

held on Tuesday 16 October 2012 at 4:30pm at
Grant Thornton (UK) LLP, 30 Finsbury Square, London EC2P 2YU

Present:

(In the Chair)	Anthony Carey	Mazars LLP	AC
	Anthony Appleton	PKF (UK) LLP	AA
	Usman Hamid	Ernst & Young LLP	UH
	Bill Farren	Deloitte LLP	BF
	Jonathan Lowe	Baker Tilly	JL
	Matthew Stallabrass	Crowe Clark Whitehall	MS
	Tim Ward	Quoted Companies Alliance	TW
	Kate Jalbert (minutes)	Quoted Companies Alliance	KJ

In Attendance:

Sheeraz Saadat	Ernst & Young LLP	SS
Andy Ka	Grant Thornton	AK
Edward Beale	Western Selection plc	EB

Action**1. Apologies**

Apologies were received from Peter Chidgey, Jack Easton, Jonathan Ford, David Gray, Nigel Smethers, Chris Smith, Paul Watts, Nick Winters and James Lole.

2. Minutes of last meeting (3 September 2012)

The minutes of the previous meeting were approved.

3. Key Issues**• IFRS – Post-implementation Review: IFRS Operating Segments (RD - 16 November 2012)**

KJ reported that PC is drafting a response and that a survey has been sent out to corporate members asking for their views on the standard.

AA noted that the main issue is what users want. AC noted that many investors find operating segments information useful.

EB explained that preparers often reorganise their reporting so that commercially sensitive information is not disclosed; but, this makes it really difficult for directors to understand the whole picture of the business. **PC**

• IASB - Comprehensive Review of the IFRS for SMEs (RD – 30 November 2012)

AA noted that the key point to answer in the consultation is whether it should be up to jurisdictions to make decisions on which companies use each standard.

AC stated that preparers who use IFRS for SMEs should also have the option of being able to bring in options/disclosures from IFRS, if they want to. TW noted that this would allow for migration between IFRS and IFRS for SMEs.

AC noted that the response should also emphasise the importance of full IFRS being made more proportionate for smaller listed companies.

AA will draft a response and circulate it to the group.

AA

- **Audit Directive and Regulation**

AC explained that one of the key issues for small and mid-size quoted companies is that the regulation should only apply to larger public interest entities (PIEs).

AA noted, to a lesser extent, the prohibition of non-audit services could be an issue for small and mid-sized quoted companies. TW noted that it would be best practice for small and mid-sized quoted companies to explain why they have made the decision to stick with the auditor for non-audit services.

Another point that could affect small and mid-size quoted companies is the rotation of auditors. The group felt that the rotation period should not be too short, as smaller companies did not pose a systemic risk.

AA suggested drafting an article that highlights the potential effects of the regulation/directive on small and mid-size quoted companies. TW noted that the article could be published under the byline of the group. AA will draft something and KJ will circulate it.

AA/KJ

- **EFRAG/IASB/ANC – Discussion Paper – Towards a Disclosure Framework for the Notes (RD: 31 December 2012)**

MS noted that, from the executive summary, it seems that this paper is making some good points. MS will draft a response and circulate it to the group.

MS

4. Communications/Future Meetings:

- **Report of the meeting with EFRAG (8 September 2012)**

AC noted that he and TW met with EFRAG to discuss how to get feedback from small and mid-size quoted companies on IFRS. EFRAG is interested in having a number of small companies look at IFRS and have a try at reducing their disclosures. TW has spoken to a few AIM companies about this and some have expressed an interest in taking part. EB volunteered to help with this project. AC suggested perhaps carrying out a survey of Quoted Companies Alliance corporate members about what specific standards EFRAG should look at with this project.

EB/AC

- **Letter to Hans Hoogervost, IASB**

KJ circulated the letter that the QCA has sent in reply to Hans Hoogervost, which follows up on some of the actions that arose out of the meeting in February 2012.

TW also noted that the QCA sent a joint letter to Michel Prada of the IFRS Foundation about the complexity of IFRS for small and mid-size quoted companies. MiddleNext, the French association for small and mid-size quoted companies, is drafting a reply.

- **ESMA Roundtable on Materiality – 1 October 2012**

KJ noted that ESMA held a roundtable on materiality on 1 October and asked if any expert group members knew what this covered. EB noted that it was mainly a presentation of the results of the consultation.

- **IASB Work Plan (projected targets as at 1 October 2012)**

There were no comments on this.

- **FRC Statement: Audit – Amendments to ISA**

This was for information only.

- **Guests for future meetings**

The following were suggested as guests for future meetings:

- Liz Murrall, IMA
- FRRP and/or Stephen Haddrill, FRC

- Melanie McClaren, FRC – Head of Codes/Standards Committee

CS

• **Venue for 11 December 2012 meeting**

It was agreed that the expert group would hold the December meeting at the Vintry and have Christmas lunch following it.

• **Meeting dates for 2013**

There were no comments on this.

5. AOB:

Survey on Financial Reporting Framework:

EB noted that he had prepared a short survey to get the views of users on the upcoming changes to the Financial Reporting Framework in the UK. EB will circulate the link to the group. **EB**

6. Date of next meeting(s):

11:30 11th December 2012 (Venue: The Vintry, Abchurch Yard, London EC4N 5AX)

7. Action Points

Action	Person	Timetable
Draft response to IASB review of IFRS 8	PC	ASAP (by 16 November)
Draft response to IASB review of IFRS for SMEs	AA	ASAP (by 30 November)
Draft a short article for members on the effects of the Audit Directive/Regulation on small and mid-size quoted companies	AA	ASAP
Draft response to EFRAG discussion paper on disclosure framework	MS	ASAP (by 31 December)
Draft a survey for corporate members on disclosures that are found overly complex for EFRAG project	AC/EB	ASAP
Invite guests to future meetings	CS	ASAP
Circulate link to survey on UK Financial Reporting Framework	EB	ASAP