

**GIBRALTAR FINANCIAL REPORTING STANDARD No.2  
INTERPRETATIVE NOTE**

*(Issued June 1995; revised December 2001)*

This interpretative note should be read in conjunction with the Explanatory Foreword to Gibraltar Accounting Standards.

**REFERENCE**

Financial Reporting Standard No.2 – “Accounting for subsidiary undertakings” together with this interpretative note will be referred to collectively as Gibraltar Financial Reporting Standard No. 2 – “Accounting for subsidiary undertakings” (“GFRS 2”).

FRS 2 makes a number of references to other FRSs/SSAPs and these should be read as references to the corresponding GFRS.

**LEGAL REQUIREMENTS IN GIBRALTAR**

FRS 2 makes numerous references to the Companies Act 1985. The equivalent legislation in Gibraltar is the Companies (Consolidated Accounts) Ordinance 1999, which sets out the legal requirement to prepare group accounts and which is consistent with the requirements of the Companies Act 1985.

**APPLICATION TO SMALLER ENTITIES**

Reporting entities applying the Gibraltar Financial Reporting Standard for Smaller Entities currently applicable are exempt from this accounting standard unless preparing consolidated financial statements, in which case they should apply the GFRS to such statements as required by the GFRSSE.

**DATE FROM WHICH EFFECTIVE**

The accounting and disclosure requirements set out in this GFRS should be adopted as soon as possible and regarded as recommended practice in respect of the later of (i) accounting periods ending on or after 31 December 2001 and (ii) the effective date as stipulated in the UK standard.

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