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Ref: DT/FRC

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Dear Sir

## **FRED 75 - Draft amendments to FRS 104 *Interim Financial Reporting* – Going concern**

Ernst & Young LLP welcomes the opportunity to comment on FRED 75 issued by the Financial Reporting Council ('the FRC').

We agree with the proposed amendments to FRS 104. We have suggested an additional paragraph be inserted into the amendment in relation to the disclosures that are required where interim financial statements are not prepared on a going concern basis.

If you have any matters arising concerning the content of our response, please contact Danny Trotman on 020 7951 4079.

Yours faithfully

Danny Trotman  
Partner – UK Head of the Financial Reporting Group  
Ernst & Young LLP

## Responses to FRC questions

### FRED 75 - Draft amendments to FRS 104 *Interim Financial Reporting* – Going concern

#### Question 1

Do you agree with the proposed amendments to FRS 104? If not, why not?

We agree with the proposed amendments to FRS 104. However, to fully reflect the requirements of paragraph 4B in the paragraphs dealing with disclosures, we suggest that a paragraph 16A(aB) is inserted that reads:

“When an entity does not prepare interim financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the interim financial statements and the reason why the entity is not regarded as a going concern.”.

#### Question 2

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.

We have no comments on the costs and benefits identified in the Consultation stage impact assessment.