

## **Amendments to FRS 101 (2014/15 and 2015/16 cycles)**

### **Financial Reporting Council (FRC)**

**RPC rating: validated**

#### **Description of the measure**

The assessment covers amendments introduced as a result of two annual reviews of FRS 101 “*Reduced Disclosure Framework*” in 2014/15 and 2015/16. The amendments provide exemptions from disclosures that would otherwise have been required through EU-adopted International Financial Reporting Standards. Material amendments in 2014/15 are:

- to permit an exemption against the requirements concerning “*Related Party Disclosures*” and “*First time Adoption of IRFS*”; and
- to provide greater flexibility in relation to the format of the profit and loss account and balance sheet.

Material amendments in 2015/16 are:

- to permit an exemption in relation to “*Revenue from Contracts with Customers*”; and
- to clarify a legal requirement relating to the order in which the notes to the financial statements are presented.

#### **Impacts of the measure**

FRS 101 is relevant for members of a group where the parent of that group prepares publicly available consolidated financial statements. The FRC estimates that this covers around 1,500 entities. The assessment highlights that firms may incur some negligible familiarisation costs. It also sets out that businesses will benefit from not providing the disclosures when an exemption has been introduced as a result of the 2014/15 and 2015/16 review cycles. The FRC has been unable to quantify these benefits. However, the assessment states that the changes are permissive. Businesses will adopt these changes only where they lead to benefits which are at least equal to the costs.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of £0.0 million.

## Quality of submission

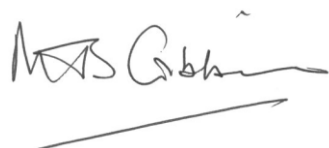
The FRC has provided sufficient information for the RPC to verify the EANDCB figure of zero. Although there may be some small familiarisation costs, the measure is clearly deregulatory and as such is permissive in nature. The RPC notes that while this assessment covers domestic accounting standards, any future assessments should make clear as to whether or not any delayed derogation, as part of an international agreement relating to financial standards, has been taken.

## Regulator assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	£0.0 million
Business net present value	£0.0 million

## RPC assessment

Classification	Qualifying regulatory provision
EANDCB – RPC validated <sup>1</sup>	£0.0 million
Business Impact Target (BIT) Score <sup>1</sup>	£0.0 million



**Michael Gibbons CBE**, Chairman

<sup>1</sup> For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.