

**From:** ukfrsperiodicreview  
**Subject:** FRED82 Comment

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**From:** Colin Mills [REDACTED]  
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**To:** ukfrsperiodicreview <[ukfrsperiodicreview@frc.org.uk](mailto:ukfrsperiodicreview@frc.org.uk)>  
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### Leases

As I see it changes are proposed on leases for two reasons:

- To align with IFRS; and
- Due to companies “artificially” structuring leases in such a way that they don’t (quite) meet the current definition of being a finance lease.

I accept for larger companies overall proposals are probably needed. However, for small companies will be excessive effort to determine accounting entries and management/shareholders of smaller companies are used to thinking of “rent” as expense, not an item that is included as a fixed asset, with capital repayments and interest. Could there be an exemption for small companies not to capitalise genuine “operating” leases on their balance sheet?

Colin

**Colin Mills** BA FCA