

21 November 2014

Jenny Carter
Financial Reporting Council
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125 London Wall
London
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Dear Ms Carter

Thank you for the opportunity to respond to this consultation. This response has been prepared on behalf of Towers Watson, a global firm with a substantial presence in the UK pensions consultancy market; the firm provides advice to around one-half of the top 100 pension funds in the UK.

We recognise that the proposed introduction of paragraph 28.15A will make it simpler for entities to comply with the requirements of FRS 102 albeit with the consequence that some entities will not recognise a liability for what would otherwise be considered to be an onerous contract. We therefore wish to raise the following points:

- 1 We feel that it would be appropriate for entities to disclose details of any material funding agreements they are party to as these commitments to meet defined benefit pension plan funding deficits can account for substantial sums of money payable over a number of years. It is not clear whether the reference to *funding policy* in paragraph 28.41(a) would automatically require this information to be disclosed.
- 2 Having clarified the non-application of one particular aspect of IFRIC 14, it would also be helpful if the FRC could indicate whether any of the other requirements of IFRIC 14 should be applied to Section 28 of FRS 102.

Yours sincerely

Charles Rodgers
Senior Consultant