

IFRS Foundation
30 Cannon Street
London EC4M 6XH

commentletters@ifrs.org

23 July 2014

Dear Sirs,

Exposure Draft ED/2014/1 – Disclosure Initiative : Proposed amendments to IAS 1

Introduction

We are the Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies. Their individual market capitalisations tend to be below £500m.

The Quoted Companies Alliance is a founder member of European Issuers, which represents over 9,000 quoted companies in fourteen European countries.

The Quoted Companies Alliance Financial Reporting Expert Group has examined your proposals and advised on this response. A list of members of the Expert Group is at Appendix A.

Response

We welcome the opportunity to respond to this consultation. We are pleased that the IASB is undertaking a Disclosure Initiative and addressing what is a serious problem of over disclosure in financial statements. The proposed amendments to IAS 1 *Presentation of Financial Statements* arising from the Disclosure Initiative are a sensible clarification of IAS 1 and should assist preparers of financial statements in ensuring that disclosures remain focussed on information that is material and relevant for users.

Responses to specific questions

Q 1: Disclosure Initiative amendments – Do you agree with each of the amendments? Do you have any concerns about, or alternative suggestions for, any of the proposed amendments?

We agree with each of the proposed amendments.

With respect to the amendment to paragraph 117, whereby the wording ‘...in the summary of significant accounting policies’ is removed, we would suggest that the IASB consider making consequential amendments to paragraph 121 where the reference to accounting policies that are ‘significant’ no longer makes sense in the context of this section of IAS 1. We suggest the word ‘significant’ is replaced with ‘relevant’ so as to reference back to paragraph 117. The IASB should also issue greater guidance as to what is meant by the term ‘relevant’ to help ensure consistency of application.

The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies.

A company limited by guarantee registered in England
Registration Number: 4025281

Q 2: Presentation of items of other comprehensive income arising from equity-accounted investments – Do you agree with the IASB’s proposal to amend IAS 1 for the presentation of items of other comprehensive income arising from equity-accounted investments amendments (see paragraphs 82A, BC1–BC6 and the Guidance on implementing IAS 1)? If not, why and what alternative do you propose?

In general we agree with the proposed amendment. However, we are of the opinion that the nature of the item in other comprehensive income should be disclosed where it is material, as this could be useful information to users of the financial statements.

Q 3: Transition provisions and effective date – Do you agree with the proposed transition provisions for the amendments to IAS 1 as described in this Exposure Draft (see paragraphs 139N and BC23–BC25)? If not, why and what alternative do you propose?

We agree with the view expressed in BC23 that additional transitional provisions are neither necessary nor beneficial. We do, however, find it contradictory that entities will be required to disclose early adoption (paragraph 139N) if the amendments are purely intended to ‘clarify existing requirements’ (paragraph BC24).

If you would like to discuss any of our responses in more detail, we would be happy to attend a meeting.

Yours sincerely,



Tim Ward
Chief Executive

Quoted Companies Alliance Financial Reporting Expert Group

Matthew Stallabrass (Chairman)	Crowe Clark Whitehill LLP
Joseph Archer	Crowe Clark Whitehill LLP
Edward Beale	Western Selection Plc
Anthony Carey	Mazars LLP
Ian Davies	Vislink PLC
Anna Draper	BDO LLP
Jack Easton	UHY Hacker Young
Bill Farren/Ian Smith	Deloitte LLP
David Gray	DHG Management
Matthew Howells	Smith & Williamson LLP
Shalini Kashyap	EY
Jonathan Lowe/Paul Watts/Nick Winters	Baker Tilly
Niraj Patel	Saffery Champness
Nigel Smethers	One Media IP Group plc
Chris Smith	Grant Thornton UK LLP

DRAFT