



Present:	Edward Craft (Chairman)	Wedlake Bell LLP	EC
	Colin Jones (Deputy Chairman)	UHY Hacker Young	CJ
	Edward Beale	Western Selection Plc	EB
	Amanda Cantwell	Practical Law Company Limited	AC
	Jonathan Compton	BDO LLP	JC
	Louis Cooper	Crowe Clark Whitehill LLP	LC
	Susan Fadil	PricewaterhouseCoopers LLP	SF
	Nick Gibbon	DAC Beachcroft LLP	NG
	Tracy Gordon	Deloitte LLP	TG
	James Hodges	Hydrodec Group PLC	JH
	Darius Lewington	LexisNexis	DL
	Jayne Meacham	Jordans Limited	JM
	Will Pomroy	Hermes Investment Management	WP
	Cliff Weight	MM & K Limited	CW
	Maria Gomes	Quoted Companies Alliance	MG
	Callum Anderson (minutes)	Quoted Companies Alliance	CA
In attendance:			
	Anna Colban	Financial Reporting Council	ACo
	Julia Chan	Charles Russell Speechlys LLP	JC

1. WELCOME TO ANNA COLBAN, PROJECT MANAGER – CODES AND STANDARDS, FINANCIAL REPORTING COUNCIL (FRC) TO DISCUSS THE SMALLER COMPANIES PROJECT

EC welcomed ACo and thanked her for coming to speak to the Group.

Smaller Companies Reporting

ACo explained that the FRC's smaller companies project began in 2014; its principal aim was to identify the causes of poorer reporting standards among some smaller companies, as well as the role the FRC could play to improve this.

She explained that the FRC's June 2015 report found that investors value quality reporting, especially for smaller companies as there was less information about them in the first place. The report also highlighted that the more limited (qualified) resources available to many smaller companies is the principal reason for these poorer reporting standards.

ACo explained that the FRC is committed to working with professional bodies and companies – particularly those wishing to be admitted to trading on AIM – to ensure that reporting requirements are well-known and, subsequently, observed. ACo noted that an FRC update regarding quality function and process will be published in June 2016. ACo also highlighted the FRC's general concerns regarding the quality of both corporate narrative and technical finance statement reporting. As a result, the FRC is establishing a working group on practice aids for high quality reporting.

Culture Project

Regarding the FRC's Culture Project, ACo explained that the objectives of this project are to:

- i. Determine what is causing behaviours that cannot be addressed through the FRC's UK Corporate Governance Code; and
- ii. Whether there is a role for the FRC to assist boards in improving their company's culture.

ACo emphasised the FRC's wish for this to be a practical, market-led project. A report of observations will be published in July 2016; this will also be covered at the FRC Conference on 20 September 2016.

2. APOLOGIES

Apologies were received from Anthony Carey, Michael Brown, Richie Clark, David Firth, Peter Fitzwilliam, Nick Graves, David Hicks, Alexandra Hockenhull, David Isherwood, Dalia Joseph, Julie Keefe, Kevin Kissane, Jane Mayfield, Darshan Patel, Philip Patterson, Niall Pearson, Jenna Robinson, Anita Skipper, Julie Stanbrook, Carmen Stevens, Peter Swabey, Melanie Wadsworth, Bernard Wall, Tim Ward and Paul Watts.

3. MINUTES OF THE LAST MEETING (12 April 2016)

The minutes were approved.

4. CURRENT ISSUES

	Document	Action by CGEG
a)	QCA Remuneration Committee Guide MG thanked the Group for their comments on the drafts of the Remuneration Committee Guide. She explained that the text has been finalised and was now with the designer. MG mentioned that publication should happen by the end of June and that a launch event would be confirmed in due course.	None at this stage.
b)	QCA Corporate Governance Code – revision EC explained that a first Working Group meeting would take place shortly to discuss how the QCA Corporate Governance Code could be revised.	None at this stage.

5. COMMUNICATIONS AND FUTURE MEETINGS

	Document	Action by CGEG
a)	PSC register: revised non-statutory guidance This was not discussed.	None to note.

b)	ICSA Research: The nomination committee – coming out of the shadows This was not discussed.	None to note.
c)	Investment Association’s Executive Remuneration Working Group issues interim report regarding simplifying and improving pay practices at UK listed companies MG noted that Andrew Ninian of the Investment Association would be speaking at our next meeting.	None to note.
d)	Revised UK Corporate Governance Code, Guidance on Audit Committees, and Auditing and Ethical Standards This was not discussed.	None to note.
e)	FRC publishes Plan & Budget and Levies 2016/17 This was not discussed.	None to note.
f)	Pre-Emption Group – Monitoring Report This was not discussed.	None to note.
g)	Statutory audit: summary of responses to BIS consultation on EU audit reform This was not discussed.	None to note.
h)	Guest invitations to future meetings The Group suggested inviting someone from the London Stock Exchange to attend a future meeting to discuss the future of AIM.	MG / Patricia Silva to invite guests to future meetings.
i)	Policy Update (May 2016) This was not discussed; circulated for information only.	None at this stage.

6. DATE FOR NEXT MEETING

Tuesday 12 July 2016, **4pm** (venue: Hogan Lovells International LLP, 50 Holborn Viaduct, London EC1A 2FG)