

UKEB Public Board Meeting Minutes

Meeting Date/Time: 30 January 2025 at 10:02 hrs

Meeting Location: 125 London Wall, London EC2Y 5AS

The recording of the meeting and the agenda papers have been made available on the UKEB's website.

PRESENT:

Name	Designation
Pauline Wallace	Chair
Amir Amel-Zadeh	Member (from item 4 – 9)
Mike Ashley	Member
Phil Aspin	Member
Tony Clifford	Member
Katherine Coates	Member
Robin Cohen	Member
Owen Glaysher	Member
Edward Knapp	Member
Paul Lee	Member
Giles Mullins	Member
Liz Murrall	Member
Sandra Thompson	Member
Debbie Crawshawe	Alternate Official Observer, Department for Business and Trade
Andrew Murray	Official Observer, Bank of England
Alexander Owen	Official Observer, Financial Reporting Council
Lee Piller	Official Observer, Financial Conduct Authority
Jessica Stoll	Alternate Official Observer, HM Revenue and Customs

1. Welcome and Apologies

- a) The Chair noted that the meeting was being recorded and the recording would be published on the UKEB website after the meeting.
- b) The Board had received an Education Session on 28 January 2025 on the IFRS Foundation Due Process Handbook.
- c) The Board noted apologies from Mike Wells.

2. Declarations of Interest

- a) The Board noted the following declaration:
 - i. Phil Aspin's employer is involved in rate-regulated activities.

3. Administrative Matters

- a) The Board approved the minutes of the previous meeting held on 12 December 2024 for publication on the website, subject to minor typographical amendments. **(Decision)**

Endorsement and Adoption

4. Annual Improvements to IFRS Accounting Standards – Volume 11

- a) The Board considered and approved the Final Endorsement Criteria Assessment, the Feedback Statement and the (Draft) Due Process Compliance Statement for *the Annual Improvements to IFRS Accounting Standards – Volume 11*, subject to minor amendments. **(Decision)**
- b) Board members present at the meeting voted unanimously to tentatively approve the Amendments to IFRS 1, 7, 9, 10 and IAS 7, for use in the UK. **(Decision)**
- c) The Board would be issued with a formal written ballot, with a request to cast their formal written votes after the meeting. The finalisation of that formal written vote would commence the process for publication of the Amendments in line with the Board's Terms of Reference.

5. Contracts Referencing Nature-dependent Electricity

- a) The Board considered two technical papers that provided an overview of the amendments and significant changes following the conclusion of the IASB's narrow-scope standard setting project on Power Purchase Agreements. In December 2024, the IASB published *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7* (the Amendments).
- b) The Board noted that the Amendments apply only to contracts which reference nature-dependent electricity and expose an entity to variability in the contracted volume of electricity generated from natural sources which cannot be

controlled. The Board asked that the Draft Endorsement Criteria Assessment (DECA) identify, to the extent possible, the areas of judgement which in turn will facilitate its assessment of understandability and comparability.

- c) The Board discussed the complexities around the Amendments to extend the 'own-use' exception to contracts to purchase nature-dependent electricity, which meet certain conditions, and noted the dissenting views of IASB Board members. The Board requested that further education in the form of an illustrative example would help members ensure the DECA appropriately addresses the complexities around 'own-use'.
- d) Consideration was given to the amendments relating to hedge accounting. The Board noted that the Amendments permit entities to apply cash flow hedge accounting to hedging relationships where the hedged item is a variable amount of forecast electricity transactions, and the hedging instrument is a contract referencing nature-dependent electricity. The Board requested that the Secretariat develop examples, in addition to the IASB's illustrative examples, to illustrate the mechanics of the hedging relationships. This would enable the Board to consider whether the hedge accounting amendments meet the technical accounting criteria for endorsement.
- e) The Board discussed disclosure requirements, noting that entities are required to disclose information about their contracts referencing nature-dependent electricity. The Board noted the shift in emphasis to concentrate on disclosure of information relating to contracts that meet the extended definition of 'own-use'. The Board asked the Secretariat to explore with stakeholders, in particular with the Investor Advisory Group, whether these disclosures provide sufficient useful information.
- f) Given the feedback on these papers, the Board requested that another Education Session for Board members should be scheduled prior to the next Board meeting. **(Action)**
- d) The Board will consider the Secretariat's proposed draft of the DECA at its February 2025 meeting.

Influencing

6. *Provisions – Targeted Improvements – Technical Analysis*

- a) The Board considered the UKEB Secretariat's technical analysis of key principles in the amendments proposed in the IASB's Exposure Draft (ED) *Provisions – Targeted Improvements*. The focus of the technical analysis was the proposal to amend the present obligation recognition criterion. The Board was not asked to make decisions, but Board members were invited to share views on the IASB proposals as well as the UKEB Secretariat's technical analysis.
- b) It was noted that the request from the UKEB, and some other international standard setters, that the IASB allow an extension to the ED comment period in

recognition of the complexity of the topic and the potential for unintended consequences, was considered by the IASB at its January 2025 meeting. The Board expressed its disappointment that the IASB decided not to extend the comment period.

- c) Overall, the Board agreed with the Secretariat's analysis and proposed recommendations. It agreed that they should be raised in the UKEB's Final Comment Letter (FCL).
- d) The FCL, Feedback Statement and draft Due Process Compliance Statement will be presented to the Board at its February 2025 meeting.

Monitoring

7. IASB General Update

- a) The Board noted updates on various projects being considered by the IASB, including: IASB Work Plan; Management Commentary; and List of IASB Projects.

8. Items for Noting

- a) The Board noted the following papers:
 - i. Technical Advisory Committee Update.
 - ii. Sustainability Update.
 - iii. Due Process Compliance Statement: Equity Method of Accounting – IAS 28 *Investments in Associates and Joint Ventures (revised 202x)*.
 - iv. Advisory Groups Update.

9. Any other business

- a) There was no other business.

The meeting ended at 15:01 hrs.