



Financial Reporting Council

# Impact Assessment and Feedback Statement

Amendments to Basis for Conclusions  
FRS 101 *Reduced Disclosure  
Framework* - 2021/22 cycle

May 2022

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# Overview

- (i) In May 2022, the FRC issued *Amendments to Basis for Conclusions FRS 101 Reduced Disclosure Framework – 2021/22 cycle*. This Impact Assessment and Feedback Statement accompanies those amendments, which arose as a result of the annual review of FRS 101.
- (ii) The Impact Assessment and Feedback Statement:
  - (a) sets out the Impact Assessment for these amendments, after taking account of respondents' comments on the Consultation stage impact assessment; and
  - (b) summarises the six responses received to *FRED 79 Draft amendments to FRS 101 – 2021/22 cycle* and the FRC's response to them.

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# Impact Assessment

## Introduction

1. The Financial Reporting Council (FRC) is committed to a proportionate approach to the use of its powers, making effective use of impact assessments and having regard to the impact of regulation on small enterprises.
2. FRS 101 *Reduced Disclosure Framework* is an optional standard that is intended to enable cost-efficient financial reporting within groups, particularly those applying adopted IFRS in their consolidated financial statements. Therefore, it is only applied by those qualifying entities that consider it a cost-effective option for the preparation of their individual financial statements.
3. FRS 101 requires an entity to apply adopted IFRS subject to specified disclosure exemptions. Therefore, without intervention to amend FRS 101, an entity applying FRS 101 would need to provide all the disclosures required by any new IFRS, or amendments to existing standards, issued.

## Amendments to FRS 101

4. Given the nature of the amendments issued by the IASB, the FRC has not made any amendments to FRS 101.

## Conclusion

5. Overall, the FRC believes that FRS 101 will continue to have a positive impact on the cost-effectiveness of the preparation of the financial statements.

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# Feedback Statement

6. The purpose of this Feedback Statement is to summarise the comments received in response to FRED 79 *FRS 101 – 2021/22 cycle*. FRED 79 was issued in December 2021 and the comment period closed on 1 March 2022.
7. The table below shows the number of respondents and analyses them by category.

**Table 1: Respondents by category**

	No. of respondents
Accountancy firms	3
Accounting professional bodies	3
	<hr/>
	6
	<hr/> <hr/>

8. FRED 79 posed two questions, and the feedback and FRC response to them are summarised below.

## Question 1

Do you agree that no amendments are required to FRS 101 in this cycle? If not, why not?

**Table 2: Respondents' views on question 1**

	No. of respondents
Agreed	6
Disagreed	–
	<hr/>
	6
	<hr/> <hr/>

9. All respondents agreed that no amendments are required.

*FRC response*

10. After considering the response to Question 1, the FRC has proceeded with making no amendments to FRS 101.

## 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.

**Table 3: Respondents' views on question 2**

	No. of respondents
Agreed	–
Disagreed	–
Did not comment	6
	<hr/>
	6
	<hr/> <hr/>

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11. All of the respondents indicated that they had no comment on Question 2.

*FRC response*

12. Overall, the FRC believes that FRS 101 will continue to have a positive impact on the cost-effectiveness of the preparation of the financial statements of a qualifying entity.



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