



The Quoted
Companies Alliance

Minutes of the Financial Reporting Committee Meeting

held on Tuesday 29 May 2012 at 4:30pm at
Crowe Clark Whitehill, 10 Salisbury Square, London EC4

Present:

(In the Chair)	Anthony Carey	Mazars LLP	AC
	Anthony Appleton	PKF(UK) LLP	AA
	Ian Davies	Victoria PLC	ID
	Jack Easton	UHY Hacker Young	JE
	Matthew Stallabrass	Crowe Clark Whitehall	MS
	Jacques Sultan (minutes)	Quoted Companies Alliance	JS
	Tim Ward	Quoted Companies Alliance	TW
	Paul Watts	Baker Tilly	PW
	Nick Winters	RSM Tenon Group PLC	NW

In Attendance:	Edward Beale	City Group	EB
	James Batcheldor	Quoted Companies Alliance	JB

On Conference call:	David Tyrrall	BIS	DT
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Action

1. **Welcome to Reinhard Biebel, Financial Services Policy, Relations with the Council DG Internal Market and Services European Commission (IFRS)**

RB introduced himself to the committee. RB noted that at the European Commission he had been working on IFRS matters and had now he had moved onto internal coordination of auditing, financial reporting and company law. RB noted that other issues included CRD IV, Insolvency II and company law.

Most of the proposals came about from the financial crisis, in particular the review of the 4th and 7th Accounting Directive. Since the financial crisis the agenda has been to move out of the crisis and now the European Commission is attempting to implement a sustainable growth agenda. RB noted that SMEs are at the heart of the issue. RB noted that the European Commission had been working on a number of proposals to ease the burden on SMEs, reviews of the 4th Directive and other simplification issues.

RB noted that financial reporting for smaller listed is an important issue. RB noted that it's important to have a cross benefit analysis to enable several avenues to be explored.

RB noted that EFRAG had been given the task to look into the IFRS for SMEs. EFRAG came up with 6/7 differences but of substance. RB noted that for European member states, there is a desire to implement IFRS for SMEs, but on an international level the SME language cannot be applied.

RB noted that for listed companies, the EC are working hard to make IFRS work. RB noted that the vote on the coming Friday regarding IFRS 10, 11 and 12 will be interesting to see. RB noted that it will not be a smooth vote.

RB noted the French paper and New Zealand and Scottish Institute paper on cutting clutter. RB noted that any further work would have to be implemented by the IASB, however the IASB are not willing to do this in the short-term.

AC referred back to the IFRS issue. AC noted that the small quoted sector is made up of a large number of companies and has an impact way above market cap. AC noted that there was a demand to ease the burdens for these companies.

ID noted that simplifying IFRS rather than moving to IFRS for SMEs would be the ideal solution. EB noted that in order to simplify IFRS, it must be done methodically. EB noted that research and academic studies would be beneficial. EB noted that if the commissioning body could develop more practical changes, this will only help.

AC queried what should the QCA be doing to help the EC with further ideas of simplification and burden easing. RB noted that if the QCA can respond to consultations and keep the EC informed on all ideas, that would be the best method. RB noted that if the QCA supports any policy, to get in touch and positively state that the QCA is in favour.

MS discussed the current CS reporting. RB noted that the EC are working on the proposal to require listed companies to have reporting done in a more prescriptive way. The EC are attempting to harmonise the CS reporting environment. TB noted that the CSR will have a disproportionate impact on SMEs and not the large listed companies. RB noted that there needs to be further clarity over what an SME is and its size.

TW noted that the QCA is pushing for a small and mid-size quoted company asset class. RB noted that this is promising but there needs to be a discussion on thresholds.

AC noted that the QCA is heavily pushing for a proportionate reporting policy for the small listed companies. EB noted that the new policy should be heavily influenced by developments in IT. Allow users to have a more web friendly way to read the statements.

AC thanked RB for attending, and RB left the meeting.

2. Apologies

Apologies were received from Peter Chidgey, Jack Easton, Jonathon Ford, Kate Jalbert, Kern Roberts, Chris Smith, Ian Smith, Bill Farren and Paul Watts

3. Minutes of last meeting (24 April 2012)

The minutes of the previous meeting were approved.

4. Key Issues

- **Campaign Outlines 2012**

AC noted that after the meeting with RB, there should be further focus on a new definition of SME. The idea of a fledgling asset class was discussed and the group felt that this was something to campaign for. The group felt that there needs to be more pushing with the IASB and keep the conversation on-going with EFRAG. EB noted that to achieve more there must be common consensus on the definitions.

5. Communications/Future Meetings:

Not discussed

6. AOB:

No other business.

7. Consultations responded to

Revised proposals for the Future of Financial Reporting Standards in the UK and Republic of Ireland: FRED 46 (Application of Financial Reporting Requirements), FRED 47 (Reduced Disclosure Framework) and FRED 48 – Response Date: 30 April 2012)

8. Date of next meeting(s)

4.30pm Tuesday 24 July 2012 (Venue: Deloitte LLP, 2 New Street Square, London EC4A 3BZ)