

UKEB Public Board Meeting Minutes

Meeting Date/Time: 27 February 2025 at 10:00 hrs

Meeting Location: Prospero House, 241 Borough High Street,
London, SE1 1GA

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
Robin Cohen	Member
Owen Glaysher	Member
Edward Knapp	Member
Paul Lee	Member
Liz Murrall	Member
Sandra Thompson	Member
Mike Wells	Member
Mark Chandler	Official Observer, HM Revenue and Customs
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

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 25 February 2025 on Contracts Referencing Nature-dependent Electricity.
- c) The Board noted apologies from Giles Mullins. Edward Knapp stepped out of the meeting from 12:15 hrs to 14:36 hrs. Amir Amel-Zadeh left the meeting at 15:38hrs.

2. Declarations of Interest

- a) There were no declarations of interest.

3. Administrative Matters

- a) The Board approved the minutes of the previous meeting held on 30 January 2025 for publication on the website. **(Decision)**

Endorsement and Adoption

4. Amendments to the Classification and Measurement of Financial Instruments

- a) The Board considered the summary of stakeholder feedback received following the UKEB's public consultation on the Draft Endorsement Criteria Assessment (DECA) of whether to adopt for use in the UK *Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7*.
- b) Most of the feedback was supportive of the Board's assessment. The Board agreed to make a minor amendment to the DECA to reflect the feedback received. **(Decision)**
- c) The Endorsement Criteria Assessment (ECA) will be presented to the Board at its 28 March 2025 meeting as part of the adoption package.
- d) The Board noted that the Project Initiation Plan (PIP), approved in June 2024, stated that the final Due Process Compliance Statement (DPCS) will be presented for noting at the May Board meeting. However, if the voting is completed earlier than planned, the final DPCS will be presented at the April Board meeting.

5. Contracts Referencing Nature-dependent Electricity (*Amendments to IFRS 9 and IFRS 7*)

- a) The Board considered the Draft Endorsement Criteria Assessment (DECA) and Invitation to Comment (ITC) in respect of the endorsement assessment of

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (the Amendments).

- b) The Board discussed the technical accounting criteria assessment and the long-term public good assessment. The following points were raised in relation to the DECA and ITC:
 - i. More emphasis is needed on the additional disclosures which should help users to bridge a potential information gap between fair value accounting and own-use accounting for those contracts which meet the own-use exception in accordance with the Amendments.
 - ii. Stakeholders have not flagged significant concerns around the practical application and operability of the hedge accounting amendments. A question in the ITC on hedge accounting is needed to obtain stakeholder feedback on this.
 - iii. There may be a risk of contracts failing to meet the own-use conditions at some point in their potentially long duration. This would result in derivative accounting for the remainder of the contract. A specific question in the ITC is needed to explore whether this is a concern for stakeholders.
- c) The Board agreed to include a specific question in the ITC requesting stakeholder views on the tentative assessment that the amendments are unlikely to lead to a significant change in accounting practice in the UK.
- d) Subject to amendments proposed at the meeting, and final approval by the Chair, the Board approved the publication of the DECA and ITC on the UKEB website, with a 90-day comment period. **(Decision)**

Influencing

6. *Provisions – Targeted Improvements*

- a) The Board considered its Final Comment Letter (FCL), Feedback Statement (FBS) and Draft Due Process Compliance Statement (DPCS) in response to the IASB's Exposure Draft (ED) *Provisions – Targeted Improvements*.
- b) The Board expressed significant concerns in relation to the IASB's proposed amendments to the recognition criteria, as it considered the proposals lack clarity and may create new interpretation issues.
- c) The Board was of the view that the lack of clarity arises as the IASB proposes a single set of amendments aiming to achieve two conflicting objectives:
 - i. clarifying the general recognition criteria with no intention to change the timing of recognition of those obligations; and

- ii. withdrawing IFRIC 21 *Levies* and changing the timing of recognition for some levies.
- d) The Board requested that the FCL recommends to the IASB that it reconsider its current approach, potentially addressing those objectives separately.
- e) The Board supported the proposed targeted amendments to the measurement requirements but suggested some enhancements.
- f) Subject to making the suggested amendments raised during the meeting and final approval by the Chair, the Board approved the FCL for issue to the IASB and publication on the UKEB website. **(Decision)**
- g) The Board requested that the suggested amendments made to the FCL should also be incorporated into the FBS. Subject to these changes and final approval by the Chair, the Board approved the FBS for publication on the UKEB website. **(Decision)**
- h) The Board approved the Draft DPCS, and noted that the final version would be presented, for noting, at the 28 March 2025 Board meeting. **(Decision)**

7. IFRS Foundation Due Process Handbook

- a) The Board considered a PIP in response to the IASB's Exposure Draft (ED) *Proposed Amendments to the IFRS Foundation Due Process Handbook*. The PIP proposes a limited scope project given that UKEB, as the national standard setter, is the primary stakeholder. As such, no Draft Comment Letter was proposed. Instead, stakeholders would be invited to provide feedback on the high-level list of issues, included in Appendix B of the paper and proposed for inclusion in the FCL.
- b) The Board agreed that it will respond to the IASB's ED and considered the key issues to include in the FCL. These were:
 - i. proposed changes to the Post-Implementation Review process;
 - ii. the importance of the SASB standards; and
 - iii. the proposals to formalise connectivity between the two Boards and their respective sets of standards.
- c) The Board approved the PIP. **(Decision)**
- d) The Board approved Appendix B for circulation to the UKEB's Advisory and Working Groups. The Appendix will also be signposted to stakeholders on the project page on the UKEB website. **(Decision)**
- e) The Board noted that, as the IASB's comment deadline, 28 March 2025, coincides with the next UKEB meeting, a draft of the FCL will be shared with Board members in advance of the Board paper deadline.

Thought Leadership

8. Statement of Cashflows and Related Matters

- a) The Board considered the second of three papers relating to the UKEB research project on Statement of Cashflows and Related Matters. The paper examines existing reporting practice among a sample of 30 UK listed companies in relation to cash flow information included in the financial statements. The paper identifies voluntary disclosures that UK listed companies include in their financial statements beyond the requirements of IAS 7 and other IFRS Accounting Standards and considers the extent to which UK listed companies provide those disclosures which are encouraged, but not required, in IAS 7.
- b) In discussion, Board members highlighted that investors' perspectives and views on this topic would help provide crucial evidence on the usefulness of the information presented. It was noted that the next paper in this series, expected to be discussed at the March 2025 Board meeting, will present feedback from interviews with preparers and investors/creditors, exploring their views on opportunities to enhance the statement of cash flows.

Monitoring

9. IASB General Update

Financial Instruments with Characteristics of Equity

- a) The Board discussed the latest IASB staff proposals on the presentation and disclosure aspects of the IASB's ED *Financial Instruments with Characteristics of Equity* ahead of the March 2025 ASAF meeting.

Intangible Assets

- b) The Board discussed the IASB's key findings from its most recent outreach on the Intangible Assets project ahead of the March 2025 ASAF meeting.

IASB Draft Prioritisation Criteria

- c) The Board discussed the IASB's Draft Prioritisation Framework which is being developed by the IASB to complement the Due Process Handbook. It noted that aspects of this will form part of the IASB agenda consultation, expected later in the year.

Other projects

- d) The Board noted updates on various projects being considered by the IASB, including: Pollutant Pricing Mechanisms; Equity Method; Updating IFRS 19 *Subsidiaries without Public Accountability*; and Business Combinations – Disclosures, Goodwill and Impairment.

10. Advisory Groups Update

- a) The Board received an update from the Chair of the Investor Advisory Group, who provided an overview of discussions at recent meetings for which the minutes were expected to be published after the Board meeting.

11. Items for Noting

- a) The Board noted the following papers:
 - i. Sustainability Update.
 - ii. Due Process Compliance Statement: *Annual Improvements to IFRS Accounting Standards – Volume 11*.

12. Any other business

- d) The Board noted that this was Liz Murrall's and Giles Mullins' last Board meeting as their terms end on 14 March 2025. The Board conveyed its appreciation for their valuable contribution to UKEB's achievements to date.

The meeting ended at 15:00 hrs.