

## Adoption Statement

# Adoption of Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards*—Subsidiary as a First-time Adopter

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1. The UK Endorsement Board is designated under regulation 2(1) of The International Accounting Standards (Delegation of Functions) (EU Exit) Regulations 2021 No. 609<sup>1</sup> (“the Delegating Regulations”) for the purpose of enabling it to exercise functions of the Secretary of State under Chapter 3 of Part 2 of The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 No. 685<sup>2</sup> (“the Regulations”).
2. The UK Endorsement Board, in exercise of the powers conferred by regulation 6(1) of the Regulations, adopts the following amendment to international accounting standards published on 14 May 2020 by the International Accounting Standards Board (IASB) in its Annual Improvements to IFRS® Standards 2018–2020, for use within the United Kingdom:
  - Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards*—Subsidiary as a First-time Adopter
3. In accordance with regulation 7(1) of the Regulations, the UK Endorsement Board is of the view that:
  - a) the standard<sup>3</sup> is not contrary to either of the following principles—
    - i. an undertaking’s accounts must give a true and fair view of the undertaking’s assets, liabilities, financial position and profit or loss;
    - ii. consolidated accounts must give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the accounts taken as a whole, so far as concerns members of the undertaking;
  - b) the use of the standard is likely to be conducive to the long term public good in the United Kingdom; and

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<sup>1</sup> Accessible here: <https://www.legislation.gov.uk/ukxi/2021/609/contents/made>

<sup>2</sup> Accessible here: <https://www.legislation.gov.uk/ukxi/2019/685/contents>

<sup>3</sup> The term “standard” includes standards (International Accounting Standards (IAS), International Financial Reporting Standards (IFRS)), amendments to those standards and related Interpretations (SIC-IFRIC interpretations) issued or adopted by the International Accounting Standards Board (IASB). This Adoption Statement relates to amendments to those standards.

