



Grant Thornton

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Dear Ms Ashelford

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FRED 57 Draft amendments to FRS 101 Reduced Disclosure Framework (2014/15 Cycle)

Grant Thornton UK LLP (Grant Thornton) welcomes the opportunity to comment on the Financial Reporting Council's (FRC) consultation 'FRED 57 Draft amendments to FRS 101 Reduced Disclosure Framework (2014/15 Cycle)'.

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We support the proposals set out in FRED 57. In particular, we welcome the proposed amendment to grant an exemption from the requirement to present a statement of financial position and related notes as at the date of transition to FRS 101, which we believe will provide a useful cost saving on transition.

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

If you have any questions on our response, or wish us to amplify our comments, please contact Jake Green (telephone: 020 7728 2793, email jake.green@uk.gt.com) or Robert Carroll (telephone: 020 7728 2210, email robert.w.carroll@uk.gt.com).

Yours sincerely

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Responses to specific questions**Question 1 – IAS 24 Related Party Disclosures**

See the proposed amendment to paragraph 8(j) of FRS 101 and paragraphs 13 to 15 of the Accounting Council's Advice.

Do you agree with the proposed amendment to permit an exemption against the requirement of paragraph 18A of IAS 24 Related Party Disclosures?

If not, why not?

Yes, we believe that this would be consistent with the FRC's existing approach to related party disclosures under FRS 101.

Question 2 – IFRS 1 First-time Adoption of International Financial Reporting Standards

See the proposed insertion of paragraph 7A into FRS 101 and paragraphs 22 to 23 of the Accounting Council's Advice.

Do you agree with the proposed amendment to permit an exemption from the requirement of paragraphs 6 and 21 of IFRS 1 First-time Adoption of International Financial Reporting Standards to present an opening statement of financial position on transition?

If not, why not?

Yes, we very much welcome this proposed change as we believe that presenting as a primary statement an opening statement of financial position as at the date of transition to FRS 101 is not necessary and this change will provide a useful cost saving.

Question 3 – IFRS 15 Revenue

See paragraphs 16 to 18 of the Accounting Council's Advice.

Do you agree that at this early stage, no exemption should be permitted in FRS 101 from the disclosure requirements of IFRS 15 Revenue from Contracts with Customers given that its effective date is not until 1 January 2017, and that for FRS 101 IFRS 15 should be revisited once preparers, users and auditors have had more experience of the required disclosures and are in a better position to assess whether exemptions against all or some of the disclosure requirements of IFRS 15 would be appropriate?

If not, why not?

Yes, we agree that no exemptions should be given at this stage. However, we believe that there may be scope to grant exemptions from some IFRS 15 disclosure requirements and we encourage the FRC to revisit this issue in a year's time. If any exemptions are to be granted, to be useful, they would need to be in place in time for the mandatory application of IFRS 15 in 2017.

Question 4 – IFRS 9 Financial Instruments

See paragraphs 19 to 21 of the Accounting Council's Advice.

IFRS 9 Financial Instruments amends the requirements of IFRS 7 Financial Instruments: Disclosures.

Do you agree that no amendments should be made to the existing exemptions permitted in FRS 101 that allow non-financial institutions exemptions against the disclosure requirements of IFRS 7 (and IFRS 13 Fair Value Measurement)?

If not, why not?

Yes, we agree with the proposal. However, we believe that the FRC should assess how the definition of a financial institution is working in practice as part of its first three-yearly review of FRS 102, with any changes flowing through to FRS 101.

Question 5 – Other comments

Do you have any other comments in relation the proposed amendments?

We note that the FRC has also issued FRED 60 setting out further proposed changes to FRS 101 in the light of the implementation of the new European Accounting Directive and we further note that the FRC plans to issue a single, revised version of FRS 101 incorporating both the changes arising from this FRED and those arising from FRED 60.

We observe that whilst there is no reason why early adoption should not be permitted for any changes to FRS 101 arising from this FRED, early adoption of changes to take account of implementation of the new Directive will be possible only for financial years beginning on or after 1 January 2015.

We propose that the FRC should not restrict the changes to FRS 101 resulting from this FRED to financial years beginning on or after 1 January 2015 as early adopters of FRS 101 may wish to take advantage of the reliefs given in respect of IFRS 1 as soon as possible.