

Present:

Matthew Stallabrass (Chairman)	Crowe Clark Whitehill LLP	MS
Anthony Carey	Mazars LLP	AC
Anna Draper	BDO LLP	AD
Shalini Kashyap	Ernst & Young LLP	SK
Matthew Howells	Smith & Williamson Ltd	MH
Joseph Archer	Crowe Clark Whitehill LLP	JA
Kate Jalbert	Quoted Companies Alliance	KJ
Maria Gomes (minutes)	Quoted Companies Alliance	MG

In attendance:

Anthony Appleton	FRC (Observer)	AA
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ACTIONS

1. Apologies

Apologies were received from Edward Beale, Ian Davies, Jack Easton, David Gray, Gary Jones, Nigel Smethers, Ian Smith, Bill Farren, Paul Watts, Nick Winters and Tim Ward.

2. Minutes of the last meeting (16 September 2014)

The minutes were approved.

3. Key discussion items:

- **Effects of using International Financial Reporting Standards (IFRS) in the EU: public consultation**

MG explained that, as agreed during the last meeting, we have sent a survey out to QCA members to get their views on some of these questions. Quite a few companies had responded, which should form a good basis for our response. Most of the companies that responded so far supported full IFRS and believe that the adoption of it has brought some benefits. The Group agreed that the QCA response should be focused on the smaller companies' angle (ie that full IFRS is complex, especially for small and mid-size companies), but emphasise that we would not support a separate EU standard to be created. MG asked the Group for comments on our draft response, which would be circulated shortly.

MG/ALL

- **FRED 55 Draft Amendments to FRS 102 – Pension obligations**

As agreed during our last meeting, MS mentioned that it would be relevant to draft a short response. MS explained that we are generally quite supportive of the change as it provides clarity to what was already in FRS 102 and therefore minimises risk. KJ noted that EB had raised some concerns about the changes, highlighting an issue with understanding what the underlying cashflow contribution is. The rest of the Group noted that they thought it was a step in the right direction and that the QCA should support the change. MG agreed to draft and circulate a short response to the Group for comments.

MG/ALL

4. Communications/Future Meetings

- Financial Reporting Council – revised UK Corporate Governance Code issued:
<https://www.frc.org.uk/News-and-Events/FRC-Press/Press/2014/September/FRC-updates-UK-Corporate-Governance-Code.aspx>

This was not discussed.

- Policy Update Briefing (August 2014) – For information

MS informed the Group that QCA submitted its Budget Representations for 2015. He highlighted that out of several countries analysed, the UK is the only one which does not foresee any kind of relief for the costs of raising equity. KJ added that a measure to make costs of listing tax deductible would cost the Exchequer around 60m pa if the cap was set at 1.5k. This measure could be attractive due to its low figure. The Autumn Statement is on 3 December 2014.

- Guests for future meetings

This was not discussed.

- Proposed Dates for 2015

This was not discussed.

5. A.O.B.

a. QCA/FRC Reporting Roundtable – 1 October 2014

KJ briefly reported on the joint QCA/FRC roundtable event on 1 October 2014. KJ explained that the purpose of this event was to hear more about the FRC's projects regarding Clear & Concise and smaller listed and AIM company reporting. Gervais Williams (Miton Group PLC) spoke about the key areas of annual reporting and what could be improved in how companies disclose information. Directors of QCA member companies mentioned that the remuneration committee report has doubled in size and that the annual report has seen an increase in boilerplate wording. Companies also showed concern on the new viability statement and what value it adds in addition to the going concern statement.

KJ mentioned that one follow up idea would be to create a 'heat map' of the annual report, highlighting what investors find most important. Sue Harding (FRC) mentioned that she believed companies could tackle some of the issues raised at the meeting without needing any legislative changes. One of the issues that was reiterated by almost every company director at the event was that smaller companies do not have the resources and they add things to the reports because they have to.

b. FRC Annual Corporate Reporting Review

MS pointed out that we could perhaps write an article about the FRC's recently released Annual Corporate Reporting Review. He explained that the report again highlights problems with the quality of smaller listed and AIM company reporting. MS suggested that the article could include some pointers on how companies could easily improve their reports. He also explained that the FRC expects companies to start evaluating the effects of changes to IFRS 15 two years before implementation of the new standard, which may be worth flagging to members. MS volunteered to consider this.

MS

c. QCA Corporate Reporting Charter

MS mentioned that it would be good to take a look at our Corporate Reporting Charter and see if it can be updated. This item should be added to the agenda of our next meeting for discussion.

MG

6. Date of next meeting

11am Meeting (followed by Christmas lunch at 12 noon), Tuesday 9 December 2014

(Venue: The Vintry, Abchurch Yard, London EC4N 5AX)

7. Action Points

Action	Person	Timetable
Draft QCA response to EC Effects of using IFRS in the EU and circulate to the Group for comments	MG/ALL	ASAP (before 31 October 2014)
Draft QCA response to FRC FRED 55 Draft Amendments to FRS 102 – Pension obligations and circulate to the Group for comments	MG/ALL	ASAP (before 21 November 2014)
Consider the FRC Annual Corporate Reporting Review	MS	ASAP (next meeting)
Add QCA Corporate Reporting Charter to the agenda	MG	Next meeting