



Response to FRC FRED 56:
Draft FRS 104 –
Interim Financial Reporting

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INTRODUCTION

ICAS welcomes the opportunity to comment on the FRC FRED 56 – Draft FRS 104 Interim Financial Reporting.

The ICAS Charter requires its committees to act primarily in the public interest, and our responses to consultations are therefore intended to place the public interest first. Our Charter also requires us to represent our members' views and to protect their interests, but in the rare cases where these are at odds with the public interest, it is the public interest which must be paramount.

The ICAS Accounting Standards Committee has considered the FRED and I am pleased to forward their comments.

Any enquiries should be addressed to Amy Hutchinson, Assistant Director, Technical Policy.

RESPONSE TO THE CONSULTATION QUESTIONS

Question 1

Do you agree with the proposal to withdraw the Statement Preliminary announcements issued by the Accounting Standards Board (ASB) in 1998? If not, why not?

Response:

We agree with the proposal to withdraw the Statement Preliminary announcements issued by the ASB in 1998. We agree with the reasoning set out in paragraphs 12 to 15 of the consultation stage impact assessment.

Question 2

Do you agree with the proposal to withdraw the Statement Half-yearly financial reports issued by the ASB in 2007 and replace it with interim financial reporting requirements based on IAS 34 Interim Financial Reporting as proposed in draft FRS 104 Interim Financial Reporting? If not, please give your reasons and propose an alternative approach.

Response:

We agree with the proposal to withdraw the 2007 statement half-yearly financial reports and replace it with draft FRS 104. Whilst the number of UK GAAP preparers presenting interim financial reports is small, there is still a requirement for guidance for such entities, therefore an approach based on IAS 34 is the most appropriate.

Question 3

Draft FRS 104 proposes amendments to the reporting requirements in IAS 34 in order to adapt them for use by entities that apply FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland to prepare the annual financial statements. The Accounting Council's Advice to the FRC to issue FRED 56 highlights the key changes. Do you agree with the proposed amendments? If not, please give your reasons.

Response:

We agree with the proposed amendments to the requirements in IAS 34 in order to adapt them for use by entities that apply FRS 102.

Question 4

There may be a small number of entities that are required to prepare interim financial reports and apply FRS 101 Reduced Disclosure Framework to prepare the annual financial statements. Paragraph 3A of draft FRS 104 requires that these entities should read references to FRS 102 in draft FRS 104 as the equivalent requirements in EU-adopted IFRS as amended by paragraph AG1 of FRS 101. Do you agree with this proposal? If you believe further changes are necessary to enable these entities to apply draft FRS 104 please state your recommendations and reasons for your proposal.

Response:

We agree with the proposed approach for entities that apply FRS 101 Reduced Disclosure Framework, and do not believe that any further changes are necessary.

Question 5

Do you agree that applying draft FRS 104 will result in useful information for users of interim financial reports? If not, what additional disclosures should in your view be included or which disclosures should be removed? Please give your reasons.

Response:

We agree that applying draft FRS 104 will result in useful information of users of interim financial reports, and do not believe any additional disclosures are required.