

**Present:**

Matthew Stallabrass (Chair)	Crowe Clark Whitehill	MS
Anthony Appleton (Deputy Chair)	BDO LLP	AA
Chris Smith	Grant Thornton	CS
Jack Easton	UHY Hacker Young LLP	JE
Joseph Archer	Crowe Clark Whitehill	JA
Niraj Patel	Saffrey Champness	NP
Nick Winters	RSM Tenon Plc	NW
James Lole	RSM Tenon Plc	JL
Matthew Howells	Smith & Williamson Limited	MH
Edward Beale	Western Selection Plc	EB
Tim Ward	The Quoted Companies Alliance	TW
Kate Jalbert	Quoted Companies Alliance	KJ
Anthony Carey	Mazars LLP	AC
Usman Hamid	Ernst & Young LLP	UH
Nigel Smethers	One Media Publishing	NS
Jonathan Lowe	Baker Tilly	JL

**In attendance:**

Brian Singleton-Green	ICAEW	BSG
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**ACTIONS****1. Welcome to Brian Singleton-Green, ICAEW**

BSG of the ICAEW discussed the ICAEW's paper on Financial Reporting Disclosures: Failures and Remedies. Key points mentioned were:

- There is no single solution to address everyone's concerns and it is key for all parties (management, investors etc) to recognise the requirement to compromise for a solution to be reached;
- Recommendations are that there are 2 disclosure sets for Ordinary users (simplified version) and "others" who want a more detailed version of the financial statements. This may lead to a short and a full report being prepared;
- Points were raised as to whether the information requests for the long reports is justifiable and that it is key for users to demonstrate why information requests are useful;
- ICAEW viewpoint is that if a public entity then full disclosure is required. Point was raised regarding the differences in public entities size and resource capability and therefore whether this requirement would assist in the preparation of quality reports in all cases;
- The complexity of standards and their wording was raised as an issue by QCA members as this is considered to hinder the preparation process and contribute to voluminous, complex financial statements and reduce their usability; and
- The confusion surrounding the current application of materiality was raised and the requirement for all parties (including regulators) to be clear regarding how this is applied.

MS thanked BSG for attending and BSG left the meeting and BSG noted the comments raised.

**2. Apologies**

Apologies were received from Peter Chidgey, David Gray, Niraj Patel, Ian Smith/Bill Farren, Tim Ward and Thin Chambers.

3. **Minutes of the last meeting (21 April 2013)** - The minutes were approved.

4. **Key discussion items:**

- **Report on the IASB Meeting (13 May 2013)** – A meeting was held with Ian Mackintosh and other IASB staff members. The IASB's current work programme was discussed. Its revised revenue standard is expected to be issued at the start of July. The results of the disclosure survey were raised and the concerns of preparers over volume and the concerns of users over quality. Materiality was discussed and clarification sought regarding the disclosure of accounting policies and flexibility in the notes.
- **EFRAG – Public Consultation – Is there a need for specific financial reporting for long-term investing activities business models (Response Date: 25 June 2013)** – EB noted that this paper focused on the valuation process and the difference (if there is one) between long term investment in property, bonds and shares. EB will prepare a response. **EB**
- **IFRS Foundation / IASB: Exposure Draft: Financial Instruments: Expected Credit Losses (Reponses Date: 5 July):** AA has drafted a response for BDO. He noted that the revised ED is not considered perfect but pragmatic and moves the process forward. Improvement is required into the organisation of the document as currently it is very difficult to navigate around and find the relevant information. The points relevant to the majority of entities need to be highlighted. AA will draft a response for the QCA. **AA**
- **IIRC Consultation draft of the International Integrated Reporting Framework (Response Date: 19 July 2013)** – KJ noted that the QCA did not respond previously to the IIRC; however there was consensus to respond on this matter as it provides an opportunity to provide input into the drawing of the boundaries for financial reporting. Matthew Stallabrass to draft a response, in conjunction with the Corporate Governance Expert Group. **MS**
- **IFRS Foundation – Lease Exposure Draft May 2013 (Response Date: 13 September 2013)** – MS commented that the second draft is an improvement on the first, however the main questions are about how or why this is an improvement on what currently exists? It was agreed to discuss in more detail at the next meeting with MS to provide a 200 word summary about why you should know about this exposure draft for QCA corporate members. **MS**
- **Balanced and Reasonable: A discussion paper on the provision of positive assurance on management commentary (Response Date: 31 October 2013)** – This is the case for auditors to provide positive assurance on the front end of the financial statements. MS is unconvinced of the benefit and what demand there is and if in fact this is the NOMAD's responsibility and not that of the auditor. EB raised the point that the front end provides management with an opportunity to improve their relationship with investors and that as a result this may provide the platform for this to be achieved. EB knows the author of the paper and he is happy to discuss further if required. KJ will look for a volunteer from the Corporate Governance Group to work on this as well. **KJ/EB**

5. **Communications/Future Meetings**

- **FRC: New Financial Reporting Lab Project: Accounting Policy Disclosures and Integration of Related Financial Information** (for information only)
- **IFRS Foundation Annual Report 2012** (for information only)
- **Current Policy Update (23 April 2013)** (for information only)
- **Guests for future meetings** – CS and KJ have discussed seeking someone from the EU to be a guest at a future meeting.

**Chris Stapeley/KJ**

#### 6. A.O.B.

- **Update to QCA Audit Committee Guide** – this will lead to the formation of a working group. KJ to set up a meeting in July to move this forward but at present not timeframe has been agreed.

**KJ**

#### 7. Date of next meeting

- 4.30pm 23 July 2013 – Mazars LLP (Cancelled)
- 4.30pm 4 September 2013 – Baker Tilly (changed from 10 September)

#### ACTION POINTS

Action	Person	Timetable
Draft a response to EFRAG – specific financial reporting for long-term investing activities	EB	ASAP (RD: 25 June 2013)  (*Note that it was subsequently decided not to respond to this consultation)
Draft response to Exposure Draft: Financial Instrument: Credit Losses	AA	ASAP (RD: 5 July 2013)
Draft response to IIRC International Integrated Reporting Framework	MS	ASAP (RD: 19 July 2013)
200 words on Lease Exposure Draft for QCA corporate members	MS	For next meeting (24 July 2013)
Find a volunteer from the Corporate Governance Expert Group to work on the ICAS assurance paper.	KJ	ASAP