

Present:

Matthew Stallabrass (Chairman)	MS
Matthew Howells	MH
Edward Beale	EB
Anthony Carey	AC
Jonathan Compton	JC
Gary Jones	GJ
Andrew Westbrook	AW
Maria Gomes	MG
Lisa Vainio	LV
Callum Anderson (minutes)	CA

In attendance

Rochelle Duffy	RD
----------------	----

ACTIONS

1. Apologies

Apologies were received from Anthony Appleton, Joseph Archer, Neil Armstrong, Thin Chambers, Ian Davies and Tim Ward.

2. Minutes of the last meeting (14 June 2016)

The minutes were approved.

3. Issues for discussion:

	Item	Action by FREG
a)	<p>FRED 65: Draft amendments to FRS 101 – Notification of shareholders</p> <p>MS briefly outlined the FRC draft amendments set out in FRED 65. The Expert Group agreed that the proposed amendments were reasonable simplifications. The Expert Group supported the QCA briefly responding to the consultation, supporting the draft amendments.</p>	<p>CA to draft response and circulate to the Expert Group.</p> <p>ALL to comment on draft response.</p>
b)	<p>Exposure Draft – Definition of a Business and Accounting for Previously Held Interests (Proposed Amendments to IFRS 3 and IFRS 11)</p> <p>MS walked the Expert Group through the contents of the Exposure Draft. He noted that the IASB's desire to converge its approach with FASB was a motivation for the publication of the Exposure Draft. He questioned whether the proposed amendments in fact added value or provided additional clarity to the existing text. The Group agreed that the proposed amendments, as set out in the Exposure Draft, actually created new complications and did not explain how to apply them in practise.</p>	<p>CA to draft response and circulate to the Expert Group.</p> <p>ALL to comment on draft response.</p>

c)	<p>Anthony Carey reporting on the Financial Reporting Laboratory Steering Group</p> <p>AC outlined the context in which the Steering Group was established, outlining its composition, leadership and its three ongoing projects (Business model reporting, Clear and concise reporting and Corporate Reporting in a digital world).</p> <p>AC explained that two roundtables in connection with the Business model reporting project had taken place, allowing companies to share their views and experiences on the issue. A report on the project is due to be published by the end of 2016.</p> <p>AC explained that the Corporate reporting in a digital world project is a forward looking project assessing how technology can be harnessed to improve reporting practices. They had issued their first report 'Digital present in 2015.</p> <p>AC also explained that the Clear and Concise Reporting project explored the contributions of boards to good financial reporting. The project is still ongoing.</p> <p>AC said that the Lab seeks engagement with and contributions from SMEs and would welcome SME representatives at their meetings.</p>	None to note.
d)	<p>The impact of Brexit</p> <p>MS asked the Expert Group whether they had detected any impact of the UK's decision to leave the European Union on their clients. The general consensus was that, so far, the vote had had little impact on the activity of publicly quoted companies.</p> <p>The Expert Group noted that, in the medium and long-term, it was likely that the UK would continue to use the existing EU-adopted IFRS framework. However, it was also noted that a declining influence of the UK within Brussels could lead to divergence between EU and international IFRS; although it was acknowledged that this was unlikely to be the biggest issue for the UK Government.</p>	None to note.

4. Communications and future meetings

	Document	Action by FREG
a)	<p>FRC Reminders for half-yearly and annual financial reports following the EU referendum</p> <p>This was not discussed – tabled for information only.</p>	None to note.
b)	<p>FRC Annual Report 2015/16</p> <p>This was not discussed – tabled for information only.</p>	None to note.

c)	ESMA Public Statement on IFRS 15 This was not discussed – tabled for information only.	None to note.
d)	ICAS and EFRAG report - Professional investors and the decision usefulness of financial reporting This was not discussed – tabled for information only.	None to note.
e)	Ministerial direction on delegation of audit regulatory tasks This was not discussed – tabled for information only.	None to note.
f)	Policy Update (August 2016) This was not discussed – tabled for information only.	None to note.
g)	Guest invitations to future meetings This was not discussed.	None to note.
h)	2017 Expert Group meetings This was not discussed – tabled for information only.	None to note.

5. Date of next meeting

Tuesday 22 November 2016, 4.30pm (Venue: RSM, 25 Farringdon Street, London EC4A 4AB (Host: Andrew Westbrook))