

Meeting summary of UKEB Investor Advisory Group, 3 February 2025

No.	Agenda Item
1.	Introduction
2.	Statement of Cash flows
3.	Post implementation review of IFRS 16 <i>Leases</i>
4.	Horizon scanning
5.	A.O.B.

Present	
Name	Designation
Paul Lee	Chair, IAG
Christopher Bamberry	IAG member
Louise Dudley	IAG member
Alastair Drake	IAG member
Stanislav Varkalov	IAG member
Tony Silverman	IAG member
James Vane-Tempest	IAG member
Pauline Wallace	Chair, UKEB
Seema Jamil-O'Neill	Technical Director, UKEB

Apologies: Sue Harding (member), Rupert Krefting (member) and Tom Simmons (LSEG observer)

UKEB Secretariat presented agenda items and a member of the FRC Due Process Oversight team observed the meeting.

Note: The Investor Advisory Group is an advisory, consultative group of the UKEB and has no decision-making capacity. The members share specialist knowledge and technical advice to assist the Board in its decision-making and in fulfilling its statutory roles. Therefore, consensus on issues is not sought. Nothing in these minutes is intended to indicate that any of the views expressed reflect the views of all members of the Advisory Group or of the UKEB.

Introduction

1. The Chair welcomed the IAG members, congratulated Chris Bamberry for being appointed the IASB Capital Markets Advisory Committee, and noted that Sue Harding had been appointed as a member of the IAG.

Statement of Cash flows

2. UKEB Secretariat ('the Secretariat') provided an overview of the *Statement of Cash Flows and Related Matters* research project. The IAG members were asked to comment on the feedback obtained from interviews with preparers of IFRS financial statements.
3. It was noted that preparers generally use the indirect method to prepare their statement of cash flows. IAG members did not have specific views on the method used. However, they suggested that there is still an opportunity to improve the disclosures around specific items such as foreign exchange movements, derivatives and leases.
4. IAG members continue to see significant value in the preparation of reconciliation of net debt and considered it helpful if a definition of net debt could be provided. Cash flows from segments and discontinued operations was also considered particularly useful but seldom reported. Reconciling material balance sheet, income statement and cash flow items, particularly capital expenditures, was also considered useful, as was cross-referencing to relevant notes.
5. It was noted that the statement of cash flows was not as useful for financial institutions and banks. However, there were not strong views in relation to alternatives for these organisations.

Post implementation review of IFRS 16 *Leases*

6. The Secretariat provided an overview of the Post-implementation Review of IFRS 16 *Leases* project ('the PIR'). The Secretariat outlined the IASB's criteria and thresholds for acting on a PIR as well as the main issues identified.
7. The following comments were noted:
 - a) Members were generally content with the IASB's PIR criteria and thresholds.
 - b) One member stated that, generally, the standard is working well. However, they acknowledged that this view may differ from sector to sector.
 - c) A member commented that identifying the appropriate discount rate to apply is the most challenging area. They suggested that investors would like to see adequate disclosures of how entities determined the discount rate.

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8. The Secretariat also highlighted the proposed amendments to the IFRS Foundation's Due Process Handbook, relating to Post-implementation Reviews, as set out in the Exposure Draft published on 19 December 2024.

Horizon scanning

9. The Chair invited members to discuss any current or emerging issues. No pressing issues were noted.

A.O.B.

10. The Secretariat advised members that the UKEB was due to relocate to a new office within the Canary Wharf estate during 2025.
11. IAG members were also advised that the IASB had begun considering the approach for a Fourth Agenda Consultation. A Request for Information (Rfi) was anticipated to be issued during Q4, 2025. The Rfi was intended to provide the IASB with stakeholder feedback on its strategic direction, criteria for assessing priorities and key financial reporting topics to be considered in the 2027 to 2031 workplan.
12. It was noted that significant emerging economic trends and their financial reporting implications were likely to have the greatest impact on the larger capital markets. A member commented that, in comparison to the previous consultation approach, the IASB could consider narrowing the scope, reducing the number of topics, and weighting them towards those with significant impacts on major capital markets.
13. The next meeting will take place on Monday, 2 June 2025.

END OF MEETING