



**The Quoted
Companies Alliance**

The Quoted Companies Alliance
6 Kinghorn Street
London EC1A 7HW
Tel: +44 20 7600 3745
Fax: +44 20 7600 8288

Web: www.theqca.com
Email: mail@theqca.com

International Accounting Standards Board (IASB)
30 Cannon Street
London
EC4M 6XH

commentletters@ifrs.org

30 November 2011

Dear Sirs,

IASB – Agenda Consultation 2011

INTRODUCTION

The Quoted Companies Alliance is a not-for-profit membership organisation working for small and mid-cap quoted companies. Their individual market capitalisations tend to be below £500m.

The Quoted Companies Alliance is a founder member of European**Issuers**, which represents over 9,000 quoted companies in fourteen European countries.

The Quoted Companies Alliance Financial Reporting Committee has examined your proposals and advised on this response. A list of committee members is at Appendix A.

RESPONSE

We welcome the opportunity to respond to this consultation and believe that it is a useful medium for the IASB to extend its outreach and improve IFRS more generally. We have enclosed our proposals for the IASB's agenda in a separate paper.

Overall, we believe that the five strategic areas outlined in the consultation paper should be key priorities for the IASB, but note the importance of taking into consideration the different reporting needs of small and mid-cap quoted companies when carrying out specific projects within these strategic areas.

Our proposals focus on creating more appropriate and proportionate standards for small and mid-cap quoted companies, which make up the vast majority of quoted companies in the UK and throughout global equity markets. In particular we have suggested that the IASB:

- develop a proportionate and more appropriate form of IFRS for small and mid-cap quoted companies through a comprehensive project that explores the needs of companies and of investors in these companies;
- focus specifically on simplifying IFRS 2 share-based payments and IFRS 7 disclosures for non-financial companies;
- explore how materiality could be used to make financial reporting less complex and more meaningful;
- undertake cost/benefit impact assessments and post-implementation reviews that focus on a variety of preparers, specifically small and mid-cap quoted companies; and

- consider re-structuring the board so that board members are appointed who have recent practical market experience and ensure that there are more representatives on the board from the small and mid-cap quoted company sector.

If you would like to discuss this in more detail, we would be pleased to attend a meeting.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Tim Ward', with a stylized flourish at the end.

Tim Ward
Chief Executive

Enc: The Quoted Companies Alliance's Proposals for the International Accounting Standards Board's Agenda 2011-2

The Quoted Companies Alliance Financial Reporting Committee

Anthony Carey (Chairman)	Mazars LLP
Anthony Appleton	PKF (UK) LLP
Nigel Bostock	Crowe Clark Whitehall
Peter Chidgey	BDO LLP
Ian Davies	Victoria PLC
Jack Easton	UHY Hacker Young
Bill Farren	Deloitte LLP
Jonathan Ford	PricewaterhouseCoopers LLP
David Gray	DHG Management
Shalini Kashyap	Ernst & Young LLP
Nicole Kissun	PKF (UK) LLP
James Lole	RSM Tenon Group PLC
Jonathan Lowe	Baker Tilly
Kern Roberts	Smith & Williamson Ltd
Nigel Smethers	One Media Publishing
Chris Smith	Grant Thornton UK LLP
Ian Smith	Deloitte LLP
Matthew Stallabrass	Crowe Clark Whitehall
Paul Watts	Baker Tilly
Nick Winters	RSM Tenon Group PLC
Kate Jalbert	Quoted Companies Alliance
Jacques Sultan	Quoted Companies Alliance
Tim Ward	Quoted Companies Alliance

THE QUOTED COMPANIES ALLIANCE (QCA)

A not-for-profit organisation funded by its membership, the Quoted Companies Alliance represents the interests of small and mid-cap quoted companies, their advisors and investors. It was founded in 1992, originally known as CISCO.

The Quoted Companies Alliance is governed by an elected Executive Committee, and undertakes its work through a number of highly focussed, multi-disciplinary committees and working groups of members who concentrate on specific areas of concern, in particular:

- taxation
- legislation affecting small and mid-cap quoted companies
- corporate governance
- employee share schemes
- trading, settlement and custody of shares
- structure and regulation of stock markets for small and mid-cap quoted companies;
- political liaison – briefing and influencing Westminster and Whitehall, the City and Brussels
- accounting standards proposals from various standard-setters

The Quoted Companies Alliance is a founder member of **EuropeanIssuers**, which represents quoted companies in fourteen European countries.

Quoted Companies Alliance's Aims and Objectives

The Quoted Companies Alliance works for small and mid-cap quoted companies in the United Kingdom and Europe to promote and maintain vibrant, healthy and liquid capital markets. Its principal objectives are:

Lobbying the Government, Brussels and other regulators to reduce the costing and time consuming burden of regulation, which falls disproportionately on smaller quoted companies

Promoting the smaller quoted company sector and taking steps to increase investor interest and improve shareholder liquidity for companies in it.

Educating companies in the sector about best practice in areas such as corporate governance and investor relations.

Providing a forum for small and mid-cap quoted company directors to network and discuss solutions to topical issues with their peer group, sector professionals and influential City figures.

Small and mid-cap quoted companies' contribute considerably to the UK economy:

- There are approximately 2,000 small and mid-cap quoted companies
- They represent around 85% of all quoted companies in the UK
- They employ approximately 1 million people, representing around 4% of total private sector employment
- Every 5% growth in the small and mid-cap quoted company sector could reduce UK unemployment by a further 50,000
- They generate:
 - corporation tax payable of £560 million per annum
 - income tax paid of £3 billion per annum
 - social security paid (employers' NIC) of £3 billion per annum
 - employees' national insurance contribution paid of £2 billion per annum

The tax figures exclude business rates, VAT and other indirect taxes.

For more information contact:

Tim Ward

The Quoted Companies Alliance

6 Kinghorn Street

London EC1A 7HW

020 7600 3745

www.theqca.com