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Dear Jenny

**RESPONSE OF THE ACCOUNTING COMMITTEE OF CHARTERED  
ACCOUNTANTS IRELAND**

***FRED 59 Draft Amendments to FRS 102***

The Accounting Committee (AC) of Chartered Accountants Ireland welcomes the opportunity to respond to the proposals in the abovementioned exposure draft.

Should you wish to discuss any of the views expressed, please feel free to contact me.

Yours sincerely



Mark Kenny  
Secretary to the Accounting Committee

## APPENDIX

### Question 1

***Do you agree that the proposed Section 1A Small Entities adequately reflects the new small companies regime set out in company law and that the disclosure requirements for small entities are clear? If not, why not and what alternative approach would you propose?***

AC agrees with the proposed Section 1A of FRS 102.

In relation to the Republic of Ireland, AC understands that legislation for small company accounting is currently being developed on a basis consistent with the UK legislation.

AC notes the proposed wording of paragraph 1A.14(v) *Related Party Transactions* and suggests that the FRC considers clarifying that transactions with a director of a holding company are included.

AC notes the proposed inclusion of the term “exceptional items” in FRS 102 1A.14(n) in accordance with the Accounting Directive and the retention of the term “material” in FRS 102 5.9A. AC recommends that the FRC considers whether the term in paragraph 5.9A should now be changed to refer to “exceptional”.

AC also notes that paragraph 1A.4 encourages small entities to produce a statement of changes in equity in accordance with section 6 of FRS 102. For clarity, AC suggests that reference is also made in paragraph 1A.4 to the alternative statement of income and retained earnings in section 6, as such a presentation may be relevant to many small entities.

### Question 2

***In developing these proposals the FRC has applied the principle that there should not be differences between the recognition and measurement requirements applicable to small entities and those applicable to larger entities. This principle has been determined after taking account of the generally positive response to a similar proposal in the Consultation Document.***

***Do you agree with this principle? If not, why not and what alternative principle or specific exceptions to the principle would you propose?***

AC agrees with the principles above.

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### Question 3

***Do you agree that the transitional provisions in FRS 102 are sufficient for small entities, or have you identified any further areas where transitional provisions should be considered? If so, please provide details.***

AC agrees that the transitional provisions in FRS 102 are sufficient for small entities.

### Question 4

***Do you agree with the other amendments proposed to FRS 102 for compliance with company law? If not, why not?***

AC agrees with the proposed amendments to FRS 102.

In relation to the Republic of Ireland, AC understands that legislation for small company accounting is currently being developed on a basis consistent with the UK legislation.

### Question 5

***This FRED is accompanied by a Consultation Stage Impact Assessment. Do you have any comments on the costs or benefits discussed in that assessment?***

AC believes that the small company exemption will result in cost savings for small companies.