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Foreword by Stephen Taylor

Acknowledgements

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Introduction

1 Scope and objectives of this manual

The objective of this manual is to explain and provide guidance on the application of financial reporting requirements under Hong Kong Financial Reporting Standards (HKFRSs). As explained in **section 3** below, HKFRSs are defined to include HKFRSs and Hong Kong Accounting Standards (HKAS) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), and approved interpretations of these Standards. The expression is used in this broad sense in this manual unless the context requires otherwise. This manual provides guidance on how to apply HKFRSs issued on or before 28 February 2013.

In addition, this manual provides guidance on the additional disclosures and reporting requirements in the Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong) financial environment. These include the Hong Kong Companies Ordinance, the Listing Rules of The Stock Exchange of Hong Kong and the form and content of the auditor's report in accordance with auditing standards issued by the HKICPA. A comprehensive exercise to rewrite the *Companies Ordinance* was launched in mid-2006. At the time of writing, the new *Companies Ordinance* has been gazetted (in August 2012) with a tentative effective date of 2014 pending the enactment of subsidiary legislations. This manual also includes references to the requirements of the new *Companies Ordinance* to the extent that they relate to financial reporting.

The manual also provides some guidance on financial reporting for small and medium-sized companies.

- In August 2005, the HKICPA issued the *Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard (SME-FRF & FRS)*, which applies to a limited number of entities (effective for accounting periods beginning on or after 1 January 2005).
- In April 2010, the HKICPA issued *Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities)*, which was immediately effective upon issue (i.e. 30 April 2010). The *HKFRS for Private Entities* (which has been developed based on the *IFRS for Small and Medium-sized Entities (IFRS for SMEs)* with some modifications) can be applied by entities that do not have public accountability and publish general purpose financial statements for external users.

Details of the requirements of SME-FRF & FRS and of the *HKFRS for Private Entities* are set out in **chapter A42**.

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A30 Operating segments

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