

Jenny Carter
Financial Reporting Council
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125 London Wall
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ukfrs@frc.org.uk

14 October 2016

Dear Ms Carter,

FRED 65: Draft Amendments to FRS 101 Reduced Disclosure Framework – Notification of shareholders

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 support the draft amendments to FRS 101 Reduced Disclosure Framework – Notification of shareholders, as proposed in FRED 65, which removes the requirement for a qualifying entity to notify its shareholders in writing that it intends to take advantage of the disclosure exemptions in FRS 101. Equally, we also support the consequential amendment proposed in FRS 102.

Notwithstanding our support for these draft amendments, we note that they also remove the ability of minority shareholders to object to companies using the reduced disclosure framework. We note that this could result in potential situations where minority shareholders are both unable to obtain more information and insist that a company issues a more complete disclosure. We would encourage the FRC to fully assess whether this is a desirable policy objective.

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

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

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Tim Ward', with a stylized flourish at the end.

Tim Ward
Chief Executive

Quoted Companies Alliance Financial Reporting Expert Group

Matthew Stallabrass (Chairman)	Crowe Clark Whitehill LLP
Matthew Howells (Deputy Chairman)	Smith & Williamson LLP
Jonathan Compton	BDO LLP
Amy Shephard	Deloitte LLP
Neil Armstrong	Frontier Developments PLC
Gary Jones	Grant Thornton UK LLP
Anthony Carey	Mazars LLP
Joseph Archer	PKF Littlejohn LLP
Andrew Westbrook	RSM
Donna Caira	Saffery Champness
Ian Davies	Vislink PLC
Edward Beale	Western Selection Plc