

Meeting of the QCA Financial Reporting Expert Group

To be held on: Tuesday 29 January 2019, 4.30pm – 6.00pm

Venue: haysmacintyre, 10 Queen Street Place, London, EC4R 1AG



**QUOTED
COMPANIES
ALLIANCE**

AGENDA

- 1. Welcome to Phil Fitz-Gerald, Director of the FRC's Financial Reporting Lab, to discuss the Lab's latest work.**
- 2. Apologies**
- 3. Minutes of the last meeting (13 November 2018)**
- 4. Issues for discussion**
 - a. Recommendations of the Kingman review of the FRC
 - b. Current reviews into the UK audit market:
 - i. CMA statutory audit market study
 - ii. Brydon Review into UK Audit Standards
 - iii. BEIS Select Committee inquiry examining the future of audit
 - c. European Commission Technical Expert Group on Sustainable Finance: report on climate-related disclosures
 - d. FCA: Climate Change and Green Finance (discussion paper)
 - e. Review of the *Terms of Reference* of the QCA Financial Reporting Expert Group
 - f. Guests for 2019 meetings
- 5. Communications – for information only**
 - a. QCA review of which corporate governance codes AIM companies follow found that:
 - i. 89% follow the QCA Corporate Governance Code (823 companies)
 - ii. 6% follow the FRC's UK Corporate Governance Code (55 companies)
 - iii. 4% follow the code of another country or territory (34 companies)
 - b. The results of the QCA's Small & Mid-Cap Sentiment Index for H2 2018 were released in December. Findings included:
 - i. Small and mid-caps remain optimistic about their own prospects - 74% expect to increase the number of employees in the next 12 months
 - ii. 47% of small and mid-caps plan to raise capital in the next 12 months

- iii. 67% of companies and 72% of advisors believe the new AIM Rule 26 (requiring companies to adopt a recognised corporate governance code) will improve the integrity of AIM.

- c. In cooperation with UHY Hacker Young, the QCA released the Corporate Governance Behaviour Review 2018/19 in December. It analysed the corporate governance disclosures of 50 AIM companies.

- d. The project for updating the QCA Committee Audit Guide is progressing and is on course for release in the first half of this year.

- e. Henley Business School have been commissioned by the QCA and Downing LLP to undertake a research project to understand the role that NEDs play in smaller, growth companies. They are currently in the process of conducting interviews and focus groups and the findings will be released in the first half of this year.

6. Any Other Business

Next Meeting: Tuesday 9 April 2019, 4.30pm – 6.00pm (Venue: Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY)