



## FRED 77 DRAFT AMENDMENTS TO FRS 101 REDUCED DISCLOSURE FRAMEWORK 2020/21 CYCLE

Issued 28 February 2021

ICAEW welcomes the opportunity to comment on FRED 77 Draft amendments to FRS 101 Reduced Disclosure Framework 2020/21 cycle published by the Financial Reporting Council in November 2020, a copy of which is available from this [link](#).

We agree with the FRC's proposed changes to FRS 101 *Reduced Disclosure Framework* arising as a result of the annual review of this standard.

This response of 28 February 2021 has been prepared by the ICAEW Financial Reporting Faculty. Recognised internationally as a leading authority on financial reporting, the faculty, through its Financial Reporting Committee, is responsible for formulating ICAEW policy on financial reporting issues and makes submissions to standard setters and other external bodies on behalf of ICAEW. The faculty provides an extensive range of services to its members including providing practical assistance with common financial reporting problems.

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## ANSWERS TO SPECIFIC QUESTIONS

**Question 1. Do you agree with the proposed amendments to FRS 101? If not, why not?**

1. Yes, we agree with the FRC's conclusions regarding what IASB projects to consider as part of the 2020/21 annual review cycle for FRS 101 and with the proposed changes in relation to IAS 1 *Presentation of Financial Statements* and IAS 16 *Property, Plant and Equipment*.

**Question 2. Do you agree that no other amendments to FRS 101 are required for the other IASB projects outlined in paragraph 7 of the Basis for Conclusions? In particular, do you agree that an exemption should not be provided from the disclosure requirements introduced by Covid-19-Related Rent Concessions (Amendments to IFRS 16)?**

2. We agree that no further amendments to FRS 101 are required for other IASB projects, including from the disclosure requirements introduced by Covid-19-Related Rent Concessions (Amendments to IFRS 16).
3. However, we note the current IFRS Interpretations Committee discussion regarding the classification of debt with covenants as current or non-current, in accordance with the recent amendments IAS1 *Presentation of Financial Statements*. It will be important for the FRC to monitor this discussion closely as one potential outcome might be for the IASB to revisit the recent amendments to IAS 1, which would then have implications for FRS 101.

**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. We have no comments on the impact assessment at this stage.