

**Present:**

Matthew Stallabrass (Chairman)	MS
Edward Beale	EB
Amy Shephard	AS
Nigel Smethers	NS
Andrew Westbrook	AW
Gary Jones	GJ
Tim Ward	TW
Maria Gomes (minutes)	MG

**In attendance:**

Philip Fitz-Gerald	(FRC)	PF
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**ACTIONS**

**1. Welcome to Philip Fitz-Gerald, FRC, as guest**

MS welcomed PF and thanked him to come speak to the Group about the FRC's project and findings on Improving the Quality of Reporting by Smaller Listed and AIM Quoted Companies.

PF explained that the project received great interest from stakeholders and that the feedback from companies and audit committees was very supportive, with a general call for more guidance from the FRC. He added that there was consensus among the respondents that the FRC should not increase the regulatory burden for companies.

PF discussed with the Group some potential proposals on which the FRC has received mixed responses (corporate governance Code for listed companies, auditor ethical standards, separate Responsible Individual status and a reduced disclosure framework for AIM companies).

PF explained that the FRC has sent a letter of advice to smaller listed and AIM quoted companies on ways that improvements could be made to annual reports in areas of particular interest to investors.

The Group and PF briefly discussed the changes being introduced by the implementation of the Audit Directive and Regulation.

**2. Apologies**

Apologies were received from Anna Draper, Jack Easton, Matthew Howells, Shalini Kashyap, Jonathan Lowe and Kate Jalbert.

**3. Minutes of the last meeting (22 September 2015)**

The minutes were approved.

**4. Key items for discussion:**

	Item	Action by FREG
a)	<b>BIS Consultation on the Audit Directive and Regulation – with Corporate Governance Expert Group (RD: 9 December 2015)</b>	<b>MG</b> to finalise the response and circulate it for

	MS explained the key points discussed by the QCA working group on the audit regulations and highlighted the main aspects of our response.	comments to the Group. <b>ALL</b> to comment on the draft response.
<b>b)</b>	<b>FRC Consultation: Enhancing Confidence in Audit – with Corporate Governance Expert Group (RD: 11 December 2015)</b>  MS discussed with the Group the key points identified by the QCA working group on the audit regulations and the main aspects of our response.  MS added that the working group has met with the FRC to discuss their proposals.	<b>MG</b> to finalise the response and circulate it for comments to the Group.  <b>ALL</b> to comment on the draft response.
<b>c)</b>	<b>IASB Agenda Consultation 2015 (RD: 31 December 2015)</b>  The Group discussed that the response to this consultation should include some of the main comments included in response to the IASB Conceptual Framework consultation, recently submitted.  MS added that we should specifically respond to the questions on the disclosure initiative and on major and other projects.	<b>MG</b> to draft the response and circulate it for comments to the Group.  <b>ALL</b> to comment on the draft response.

#### 4. CONSULTATIONS FOR NOTING

	Document	Action by FREG
<b>a)</b>	<b>IFRS Foundation Trustees' Review of Structure and Effectiveness: Issues for the Review (RD:30 November 2015)</b>  MS commented that our response should include a general comment encouraging the IASB to engage positively with the EC on the CMU consultation, as this raised important questions regarding the cost of IFRS compliance for smaller listed companies.	None at this stage.
<b>b)</b>	<b>ESMA Public consultation on ESMA's regulatory technical standards on the European Single Electronic Format (ESEF) – with Corporate Governance Expert Group (RD: 24 December 2015)</b>  This was not discussed.	None at this stage.
<b>c)</b>	<b>EU regulatory framework for financial services – with Legal, Corporate Finance, Corporate Governance and Secondary Markets (RD: 6 January 2016)</b>  MG mentioned that the European Commission is looking for evidence based on real examples of difficulties, overlaps and incompatibilities of the EU regulatory framework for financial services, and asked the Group to send her any such examples.	<b>ALL</b> to send MG evidence to help inform our response.
<b>d)</b>	<b>FRC new guidance to enhance reporting on risks and the going concern</b>	<b>MS</b> to help draft the

	<p><b>basis of accounting – with Corporate Governance Expert Group (RD: 15 January 2016)</b></p> <p>MG asked the Group if anyone would be able to contribute to drafting this response together with a member of our Corporate Governance Group. MS volunteered to take a look on the going concern basis of accounting.</p>	<p>response with MG and Corporate Governance Group.</p> <p><b>ALL</b> to comment on the draft response.</p>
e)	<p><b>FRC Discussion Paper on board succession planning – with Corporate Governance Expert Group (RD: 29 January 2016)</b></p> <p>This was not discussed.</p>	None at this stage.
f)	<p><b>FRED 62: Draft amendments to FRS 102 - Fair value hierarchy disclosures (RD: 31 January 2016)</b></p> <p>The Group decided not to respond to this consultation as it is not relevant to our constituency.</p>	None to note.

## 5. COMMUNICATIONS AND FUTURE MEETINGS

	Document	Action by FREG
a)	<p><b>FRC letter of advice on annual reports – for information only</b></p> <p>This was discussed with point 1 above.</p>	None to note.
b)	<p><b>Policy Update Briefing (October 2015) – for information only</b></p> <p>This was not discussed.</p>	None to note.
c)	<p><b>Guest invitations to future meetings</b></p> <p>This was not discussed.</p>	None to note.

### 5. A.O.B.

TW mentioned that the Quoted Companies Alliance was appointed as a nominating member of the Takeover Panel. Our Chairman Michael Higgins has been appointed as QCA representative, with TW as his alternate. TW added that this reflects our longstanding work in representing the interests of small and mid-size quoted companies.

### 6. Date of next meeting

Tuesday, 26 January 2016, 16:30 – 18:00 (Venue: Crowe Clark Whitehill, St. Bride's House, 10 Salisbury Square, London EC4Y 8EH)