined):

...

Amendments to Appendix II *Note on legal requirements*

5 The following paragraph sets out the amendments to Appendix II *Note on legal requirements* (inserted text is underlined).

6 Paragraph A2.9A is amended as follows:

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

- (a) the disclosure of profit or loss before income taxes and the amendment to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* set out in paragraph AG1(g) of this FRS;
- (aA) any disclosure of additional items or further disaggregation of the statement of profit or loss, for example in relation to 'turnover' or 'finance costs', (which may be provided in the notes to the financial statements) that is necessary to meet the requirement to give equivalent information; and
- (b) any further disaggregation of the statement of financial position, for example in relation to trade and other receivables and trade and other payables, (which may be provided in the notes to the financial statements) that is necessary to meet the requirement to give equivalent information.

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

Approval by the FRC

Amendments to FRS 101 Reduced Disclosure Framework – 2025/26 cycle was approved for issue by the Financial Reporting Council on 14 May 2026.

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

- 1 The following amendments are made to the Basis for Conclusions FRS 101 *Reduced Disclosure Framework* (inserted text is underlined, deleted text is struck through).
- 2 Paragraphs 37D to 37F, and an associated sub-heading, are inserted as follows:

Contracts referencing nature-dependent electricity

37D In December 2024, the IASB issued *Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7*, concluding its project on Power Purchase Agreements. The amendments introduced new disclosure requirements in paragraphs 30A to 30C of IFRS 7, that apply when an entity has one or more contracts referencing nature-dependent electricity, as defined in IFRS 9 *Financial Instruments*. This was considered in the 2025/26 cycle.

37E The FRC noted that, in principle, information about contracts referencing nature-dependent electricity may be of interest to users of qualifying entities' financial statements. However, paragraph 8(d) of FRS 101 already provided a general exemption from the requirements of IFRS 7 for qualifying entities which are not financial institutions, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the qualifying entity is consolidated. Paragraph 7(a) of FRS 101 already disapplied the IFRS 7 disclosure exemptions for a qualifying entity which is a financial institution. The FRC concluded that it had no reason to propose amending the extant requirements of FRS 101.

37F Most respondents agreed with the FRC's conclusion, although one stated that there was no reason to expect contracts referencing nature-dependent electricity, unlike financial instruments in general, to be of particular relevance to users of financial institutions' financial statements. The FRC noted that a financial institution without contracts referencing nature-dependent electricity would have nothing to disclose in this respect.

- 3 Paragraph 38 is amended as follows:

38 In July 2014, the IASB issued IFRS 9 ~~*Financial Instruments*~~ combining the outputs from the classification and measurement, hedge accounting and impairment projects to date, and amended the requirements of IFRS 7.

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

Exposure draft		Date of issue	Finalised as	Date of issue
FRED 88	<u><i>FRS 101 Reduced Disclosure Framework – 2025/26 cycle</i></u>	<u>Oct 2025</u>	<u><i>Amendments to FRS 101 Reduced Disclosure Framework – 2025/26 cycle</i></u>	<u>May 2026</u>

5 The following amendments are made to Table 2 *IASB publications*:

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

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

IFRS Accounting Standards or amendments		Date issued by IASB	Date effective	Date endorsed by the EU	Date adopted by the UK
<u>2025/26 cycle (May 2026)</u>					
<u>79</u>	<u><i>Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7</i></u>	<u>Dec 2024</u>	<u>1 Jan 2026</u>	<u>Jun 2025</u>	<u>Jul 2025</u>
<u>80</u>	<u><i>Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures</i></u>	<u>Aug 2025</u>	<u>1 Jan 2027</u>	<u>TBC</u>	<u>May 2026</u>



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