

<b>Present:</b>	Matthew Stallabrass (Chairman)	MS
	Neil Armstrong	NA
	Jonathan Compton	JC
	Andrew Westbrook	AW
	Tim Ward	TW
	Lisa Vainio	LV
	Callum Anderson (minutes)	CA

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**ACTIONS**

**1. Apologies**

Apologies were received from Anthony Appleton, Donna Caira, Anthony Carey, Thin Chambers, Matthew Howells, Gary Jones and Amy Shephard.

**2. Minutes of the last meeting (20 September 2016)**

The minutes were approved.

**3. Issues for discussion**

	<b>Item</b>	<b>Action by FREG</b>
a)	<p><b>EFRAG request for comments on its Preliminary Consultation Document regarding the endorsement of IFRS 16 Leases</b></p> <p>MS explained that he, MH and LV had held a conference call with EFRAG to discuss the contents of its consultation document and proposed endorsement of IFRS 16 Leases. He mentioned that they had emphasised the importance of ensuring proportionality for smaller companies.</p> <p>The Expert Group exchanged views regarding the impact of the standard on smaller companies. It was noted that it was unlikely that the new standard would lower the cost of capital and debt for smaller companies.</p> <p>The Expert Group also discussed how the QCA should communicate the incoming changes to members.</p>	<p><b>CA / LV</b> to draft response to the consultation paper and circulate to Expert Group members.</p> <p><b>ALL</b> to comment on draft response.</p>
b)	<p><b>FRC Consultation – Triennial review of UK and Ireland accounting standards – Approach to changes in IFRS</b></p> <p>MS summarised the contents of the FRC’s triennial review with regards to FRS 102 and the changes in IFRS.</p> <p>The Expert Group agreed that the FRC should wait for IFRS to bed in, alongside the completion of the post-implementation reviews, before considering the adoption of new changes.</p> <p>The Expert Group also discussed its preferred approach with regards to</p>	<p><b>CA / LV</b> to draft response to the consultation paper and circulate to Expert Group members.</p> <p><b>ALL</b> to comment on draft response.</p>

	how IFRS 16 leases and share-based payments can be reflected in FRS 102.	
<b>c)</b>	<p><b>FRC Consultation – Consultation on changes to corporate reporting review procedures</b></p> <p>MS outlined the proposed changes to the FRC’s corporate reporting review procedures.</p> <p>The Expert Group agreed that proposals to publish a list of companies whose reports have been reviewed and closed, regardless of the extent or outcome of the review, would not be a positive development, as company’s presence on the list could be misinterpreted.</p> <p>The Expert Group noted that transferring decision-making responsibilities to FRC staff could result in even more compliance-based decisions, which would be undesirable.</p>	<p><b>CA / LV</b> to draft response to the consultation paper and circulate to Expert Group members.</p> <p><b>ALL</b> to comment on draft response.</p>
<b>d)</b>	<p><b>Brexit</b></p> <p>TW explained that the QCA board was conducting preparatory work on Brexit and wanted to collate the views through the Expert Groups with regards to how advisers’ clients were responding to the current economic and political environment.</p> <p>MS noted that some IT and technology companies had expressed concern at the prospect of not being able to recruit suitably qualified individuals from the EU.</p> <p>The Expert Group agreed that although the UK’s future economic relationship with the EU would continue to be uncertain, there could potentially be opportunities for adjusting EU legislation for UK needs, once Britain had left the EU.</p>	None to note.
<b>e)</b>	<p><b>Expert Group – Terms of Reference</b></p> <p>LV explained the need to keep the Terms of Reference up to date so that all members understood the Expert Group’s aims and objectives.</p> <p>The Expert Group agreed to provide suggestions to how the Terms of Reference could be refreshed.</p>	<b>ALL</b> to send comments on updated Terms of Reference.

#### 4. Communications and future meetings

	Document	Action by FREG
<b>a)</b>	<p><b>FRC issues advice to preparers of listed companies</b></p> <p>This was not discussed – tabled for information only.</p>	None to note.

<b>b)</b>	<b>FRC publishes annual review on corporate reporting</b>  This was not discussed – tabled for information only.	None to note.
<b>c)</b>	<b>FRC's Financial Reporting Lab publishes report on the importance of business model disclosure to investors</b>  This was not discussed – tabled for information only.	None to note.
<b>d)</b>	<b>ESMA sets enforcement priorities for listed companies' 2016 financial statements</b>  This was not discussed – tabled for information only.	None to note.
<b>e)</b>	<b>FRC publishes report on companies' tax reporting</b>  This was not discussed – tabled for information only.	None to note.
<b>f)</b>	<b>IASB publishes work plan for 2017-21</b>  This was not discussed – tabled for information only.	None to note.
<b>g)</b>	<b>BEIS publishes response to its consultation on implementing the EU Non-Financial Reporting Directive</b>  This was not discussed – tabled for information only.	None to note.
<b>h)</b>	<b>Policy Update (October 2016)</b>  This was not discussed – tabled for information only.	None to note.
<b>i)</b>	<b>Guest invitations to future meetings</b>  This was not discussed.	None to note.

## 5. Date of next meeting

Tuesday 24 January 2017, 4.30pm – 6 pm (Venue: Crowe Clark Whitehill, St. Bride's House, 10 Salisbury Square, London EC4Y 8EH (Host: Matthew Stallabross))