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16 March 2020

Dear Mr Bilsborough

## **FRED 73 Draft amendments to FRS 101 *Reduced Disclosure Framework* (2019/20 cycle)**

Grant Thornton UK LLP (Grant Thornton) welcomes the opportunity to comment on the Financial Reporting Council's (FRC) consultation 'FRED 73 Draft amendments to FRS 101 Reduced Disclosure Framework (2018/19 Cycle)'.

Grant Thornton UK LLP is a leading financial and business adviser. In the UK we're led by 190 partners and over 4,500 people. We can also call on a global network of some 50,000 people in over 135 countries.

We support the proposals set out in FRED 73. In particular, we welcome the proposed amendments to provide additional exemptions from the cash flow disclosure requirements of paragraph 24(d) of IFRS 6 and paragraph 33(c) of IFRS 5 to achieve greater consistency with the general exemption from presentation of a cash flow statement provided by FRS 101.

We set out our detailed responses to each of the questions raised in the attached Appendix.

More generally, consistent with our previous response to FRED 70 Draft amendments to FRS 101 *Reduced Disclosure Framework* (2018/19 cycle), we understand that the FRC has neither a framework nor principles for determining which disclosures in a new standard should be exempted by FRS 101. We still consider that it would be helpful to both the FRC and preparers if there was a framework. This framework would need to take into account the primary users of FRS 101 accounts and their information needs. We believe a framework would enable:

- the FRC to streamline the annual drafting of amendments to FRS 101 after the issue of each major new standard; and
- preparers to make better judgements about whether additional disclosures might be necessary for the financial statements to show a true and fair view.

If you have any questions on our response, or wish us to amplify our comments, please contact Jonathan Shaw (telephone: 020 7728 2454, email [Jonathan.D.Shaw@uk.gt.com](mailto:Jonathan.D.Shaw@uk.gt.com) ); or Dylan Ryninks (telephone: 020 7728 2949, email [dylan.j.ryninks@uk.gt.com](mailto:dylan.j.ryninks@uk.gt.com)).

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Shaw', with a small horizontal line at the end.

Jonathan Shaw

Director

National Assurance Services - Financial Reporting

## Responses to specific questions

### Question 1 - Other IASB Projects

**Do you agree that no amendments to FRS 101 are required for the two IASB projects outlined in paragraph 7 of the Basis for Conclusions?**

We agree that no amendments to FRS 101 are required for the two IASB projects outlined in paragraph 7 of the Basis for Conclusions.

### Question 2 - Amendments to FRS 101

**Do you agree with the proposed amendments to improve the consistency of the disclosure exemptions relating to the statement of cash flows?**

We agree that the proposed amendments to FRS 101 will improve consistency of the disclosure exemptions relating to the statement of cash flows.

### Question 3 - Consultation stage impact assessment

**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 additional comments with respect to the cost and benefits identified.