

## FRC issues FRED 85 (Lecture A849 – 1.58 minutes)

In December 2023, the FRC issued FRED 85 *Draft amendments to FRS 101 Reduced Disclosure Framework 2023/24 cycle*.

As noted in previous quarters, the FRC carries out an annual review of FRS 101 to provide additional disclosure exemptions as IFRS® Accounting Standards evolve and to respond to stakeholder feedback concerning other possible improvements.

### What is changing?

Minor amendments are necessary to FRS 101 to enable consistency with IAS® 1 *Presentation of Financial Statements*. Paragraph A2.9B(c) is amended as follows (inserted text is underlined, deleted text is struck through):

*Differences in the definition of ‘creditors falling due within or after one year’ (the terms used in the Regulations) and ‘current and non-current liabilities’ (the term used in UK-adopted international accounting standards). Under the Act a loan is treated as due for repayment on the earliest date on which a lender could require repayment, whilst under UK-adopted international accounting standards the due date is based on when the entity expects to settle the liability or has no right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.*<sup>[footnote]</sup>

<sup>[footnote]</sup> For accounting periods beginning before 1 January ~~2023~~ 2024, the due date is based on when the entity expects to settle the liability or has no unconditional right to defer payment, unless the entity ~~chooses to apply~~ applies Classification of Liabilities as Current or Non-current (Amendments to IAS 1) early.

### Comment period

The comment period for these amendments closed on 4 March 2024.