

# UKEB Public Board Meeting Minutes

**Meeting Date/Time:** 12 December 2024 at 10:02 hrs & 14:00 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
Mike Ashley	Member
Phil Aspin	Member
Tony Clifford	Member
Katherine Coates	Member (item 1 to 9)
Robin Cohen	Member
Owen Glaysher	Member
Edward Knapp	Member
Paul Lee	Member
Liz Murrall	Member
Sandra Thompson	Member
Michael Wells	Member
Gareth Berney	Alternate Official Observer, Bank of England (item 6 to 11)
Mark Chandler	Official Observer, HM Revenue and Customs
Andrew Death	Official Observer, Department for Business and Trade
Andrew Murray	Official Observer, Bank of England (item 1 to 5)
Alexander Owen	Official Observer, Financial Reporting Council
Lee Pillar	Official Observer, Financial Conduct Authority

## 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 noted apologies from Giles Mullins.

## 2. Declarations of Interest

- a) The Board noted the following declaration:
  - ii. 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 28 November 2024 for publication on the website, subject to minor amendments. **(Decision)**

## Endorsement and Adoption

### 4. Results of the surveys on IFRS 18 *Presentation and Disclosure in Financial Statements* and identification of significant issues

- a) The Board considered the results of the IFRS 18 Survey. The survey was designed to gather evidence from stakeholders as support for the Board's decision-making in relation to the assessment against the statutory adoption criteria.
- b) The Board considered the proposed approach to identifying 'significant' issues for detailed consideration in the Draft Endorsement Criteria Assessment (DECA). The Board agreed with the proposed approach but advised that the assessment should also include consideration of the IASB's rationale for including the requirements in the final Standard. **(Action)**
- c) The Board suggested that some of the issues identified relate to the long term public good assessment and should be analysed as such in the DECA. Specifically, issues identified by stakeholders in relation to Management-defined Performance Measures are not technical in nature and are concerned more with elements of long term public good assessment.
- d) The Board advised that further work should be undertaken to obtain feedback from underrepresented stakeholder groups, specifically noting the need to engage small and medium sized companies.
- e) The Board agreed that there was no need to conduct additional significant outreach or research activities (including commissioning an external economic study on the possible impact of the use of IFRS 18 in the UK). **(Decision)** However, the Board suggested that the Secretariat may take the opportunity to conduct additional proportionate outreach, for example to improve their

understanding of the cost and benefit implications for small and medium sized companies.

- f) The Board noted the high-level project timeline and next steps.

## 5. Power Purchase Agreements – Project Initiation Plan

- a) The Board considered a Project Initiation Plan (PIP) to assess whether to adopt for use in the UK the amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, developed by the IASB as part of its narrow-scope standard setting project on Power Purchase Agreements. The amendments are expected to be issued by the IASB in December 2024, with an effective date of 1 January 2026. Early application is expected to be permitted.
- g) The Board asked the Secretariat to consider developing worked examples explaining the practical implementation of the amendments for discussion by the Board.
- h) The Board noted the proposed stakeholder outreach and timeline for the project. It agreed that there was currently no evidence that the UKEB needed to adopt a more accelerated timetable for this project.
- i) Subject to the comments made at the meeting, the Board approved the PIP. **(Decision)**

## Influencing

### 6. Provisions – Targeted Improvements

- a) The Board considered the Draft Comment Letter (DCL) and related Invitation to Comment (ITC) in response to the IASB’s Exposure Draft (ED) *Provisions – Targeted Improvements* proposing amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.
- b) The Board also considered Secretariat’s preliminary analysis of the IASB’s proposals by reference to example fact patterns that are prevalent in the UK. The Board noted that given the limited time available since its initial discussion at its November 2024 meeting, the DCL includes a subset of points that may potentially feature in the Final Comment Letter (FCL). To ensure a full technical assessment is included in the FCL, the Secretariat will continue its work, including discussions with stakeholders during the DCL consultation period.
- j) The Board made certain suggestions to enhance the concerns expressed in the DCL. To this end, the Board agreed that a sub-group of Board members will support the development of the Draft Comment Letter (DCL) and provide further support and advice during the subsequent development of the FCL.
- c) Subject to the comments made at the meeting, and final approval by the Chair, the Board approved the DCL and ITC for publication. **(Decision)**

- k) The Board noted that given the likely impact of the amendments, the bespoke nature and complexity of fact patterns involved, and the timing of the consultation period coinciding with winter holidays and year end busy periods for a number of stakeholders, it would be difficult to provide high-quality input to the IASB under their current project timeline. It therefore agreed that the IASB's attention should be drawn to the fact that an extension to the comment deadline will allow all stakeholders to consider the issues more fully and provide conclusive feedback on the ED proposals. **(Action)**
- h) The Board noted next steps, and that a technical paper, including further analysis of the IASB's proposals, will be brought to the Board in January 2025.

## 7. *Equity Method of Accounting – IAS 28 Investments in Associates and Joint Ventures (revised 202x) – Final Comment Letter*

- a) The Board considered its FCL in response to the IASB's ED *Equity Method of Accounting – IAS 28 Investments in Associates and Joint Ventures* (revised 202x). The Board was reminded that it had agreed a light-touch approach for this influencing project.
- b) The Board noted that feedback received since the publication of the UKEB's DCL has not resulted in any amendments to the FCL.
- c) The Board approved the FCL for issue to the IASB and publication on the UKEB website. **(Decision)**

### Feedback Statement

- d) The Board requested minor amendments to reflect the light-touch approach to this project. Subject to final approval of the suggested changes by the Chair, the Board approved the Feedback Statement for publication on the UKEB website. **(Decision)**

### Draft Due Process Compliance Statement

- e) The Board requested minor amendments to note the limited stakeholder outreach for this project. Subject to these amendments, the Board approved the Draft Due Process Compliance Statement (DPCS) and noted that the updated final version will be presented, for noting, at the January 2025 Board meeting. **(Decision)**

## Thought Leadership

### 8. Statement of Cashflows and Related Matters

- a) At the 28 November 2024 meeting, the Board had discussed and agreed to commence a research project to provide evidence to support the IASB's research project on *Statement of Cash Flows and Related Matters*. The UKEB project would examine the nature and extent of the perceived deficiencies in

the statement of cash flows applying IAS 7 *Statement of Cash Flows*, as well as the likely benefits of developing new financial reporting requirements.

### **Research paper – Statement of Cashflows and Related Matters: Background and key issues**

- b) The Board suggested some minor amendments to clarify specific points within the research paper. The Board agreed that further feedback from users and preparers was needed to better understand: the purpose and objectives of the cashflow statement; the pervasiveness of any deficiencies in IAS 7 and potential solutions; and the priorities for, and scope of, any standard-setting project. The Secretariat advised that one-to-one interviews with stakeholders will commence after the Board meeting.
- c) The Board decided not to publish this paper on the UKEB website. **(Decision)** The analysis and conclusions from the paper would be incorporated in the final UKEB report on this project.

### **Revised Project Initiation Plan**

- d) The Board noted the revisions to the PIP, which had been presented at the 28 November 2024 Board meeting, and that it will be published on the UKEB website after the meeting.

## **Monitoring**

### **9. Advisory Groups Update**

- a) The Board received an update from the Chair of the Rate-regulated Activities Technical Advisory Group, including an overview of discussions at recent meetings for which the minutes were expected to be published after the Board meeting.

### **10. Technical Advisory Committee Update**

- a) The Board noted a verbal update by the Board member who represents the UKEB at the UK Sustainability Disclosure Technical Advisory Committee (TAC), about the discussions at the meeting held on 5 December 2024.
- b) The TAC had reviewed and voted on the final technical assessment, endorsement recommendations and the summary of the due process it had adopted. The TAC will continue to advise the Department of Business and Trade in Q1 2025. The Board commended the efficiency of the process, and the quality of the papers prepared for the TAC by its secretariat.

### **11. Items for Noting**

- a) The Board noted the following papers:
  - i. Sustainability Update.

- ii. Due Process Compliance Statement – *Updating the Subsidiaries without Public Accountability: Disclosures Standard.*
- iii. Due Process Compliance Statement – *Climate-related risks and Other Uncertainties in the Financial Statements.*
- iv. IASB General Update.

**12. Any other business**

- a) There was no other business.

The meeting ended at 15:16 hrs.