



RSM UK Tax and Accounting Limited

10th Floor
103 Colmore Row
Birmingham
B3 3AG
United Kingdom
T +44 (0)121 214 3100
rsmuk.com

Accounting Policy and Reporting Team
Financial Reporting Council
8th Floor
125 London Wall
London
EC2Y 5AS

Submission by e-mail to: ukfrs@frc.org.uk

1 March 2024

Re: FRED 85 Draft amendments to FRS 101 *Reduced Disclosure Framework* 2023/24 cycle ("FRED 85")

Dear Mrs Carter,

On behalf of RSM UK Tax and Accounting Limited, a leading provider of audit, tax and consulting services to middle market leaders, globally, with over 4,900 partners and staff operating from 31 locations throughout the UK, we are pleased to comment on FRED 85.

We are supportive of the proposed amendments to FRS 101. Our comments and detailed responses to the questions set out in the Invitation to comment section of FRED 85 are set out in the appendix to this letter.

We would be pleased to respond to any questions the FRC or its staff may have about any of our response. If you have any questions or comments, please do not hesitate to contact Paul Merris.

Yours sincerely,

RSM UK TAX AND ACCOUNTING LIMITED

RSM UK Tax and Accounting Limited

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM UK Corporate Finance LLP, RSM UK Legal LLP, RSM UK Restructuring Advisory LLP, RSM UK Risk Assurance Services LLP, RSM UK Tax and Advisory Services LLP, RSM UK Audit LLP, RSM UK Consulting LLP and RSM UK Creditor Solutions LLP are limited liability partnerships registered in England and Wales, with registered numbers OC325347, OC402439, OC325349, OC389499, OC325348, OC325350, OC397475 and OC390886 respectively. RSM UK Employer Services Limited, RSM UK Tax and Accounting Limited and RSM UK Management Limited are registered in England and Wales with numbers 6463594, 6677561 and 3077999 respectively. RSM Northern Ireland (UK) Limited is registered in Northern Ireland at Number One Lanyon Quay, Belfast, BT1 3LG with number NI642821. All other limited companies and limited liability partnerships are registered at 6th Floor, 25 Farringdon Street, London, EC4A 4AB. The UK group of companies and LLPs trading as RSM is a member of the RSM network. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM UK Legal LLP is authorised and regulated by the Solicitors Regulation Authority, reference number 626317.

APPENDIX

Detailed response

Our responses do not consider the proposed changes insofar as they relate to entities incorporated in the Republic of Ireland.

Question 1

Do you agree with the proposed amendments to FRS 101? If not, why not?

We agree with the proposed amendments to FRS 101.

Question 2

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

Non-current Liabilities with Covenants (Amendments to IAS 1)

We agree that the disclosure requirements from Amendments to IAS 1 Non-current Liabilities with Covenants issued by the IASB in October 2022, and adopted by the UKEB in July 2023, should apply to qualifying entities adopting FRS 101.

However, we believe that the draft Amendments to Appendix ii *Note on Legal Requirements* paragraph A2.9B(c) should be amended, in light of other amendments to IAS 1 which clarify that expectations are not considered in determining the classification of liabilities. The current drafting of paragraph A2.9B(c), includes the following:

“...whilst under UK-adopted international accounting standards the due date is based on when the entity expects to settle the liability or has no right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period[*footnote].

[*footnote] For accounting periods beginning before 1 January 2023, the due date is based on when the entity expects to settle the liability or has no unconditional right to defer payment, unless the entity chooses to apply applies Classification of Liabilities as Current or Non-current (Amendments to IAS 1) early.”

We suggest that paragraph A2.9B(c) is amended to remove the reference to ‘expects to settle the liability and replaces this with:

“...whilst under UK-adopted international accounting standards the due date is based on whether the entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period”

We agree that no other amendments are required for the IASB projects outlined in paragraph 7 of the Basis of Conclusions.

Question 3

Do you agree with the conclusion in the consultation stage impact assessment? If not, why not?

We have no comments to make on the consultation stage impact assessment.

END OF DOCUMENT