

**Present:**

Matthew Stallabrass (Chair)	Crowe Clark Whitehill	MS
Anthony Appleton (Deputy Chair)	BDO LLP	AA
Edward Beale	Western Selection	EB
Matthew Howells	Smith & Williamson	MH
Niraj Patel	Saffrey Champness	NP
Tim Ward	Quoted Companies Alliance	TW
Kate Jalbert (Minutes)	Quoted Companies Alliance	KJ
Nigel Smethers	One Media Publishing	NS
Nick Winters	Baker Tilly	NW

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**ACTIONS****1. Apologies**

Apologies were received from Anthony Carey, Jack Easton, David Gray, Shalini Kashyap, Usman Hamid, Chris Smith, Ian Smith, Bill Farren, Paul Watts, Jonathan Lowe and Joseph Archer.

**2. Minutes of the last meeting (15 October 2013)**

KJ noted that the minutes of the last meeting will be circulated shortly after this meeting. MS noted that there were no further action points to follow up on.

**3. Key discussion items:**

- **IFRS Foundation – A review of the Conceptual Framework for Financial Reporting (RD: 14 January 2014)**

MS reported that there was a useful discussion in the paper on disclosure and materiality. The paper points out that preparers should consider whether disclosures on an individual basis are material. MS also noted that there was a helpful section on electronic reporting.

MS noted that in terms of measurement and fair value he queried whether they have given clear enough guidance on what should be fair value and what should not.

TW read out some of AA comments that he had sent via email (as he was going to be late for the meeting). MS agreed with AA's comment that the timetable is massively ambitious and there are areas, such as prudence, which should be opened up again. Overall, the group agreed with the view that the IASB should do this properly and consider all areas, rather than rushing through something that will not be fit-for-purpose.

MS noted that there was a table on disclosure in the paper which is meant to be a guide, but that it could easily become a checklist – thus resulting in extra boilerplate disclosure. EB noted that it would good when we talk about materiality to also link in the concept of relevance. EB explained that often times the standards are striving for comparability where it is not necessarily relevant.

TW noted that he viewed the purpose of financial statements as two-fold – one representing stewardship and the other being that financial statements should help value the business and ensure going concern status. TW believes that the IASB should look at each standard on the basis of how it fulfils those two aspects.

MS noted that the QCA should be very clear on materiality and disclosure in its response and keep this at the forefront of the IASB's agenda. Furthermore, it was agreed to draw out the point that smaller companies have different needs and have a different level of resources when compared to large companies – and that this needs to be taken into account.

MS explained that there were 26 questions and that we are going to comment where we have something to say, rather than responding to every question.

AA believes that it is important to emphasise the point that we do not like where standards have gotten to and that this is a chance to set the direction of travel for IFRS in the future. EB agreed and noted that it is an opportunity to refocus the objective of financial statements.

MS and AA agreed to liaise and develop a draft response.

**MS/AA**

MS noted that this point also came out in Phillippe Maystaydt's recent report, which brought up some good points on the state of IFRS. However, MS noted that the group should keep a watching brief on recommendation 4 in the paper, which suggests that listed companies pay a levy to EFRAG/another EU body. AA also noted that we should be wary of the EU requesting the ability to amend accounting standards – as no one really wants an EU set of standards. MS queried what BIS's views on this paper were and TW suggested that someone from the BIS accounting team come to the next meeting to discuss this.

**Chris Stapeley/KJ**

- **FRC Consultation Paper: Risk Management, Internal Control and the Going Concern Basis of Accounting (with the Corporate Governance Expert Group) (RD: 24 Jan 2014)**

MS noted that he was happy to see that the group's comments have been taken on board. KJ noted that Louis Cooper, from the Corporate Governance Expert Group, is going to look at the risk management section. MH agreed to liaise with Louis Cooper and provide input on the going concern section of the consultation.

**MH**

- **FRED 51 Draft Amendments to FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland Hedge Accounting (RD: 14 February 2014)**

MH noted that this revised standard is much better. EB highlighted that it is still more complex than it needs to be. EB explained that it is important for the QCA to respond on UK GAAP standards because they will be used to influence the IASB and its future amendments to IFRS. MS noted that he will take a look at this and draft a short response.

**MS**

TW noted that next year he wants to get a debate going about allowing AIM companies to use UK GAAP/UK FRS 102. MS noted that it would be good to get the London Stock Exchange to publish a consultation on this next year and provoke a debate. MS believes it would be useful to see if the QCA could place an article on this subject in a trade publication in the new year. EB noted that the QCA needs to ask institutional investors for their view on this – as he believes that some investors may not like having to review 2 different types of accounts.

- **IFRS Exposure Draft: Proposed Amendments to the International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SME's) (RD: 3 March 2014)**

It was agreed that there was no need to respond to this paper.

- **Should IFRS standards be more European? Mission to reinforce the EU's contribution to the development of international accounting standards report (Phillipe Maystaydt)**

This was discussed under the discussion on the conceptual framework.

- **ISA (UK and Ireland) 700 – Clarification Statement**

There were no further comments on this.

#### 4. Communications/Future Meetings

- **Priorities for 2014**

MS noted that in 2014 he would like the group to further consider what the group would like to see in terms of 'proportionate' accounting standards, specifically focusing on changes to the IFRS that would make reporting less complex for small and mid-size quoted companies. TW suggested holding an expert group meeting with finance directors in July 2014 to discuss this and tease out the standards that are particularly troublesome.

MS also queried whether the group would like to do more on cutting clutter and materiality. MS noted that it would be useful to produce something on thoughts and practical tips for members on this subject.

#### 5. A.O.B.

- Deputy Chairman

TW noted that the group needs a new Deputy Chairman, as Anthony Appleton is moving roles to the FRC in January 2014.

#### 6. Date of next meeting

- 4:30pm Tuesday 28 January 2014 (Mazars LLP)

#### 7. ACTION POINTS

Action	Person	Timetable
Draft response to IASB consultation on the conceptual framework	MS and AA	ASAP (RD: 14 January 2014)
Invite Vickie Wood from BIS to discuss BIS's view on the Phillippe Maystaydt report	Chris Stapeley/KJ	For the January 2014 meeting
Liaise with Louis Cooper on going concern section of FRC consultation on risk management, internal control and going concern.	MH	ASAP (RD: 24 January 2014)
Draft a response to FRED 51 Draft Amendments to FRS 102 – Hedge Accounting	MS	ASAP (RD: 14 February 2014)