



FRED 73 DRAFT AMENDMENTS TO FRS 101 REDUCED DISCLOSURE FRAMEWORK – 2019/20 CYCLE

Issued 6 March 2020

ICAEW welcomes the opportunity to comment on *FRED 73 Draft amendments to FRS 101 Reduced Disclosure Framework – 2019/20 Cycle* published by the Financial Reporting Council in December 2019, a copy of which is available from this [link](#).

We agree with the proposed amendments to FRS 101 *Reduced Disclosure Framework*. In our view, the amendments remove any uncertainty that may exist with regards to the exemptions available under FRS 101 for the cash flow disclosure requirements included in *IFRS 6 Exploration for and Evaluation of Mineral Resources* and *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*.

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ANSWERS TO SPECIFIC QUESTIONS

Question 1

Do you agree that no amendments to FRS 101 are required for the two IASB projects outlined in paragraph 7 of the Basis for Conclusions?

1. Yes, we agree that no amendments to FRS 101 are required as a result of the recent IASB projects relating to the definition of a business and the definition of material.

Question 2

Do you agree with the proposed amendments to improve the consistency of the disclosure exemptions relating to the statement of cash flows?

2. Yes, we agree with the proposed amendments to FRS 101 and that they will improve the consistency of disclosure exemptions relating to the statement of cash flows.
3. As noted in the exposure draft, the exemption from the requirements of IAS 7 *Statement of Cashflows* was intended to include any disclosure relating to the statement of cash flows as required by other IFRSs. Therefore, in our view, the proposed amendments remove any uncertainty that may exist with regards to the cash flow disclosure requirements included in IFRS 6 *Exploration for and Evaluation of Mineral Resources* and IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Question 3

In relation to the Consultation stage impact assessment, do you have any comments on the costs and benefits identified? Please provide evidence to support your views.

4. For any entities that had previously disclosed the cash flow information referred to in the exposure draft, we agree that the proposed amendments would be beneficial and reduce costs. We also agree that there will also be benefits more generally as a result of reduced uncertainty on this matter. We have no further comments on the cost benefit analysis at this stage.