



Accounting roundup

April 2021

Contents

COVID-19

Other recent developments:

- [IFRS](#)
- [Corporate Governance](#)
- [Other](#)

Other tools and resources:

- [Deloitte publications, interviews and recordings](#)
- [Deloitte comment letters](#)
- [New and revised pronouncements for 31 March 2021 year-ends](#)

COVID-19



The ongoing COVID-19 pandemic continues to have a significant impact on corporate reporting. Below we list recent news items and resources from the last quarter which highlight some of the key accounting and reporting considerations and other guidance issued in light of COVID-19. For COVID-19 related news and resources that were issued prior to January 2021, please refer to Deloitte's [Accounting roundup - January 2021.](#)

COVID-19 (continued)

COVID-19 news

The Financial Reporting Council (FRC)

[The FRC and the Financial Conduct Authority \(FCA\) publish a joint statement for companies, auditors and users of financial accounts reminding them that extended reporting timetables continue to apply](#)

Public Sector

[HM Treasury sets minimum financial reporting requirements for 2020-2021](#)

[The Chartered Institute of Public Finance and Accountancy \(CIPFA\) and the Local Authority \(Scotland\) Accounts Advisory Committee \(LASAAC\) consult on changes to the Code of Practice on Local Authority Accounting in relation to accounting for secure housing tenancies and COVID-19-related rent concessions](#)

Other news

[The IFRS Foundation issues educational material on going concern requirements](#)

[The International Organization of Securities Commissions \(IOSCO\) issues a statement on going concern and COVID-19](#)

[The International Valuation Standards Council \(IVSC\) publishes a paper on challenges in relation to the availability of market information in a pandemic world](#)

COVID-19 Publications

[Need to know - Accounting considerations related to COVID-19 for FRS 102 reporters](#)



Other recent developments

IFRS

Amendments:

[The International Accounting Standards Board \(IASB\) extends the practical relief regarding COVID-19-related rent concessions](#)

[The IASB finalises amendments to IAS 1 *Presentation of Financial Statements* and the Materiality Practice Statement](#)

[The IASB finalises amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* regarding accounting estimates](#)

UK endorsement:

[The UK adopts IFRS amendments regarding *Interest Rate Benchmark Reform — Phase 2 \(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16\)* and *Extension of the Temporary Exemption from Applying IFRS 9 \(Amendments to IFRS 4\)*](#)

EU endorsement:

[The European Union adopts *Interest Rate Benchmark Reform-Phase 2 \(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16\)*](#)

Note: Endorsement of IFRS Standards by the EU no longer applies in the UK with effect from the end of the transition period following the UK's exit from the EU (IP completion day, 31 December 2020 at 11pm UK time). Going forward, endorsement of IFRS Standards for use in the UK is carried out by the Secretary of State and delegated to the UK Endorsement Board. However, companies subject to the FCA's Disclosure Guidance and Transparency Rules need to have regard to both EU-endorsed and UK-endorsed IFRS for periods commencing before IP completion day.

Exposure drafts published

[The IASB proposes new standard on rate-regulated activities](#)

[The IASB publishes proposed amendments to IFRS 13 *Fair Value Measurement* and IAS 19 *Employee Benefits* and draft guidance for developing and drafting disclosures](#)

Click [here](#) for the latest IASB work plan.

Meeting minutes and further information:

[January](#), [February supplementary](#), [February](#), [March supplementary](#) and [March](#) IASB meetings
[February](#) and [March](#) IFRSIC meetings

Corporate Governance

[The FRC publishes guidance material around the quality of 'comply or explain' reporting](#)

[The Chartered Governance Institute \(ICSA\) publishes its review of the effectiveness of independent board evaluation in the UK listed sector](#)

[The Hampton-Alexander Review publishes its 2020 Report](#)

[Sir James Wates sets out his initial views on Wates Principles reporting](#)

[The Equality and Human Rights Commission \(EHRC\) announces that the Gender pay gap reporting regulation enforcement is delayed to October 2021](#)

Other recent developments (continued)

Other

The Department for Business, Energy and Industrial Strategy (BEIS)

[BEIS issues its 'Restoring trust in audit and corporate governance' White Paper](#)

Brexit

[BEIS and the FRC jointly publish revised accounting and audit letters in relation to Brexit](#)

The European Financial Reporting Advisory Group (EFRAG)

[EFRAG issues its final endorsement advice on the IASB's proposed amendment to IFRS 16 and COVID-19](#)

[EFRAG issues its final endorsement advice on IFRS 17 *Insurance Contracts* including the June 2020 amendments](#)

[EFRAG publishes its final comment letter on the IASB's discussion paper on goodwill and impairment](#)

[EFRAG issues its final comment letter on the IASB's Exposure Draft ED/2020/4 '*Lease Liability in a Sale and Leaseback \(Proposed amendment to IFRS 16\)*'](#)

[EFRAG issues its draft comment letter on the IASB's Exposure Draft ED/2021/1 '*Regulatory Assets and Regulatory Liabilities*'](#)

[EFRAG issues its draft comment letter on the IASB's discussion paper on business combinations under common control](#)

[EFRAG publishes its draft endorsement advices on '*Disclosure of Accounting Policies \(Amendments to IAS 1 and IFRS Practice Statement 2\)*' and '*Definition of Accounting Estimates \(Amendments to IAS 8\)*'](#)

The European Securities and Markets Authority (ESMA)

[ESMA supports endorsing IFRS 17 in its current form](#)

[ESMA publishes a report on the application of IFRS 10, IFRS 11 and IFRS 12 in the EU](#)

[ESMA publishes a report on the activities of accounting enforcers and their findings within the EU in 2020](#)

FRC

[The FRC publishes a feedback statement to its Discussion Paper on business reporting of intangibles](#)

[The FRC publishes its Strategy, Plan and Budget for 2021/22](#)

[The FRC publishes summaries of its corporate reporting reviews](#)

[The FRC requests stakeholder views to inform the next periodic review of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*](#)

[The FRC Lab issues a report on virtual and augmented reality and how they might be used to expand the scope and audience for corporate reporting](#)

IASB

[The IASB publishes its updated work plan](#)

[The IASB issues a podcast on the latest Board developments \(March 2021\)](#)

[The IASB launches its third public consultation on its future work programme](#)

[The IASB states that the expected publication date for an Exposure Draft \(ED\) for a revised Practice Statement Management Commentary has been moved to May 2021](#)

[The IASB issues a presentation on IFRS Standards and academic research opportunities](#)

[The IFRS Foundation issues its 2020 IFRS XBRL taxonomy](#)

IOSCO

[IOSCO releases a statement calling for the IASB and the US Financial Accounting Standards Board \(FASB\) to collaborate closely on accounting for goodwill](#)

Other recent developments (continued)

IVSC

[The IVSC publishes a valuation guide on IBOR reform](#)

Public Sector

[HM Treasury publishes best practice examples from its review of 2019-20 annual reports and accounts](#)

[HM Treasury issues a new financial reporting manual \(FReM\)](#)

[The International Public Sector Accounting Standards Board \(IPSASB\) releases an exposure draft and request for information on leases](#)

[The IPSASB releases an updated IPSAS-IFRS alignment dashboard](#)

Sustainability, climate and integrated reporting

[BEIS launches consultation on requiring mandatory climate-related financial disclosures by publicly quoted companies, large private companies and LLPs](#)

[The Department for Work and Pensions \(DWP\) publishes a consultation on draft legislation and draft statutory guidance to improve climate-related reporting for occupational pension schemes](#)

[The European Commission issues final reports on possible EU non-financial reporting standards](#)

[The IFRS Foundation Trustees announce strategic direction and further steps of their sustainability initiative](#)

[The IFRS Foundation announces the creation of a sustainability working group](#)

[The International Integrated Reporting Council \(IIRC\) publishes revisions to the International <IR> Framework](#)

[IOSCO sets up a working group to support the IFRS Foundation sustainability initiative](#)

[IOSCO sees coherence between IFRS Foundation and EU approach on non-financial reporting](#)

[The World Economic Forum calls for global standardisation and coordination in ESG reporting](#)

[The IVSC publishes a perspectives paper on environmental, social and governance \(ESG\) factors and business valuation](#)

[The Association of Chartered Certified Accountants \(ACCA\) publishes a report on climate change reporting by companies within the extractive industries](#)

UKEB

[The UK Endorsement Board secretariat publishes its final comment letter on the IASB's Exposure Draft ED/2021/2 *Covid-19-Related Rent Concessions Beyond 30 June 2021 \(Proposed Amendments to IFRS 16\)*](#)

[The UK Endorsement Board secretariat publishes its final comment letter on the IASB's Discussion Paper \(DP\) 2020/1 *Business Combinations: Disclosures, Goodwill and Impairment*](#)

[UK Endorsement Board secretariat publishes its final comment letter on the IASB's Exposure Draft ED/2020/4 *Lease Liability in a Sale and Leaseback*](#)

[UK Endorsement Board secretariat launches survey on the IASB's Discussion Paper DP/2020/2 *Business Combinations under Common Control \(BCUCC\)*](#)

Other tools and resources



Deloitte publications, interviews and recordings

Need to know

Designed for financial controllers, chief accountants, and accounting technicians:

[IASB publishes amendment to IFRS 16 to extend the practical relief on COVID-19-related rent concessions](#)

[IASB seeks views on what the Board's priorities should be over the next five years](#)

[IASB proposes amendments to the disclosure requirements in IAS 19 and IFRS 13](#)

[FCA Policy Statement and Listing Rule promoting better climate-related financial disclosures aligned with TCFD](#)

[FRC issues Amendments to FRS 102 - Interest Rate Benchmark Reform \(Phase 2\)](#)

[IASB amends IAS 1 and IFRS Practice Statement 2 with regard to the disclosure of accounting policies](#)

[IASB amends IAS 8 to clarify the definition of accounting estimates](#)

[IASB proposes amendment to IFRS 16 to extend the practical relief on rent concessions](#)

[IASB proposes new Standard on Regulatory Assets and Regulatory Liabilities](#)

[Accounting, auditing and corporate governance – legal and regulatory changes arising from Brexit](#)

[IFRS Foundation publishes educational material on the requirements of IFRS Standards relevant for going concern assessment](#)

Other publications

[IFRS model financial statements 2020 — Appendix 2 — Financial instrument disclosures when applying Interest Rate Benchmark Reform — Phase 1 amendments to IFRS 9 and IAS 39 and Phase 2 amendments to IFRS 9, IAS 39, IFRS 4 and IFRS 16](#) - This appendix to Deloitte's [IFRS model financial statements 2020](#) illustrates the disclosures resulting from the IBOR Reform Phase 1 and Phase 2 amendments.

[IFRS in your pocket 2021](#)-IFRS in your pocket is a comprehensive summary of the current IFRS Standards and Interpretations along with details of the projects on the standard-setting agenda of the International Accounting Standards Board.

[IPSAS in your pocket — 2021 edition](#) - This guide summarises the provisions of all International Public Sector Accounting Standards (IPSAS), recommended practice guidelines and the conceptual framework, outstanding at 1 January 2021.



Deloitte comment letters

IFRS

[Tentative agenda decision on costs necessary to sell inventories](#)

[Tentative agenda decision on preparation of financial statements when an entity is no longer a going concern](#)

[The IASB's proposal on lease liability in a sale and leaseback](#)

[The IASB's proposal to extend the practical relief regarding COVID-19-related rent concessions](#)

[Tentative agenda decision on configuration or customisation costs in a cloud computing arrangement \(IAS 38\)](#)

[Tentative agenda decision on classification of debt with covenants as current or non-current \(IAS 1\)](#)

[Tentative agenda decision on attributing benefit to periods of service \(IAS 19\)](#)

[Tentative agenda decision on hedging variability in cash flows due to real interest rate \(IFRS 9\)](#)

UK GAAP

[FRED 77 'Draft amendments to FRS 101 Reduced Disclosure Framework – 2020/21 cycle](#)

Other

[The FRC's discussion paper on the future of corporate reporting](#)

[BEIS consultation on corporate transparency and register reform](#)

[Second response to ad personam mandate on non-financial reporting standard setting](#)

Further comment letters, including responses to IFRSIC tentative agenda decisions, can be found by clicking [here](#).



Other tools and resources (continued)

New and revised pronouncements for 31 March 2021 year-ends

The table below provides a summary of pronouncements that will be newly effective for those with 31 March 2021 year-ends.

IFRS

Pronouncement	Newly effective for those reporting under IFRS standards as issued by the IASB	Newly effective for those reporting under IFRS standards as endorsed by the UK*
Amendments		
<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)</i>	Optional #	Optional #
<i>Amendments to References in the Conceptual Framework in IFRS Standards</i>	Yes	Yes
<i>Definition of a Business (Amendments to IFRS 3)</i>	Yes	Yes
<i>Definition of Material (Amendments to IAS 1 and IAS 8)</i>	Yes	Yes
<i>Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)</i>	Yes	Yes

The application of both approaches (overlay approach/ deferral approach) is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

* Endorsement of IFRS Standards by the EU no longer applies in the UK with effect from the end of the transition period following the UK's exit from the EU (31 December 2020 at 11pm UK time). Going forward, endorsement of IFRS Standards for use in the UK is carried out by the Secretary of State and delegated to the UK Endorsement Board. This has the following implications:

- For accounts prepared and approved before IP completion day (defined as 31 December 2020 at 11pm UK time), UK companies required or choosing to apply IFRS Standards should apply EU-adopted IFRS Standards.
- For accounting periods beginning on or after 1 January 2021, UK companies required or choosing to apply IFRS Standards will need to comply with UK-adopted IFRS Standards.
- Transitional provisions exist for companies whose year-end straddles IP completion day or whose year-end is before IP completion day but whose accounts are filed after IP completion day. These permit such companies to adopt any new IFRS Standards or amendments that are endorsed by the UK after IP completion day in addition to 'frozen' IFRS Standards as endorsed by the EU at IP completion day.
- For periods beginning before IP completion day, companies subject to the FCA's Disclosure Guidance and Transparency Rules (DTR) which are required to produce consolidated accounts must additionally state compliance with IFRS Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. This means that EU adoption of IFRS Standards subsequent to IP completion day remains relevant for such entities.

The latest UK endorsement status can be found [here](#) and the EU endorsement status can be found [here](#).

Other tools and resources (continued)

UK GAAP

Amendments to FRS 102 have recently been issued to reflect changes in UK company law following [the UK's withdrawal from the European Union](#) that came into effect at the end of the Transition Period and also in relation to [the second phase of the interest rate benchmark reform](#). These take effect for periods beginning on or after 1 January 2021.

Click [here](#) to see the UK GAAP options available for financial reporting periods ending on 31 March 2021.

Other regulatory requirements

- Compliance with *The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019*. These regulations introduce changes to remuneration reporting covering the directors' remuneration policy and directors' remuneration report for periods commencing on or after 10 June 2019 and include in particular requirements for the remuneration report to include:
 - a comparison of the annual change of each director's pay to the annual change in average employee pay, over a rolling five year period.
 - the split of fixed and variable pay for each director, as two additional columns to the existing 'Single Figure' table.
 - any changes made to share options granted or offered and the main conditions for the exercise of these rights including the exercise price and date, compared to the previous year.

Further information is available [here](#).



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