

6th Floor
2 London Wall Place
London
EC2Y 5AU

T (020) 7429 4100
F (020) 7248 8939
W macintyreHUDSON.co.uk



Financial Reporting Council

By Email: futurereporting@frc.gov.uk
FAO: Mr Easton Bilborough

28 February 2021

Dear Sirs

FRED 77 Draft amendments to FRS 101 Reduced Disclosure Framework (“FRS 101”) 2020/21 cycle (“the Exposure Draft”)

We welcome the opportunity to comment on the above discussion paper.

About us

We are a firm of chartered accountants, tax, and business advisers. From offices across the UK, we provide a full range of financial and business services to enterprises and individuals helping them to achieve growth and long-term success.

For more details on our firm please visit <https://www.macintyreHUDSON.co.uk/>.

Our response

We welcome the opportunity to comment on the exposure draft and our responses are noted below.

In the appendix to this letter, we have noted our responses to each of the questions outlined. Apart from recommending clarification of an effective date for the amendments, we are in agreement with the exposure draft.

Finally, we would recommend that the FRC issues a consolidated version of FRS 101 incorporating all amendments to date. We believe that this would be a particularly useful document showing a final snapshot of that standard prior to making future amendments arising from the United Kingdom’s departure from the European Union.

Yours faithfully



Dr Paul Winrow
Technical Partner
MHA MacIntyre Hudson
paul.winrow@mhlhp.co.uk



Neil Parsons
Head of Financial Reporting Advisory and Company Law
MHA MacIntyre Hudson
neil.parsons@mhlhp.co.uk

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Appendix – MHA MacIntyre Hudson Response to the Exposure Draft

Question 1

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

In paragraph 20 to the proposed amendments in the exposure draft the following is stated:

“Paragraph 8 of FRS 101 notes that the exemptions are available from when the relevant standard is applied. Therefore, there is no need to amend the effective date for these proposed amendments.”

We could not see any reference to effective dates in paragraph 8 so we presume the reference should have been to the table in paragraph 7, however there are many effective dates given in that paragraph ranging from 1 January 2021 to 1 January 2023.

In the final version of the amendments, we recommend that the effective date of the amendments is shown consistently with past amendments to FRS 101 (see paragraphs 11 to 14 of FRS 101).

In respect of the proposed the removal of the reference to the disclosure requirements of paragraph 74A(b) of IAS 16 *Property, plant and equipment* we do not believe that this disclosure is of such relevance so that it would affect the decisions of users of financial statements.

We also agree that references to IAS 1 *Presentation of financial statements* dating back to accounting periods commencing before 1 January 2013 should be removed. They have not been relevant for quite some time.

Finally, we agree that amendments to FRS 101 arising because of the UK exiting from the European Union should not be part of this cycle of amendments, but we recommend that a final consolidated version of FRS 101 should be issued because of this amendment cycle.

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)?

Yes, we are in agreement that no other amendments should be made in respect of the other IASB projects listed in paragraph 7.

We believe that the disclosure requirements introduced by the amendments to IFRS 16 *Leases* arising because of the impact of COVID-19 are important disclosures providing useful information to the users of financial statements of an affected qualifying entity.

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.

We have no comment.