

# EY UK

Financial reporting update

April 2026



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## Foreword

At EY, we strive to simplify complex accounting and reporting requirements for our clients. With that in mind, this publication brings together the significant changes in accounting standards, regulatory requirements, as well as key enablers, to help you respond to the changing landscape.

In this edition, we cover the following recent financial reporting updates, guidance, and emerging issues, among other matters:

- Proposed amendments to the fair value option in IAS 28
- Accounting considerations related to geopolitical events and uncertainty
- FRC updated strategic report guidance and FRC updated guidance on 'comply or explain' reporting
- UK government publishes the finalised versions of UK SRS S1 and UK SRS S2
- Amendments to FRS 102 and FRS 105- Adapted formats
- FRS 102 illustrative financial statements based on FRS 102 as amended by the 2024 Periodic Review Amendments

If you have any questions or would like to discuss how your company is impacted by any of the topics in this publication, please get in touch with your EY contact, who will be supported by the individuals below.



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# Proposed amendments to the fair value option in IAS 28

On 19 February 2026, the International Accounting Standards Board (IASB) issued an Exposure Draft (the ED) proposing targeted amendments to IAS 28 *Investments in Associates and Joint Ventures* to clarify which investments in associates and joint ventures can be measured using the fair value option.

The proposals respond to diversity in practice in applying the fair value option in IAS 28 and the resulting effects on the classification of income and expenses in the statement of profit or loss under IFRS 18 *Presentation and Disclosure in Financial Statements*.

The issue has become more prominent as entities consider whether to apply the transitional provisions in IFRS 18 that allow an entity that qualifies for the fair value option in IAS 28 to change its election for measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. The proposed narrow-scope amendments are intended to improve consistency in application and provide clarity ahead of the effective date of IFRS 18.

Comments were due by 20 April 2026, and the IASB expects to finalise any amendments by mid-2026.

Refer to our IFRS Developments publication for further details.



[Amendments to fair value option in IAS 28](#)

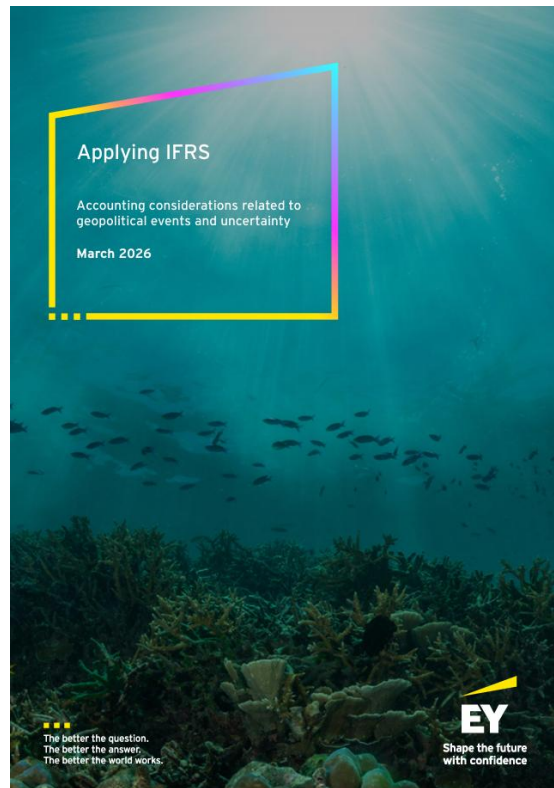
## Section 01

### IFRS Accounting Standards (IFRS)

# Other IFRS reference material

## Applying IFRS: Accounting considerations related to geopolitical events and uncertainty

This publication considers the effect of geopolitical instability, high inflation and interest rates on entities' financial reports under IFRS. Estimates, disclosures, impairment calculations and fair value measurements are among the areas that may be affected.



[Accounting considerations for geopolitical events and uncertainty | EY - Global](#)

## IFRS Developments: Disclosures about Uncertainties in the Financial Statements

On 28 November 2025, the International Accounting Standards Board issued *Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 - Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples to several IFRS accounting standards. The examples are intended to improve the reporting of climate-related and other uncertainties in financial statements.



[IASB issues Disclosures about Uncertainties in Financial\] Statements | EY - Global](#)

# Other IFRS reference material (cont.)

## Standards and interpretations in issue at 31 March 2026

Our 'IFRS Update' publication provides an overview of the upcoming changes in standards and interpretations (pronouncements) issued by the IASB. It also provides an update on selected IASB active projects. The objective of the IFRS Update is to highlight key aspects of these changes and not to provide an in-depth analysis or discussion of the topics. We encourage you to consult the full text of the pronouncements before making decisions or taking action.



[IFRS Update - Standards and interpretations in issue at 31 March 2026 | EY - Global](#)

## UK Adoption Status Report

The UK Adoption Status Report provides a status update on endorsement projects in progress, and a summary of UK-adopted international accounting standards, set out by the year in which they were adopted.

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UK Endorsement Board

### UK Adoption status report: IASB/IFRS Interpretations Committee documents not yet adopted

12 December 2025			
STANDARDS	IASB Issue date	IASB Effective date	Link to UKEB project page <sup>1</sup>
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	9 May 2024	1 January 2027	<a href="#">Project page</a>
AMENDMENTS			

[Adoption Status Report\\_12th\\_December\\_2025.pdf](#)

# EY IFRS core tools

## EY IFRS illustrative financial statements and disclosure checklists

EY teams publish a series of illustrative financial statements to assist reporting entities in the preparation of their own financial statements. The illustrative financial statements are intended to reflect transactions, events and circumstances that we consider to be most common for a broad range of companies across a wide variety of industries. Certain disclosures are included in these financial statements merely for illustrative purposes. Commentaries are also provided to explain the basis for the disclosure or to address alternative disclosures not included in the illustrative financial statements. For a more comprehensive list of disclosure requirements, do refer to [EY's Online International GAAP® Disclosure Checklist](#).



[Good Group \(International\) Limited \(December 2025\)](#)



[Good Group IFRS 18 illustrative financial statements \(December 2025\)](#)



[Good Real Estate Group \(International\) Limited 2025 - IFRS 18 \(December 2025\)](#)



[International GAAP® Disclosure Checklist \(30 June 2026\)](#)



[Interim Financial Statements \(30 June 2026\)](#)



[Good Group Climate \(International\) Limited \(December 2025\)](#)



[Good Bank \(International\) Limited \(December 2025\)](#)



[Good Mining \(International\) Limited \(December 2021\)](#)



[Good Real Estate Group \(December 2024\)](#)



[Good Life Insurance \(International\) Limited \(December 2023\)](#)



[Good General Insurance \(International\) Limited \(December 2023\)](#)



[Good Petroleum \(International\) Limited \(December 2020\)](#)

Other EY IFRS technical resources including practical technical guidance, latest thinking and tools from EY financial reporting professionals are available [here](#).

# International GAAP®: free access

This publication is a detailed guide to interpreting and implementing International Financial Reporting Standards (IFRS).

Available, free of charge, to all users

By setting IFRS in a relevant business context, International GAAP® 2026 provides insights on how complex practical issues should be resolved in the real world of global corporate reporting. It is an important tool for anyone applying, auditing, interpreting, regulating, studying or teaching:

- IFRS accounting standards, and
- IFRS sustainability disclosure standards

Written by EY corporate reporting professionals from around the world, this detailed guide to reporting under IFRS accounting and sustainability disclosure standards provides a global perspective on the application of IFRS accounting and sustainability disclosure standards. It explains technical accounting and sustainability-related reporting issues clearly, by setting IFRS accounting and sustainability disclosure standards in a practical context with numerous worked examples, illustrations and extracts from the published general purpose financial reports of major listed companies from around the world.

International GAAP® 2026 is published in a downloadable PDF version for use. The PDF contains the entire publication, made up of 54 chapters, in a single file with embedded bookmarks to aid navigation.

## Download the International GAAP® 2026 PDF

To obtain access to International GAAP® 2026 PDF file, access the zip file at the following link:

[International GAAP® 2026 - The global perspective on IFRS | EY - Global](#). Due to the large file size (171 MB), the download could take several minutes. The PDF is also available on the free version of EY Atlas Client Edition – please visit [ey.com/eyatlas](https://ey.com/eyatlas) to get started.



## Section 02

### UK legal and regulatory pronouncements and guidance

# Financial Reporting Council (FRC)

## Updated strategic report guidance

On 4 February 2026, the FRC issued updated Guidance on the Strategic Report. The guidance has been developed to support all UK entities that prepare strategic reports under company law, and is intended to help entities address their reporting obligations in a way that is practical and proportionate.

The guidance has been updated to reflect changes to legislative and regulatory requirements, including the recent revision of the UK Corporate Governance Code 2024, legislative changes to directors' report disclosures, and other developments in sustainability-related and wider corporate reporting practice.

Alongside the guidance, the FRC has also published [updated Scoping Tables](#) to support entities complying with Companies Act 2006 disclosure requirements for the strategic report, the directors' report and the energy and carbon report to reflect reporting of payment practices within the directors' report.

Refer to the FRC's Guidance on the Strategic Report for more detail.

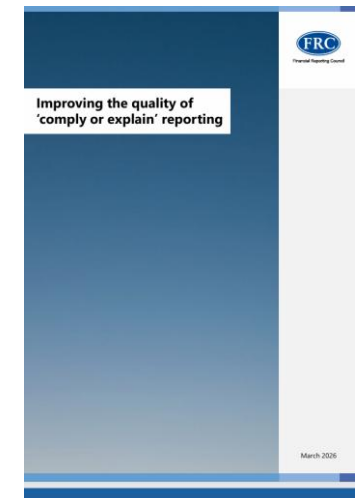


[Updated strategic report guidance](#)

## Improving the quality of 'comply or explain' reporting

On 16 March 2026, the FRC published updated guidance on "comply or explain" reporting. The guidance is intended to help investors and advisors better understand the value of companies that choose to depart from provisions of the UK Corporate Governance Code. It provides guidance on what to look for when reading a departure explanation, and why a departure accompanied by a clear and well-reasoned explanation can be regarded as a good indicator that the board is thinking seriously about its governance responsibilities. This guidance is also helpful for preparers of annual reports and accounts.

Refer to the link for the guidance in full.



[Improving the quality of 'comply or explain' reporting](#)

# UK Sustainability Reporting Standards

## UK government publishes final versions of UK SRS S1 and UK SRS S2

In February 2026, the UK government published its [feedback on its 2025 endorsement consultation](#) and the final versions of [UK SRS S1](#) and [UK SRS S2](#). The standards are available for voluntary use in the UK. UK SRS S1 and S2 are based on the IFRS Sustainability Disclosure Standards, IFRS *S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *S2 Climate-related Disclosures*, as issued by the International Sustainability Standards Board (ISSB), with certain amendments, including:

- Removal of one-year relief from publishing sustainability disclosures at the same time as the financial statements such that an entity provides its sustainability disclosures under UK SRS at the same time as it issues its related financial statements
- “Climate-first” and scope 3 GHG emissions disclosure transitional reliefs no longer timebound; any time limits or conditions attaching to the use of these reliefs will be set by the relevant body governing mandatory application (e.g., FCA for listed entities via UK Listing Rules (UKLR) and government for private entities via legislation)
  - The “climate-first” relief permits a UK SRS preparer to provide disclosures related only to its climate-related risks and opportunities, rather than the wider population of sustainability risks and opportunities, comprising climate and non-climate matters
  - Utilising the reliefs has implications for the UK SRS statement of compliance, as set out in UK SRS S1
- New paragraph B59A added in UK SRS S2, providing a mechanism for financial institutions to explain non-compliance with the requirement to provide financed emissions disclosures for the same period as the financial statements
- Without amending UK SRS S2, government recommends applying the materiality test and exercising judgement when considering the requirement to restate comparatives for a change in estimate

In January 2026, based on the draft UK SRS, the FCA consulted on proposals to introduce requirements for certain listed companies to report against UK SRS, with a proposed effective date of 1 January 2027. The proposals cover those entities already reporting against the Taskforce on Climate-related Financial Disclosures (TCFD) and include replacing TCFD with mandatory application of UK SRS S2 (except for scope 3 GHG emissions). A comply or explain model is proposed for reporting on both Scope 3 GHG emissions and non-climate risks and opportunities. The consultation closed on 20 March 2026.

The UK government has yet to consult on whether to extend mandatory application of UK SRS to private entities.



# Amendments to FRS 102 and FRS 105 - Adapted formats

On 18 February 2026, the Financial Reporting Council (FRC) published [Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime - Adapted formats](#) ('the Amendments'), following the introduction of IFRS 18 *Presentation and Disclosure in Financial Statements*.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements* for periods beginning on or after 1 January 2027. The Amendments were developed to maintain consistency with IFRS Accounting Standards for entities that have taken advantage of applying the adapted formats within company law in the preparation of their financial statements. The Amendments also introduced limited clarifications to FRS 102 and FRS 105 following feedback from stakeholders on the Periodic Review 2024 Amendments published in March 2024.

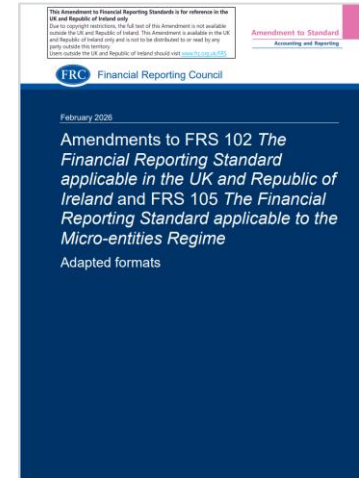
The Amendments to FRS 102 are effective for accounting periods beginning on or after 1 January 2027 (to align with the effective date of IFRS 18). Early adoption is permitted, subject to the following:

- All the Amendments are applied at the same time, or
- Only the Amendments relating to the classification of current and non-current assets and liabilities are applied at the same time

The Amendments to FRS 105 are effective for accounting periods beginning on or after 1 January 2026. Early application is permitted, provided that all amendments are applied at the same time.

In addition, the FRC published an [impact assessment and feedback statement](#).

Refer to the FRC's Amendments for more information.



[Amendments to FRS 102 and FRS 105- Adapted formats](#)

## Section 03

### UK Generally Accepted Accounting Practice (UK GAAP)

# Resources: FRS 102 Periodic Review 2024

## Resources to support the implementation of the 2024 Periodic Review Amendments

On 27 March 2024, the FRC issued 'Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and other FRSS - Periodic Review 2024' ('Periodic Review Amendments'). The majority of the Periodic Review Amendments are effective for accounting periods beginning on or after 1 January 2026.

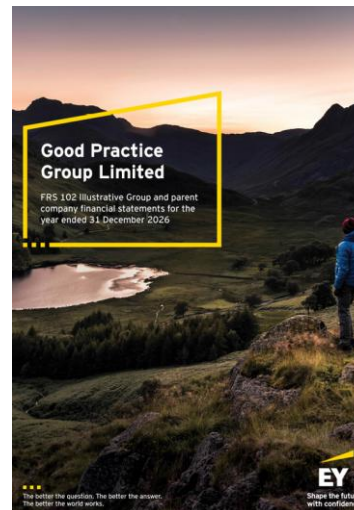
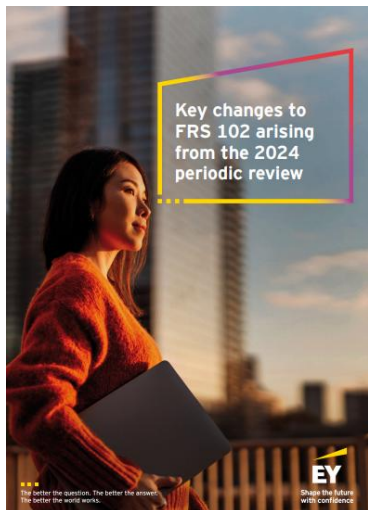
Below we have provided links to publications to support the initial application of the amendments, as follows:

- 'Key changes to FRS 102 arising from the 2024 period review', flyer providing a brief overview of the amendments
- 'FRS 102 Periodic Review 2024: What is changing?', publication providing a more detailed look at the key changes to FRS 102, particularly revenue and leasing
- Illustrative set of consolidated financial statements for Good Practice Group Limited (the Parent Company) and its subsidiaries (the Group) prepared in accordance with FRS 102, based on the requirements of FRS 102 as amended by the Periodic Review 2024.

[Key changes to FRS 102 arising from the 2024 periodic review | EY - UK](#)

[FRS 102 Periodic Review 2024: What is changing | EY - UK](#)

[Good Practice Group FRS 102 illustrative financial statements | EY - UK](#)



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