

AGENDA [as at 31 May 2016]

Joint CMAC/GPF Meeting

DATE Wednesday 15th & Thursday 16th June 2016

LOCATION IFRS Foundation, 30 Cannon Street, London, EC4M 6XH

Wednesday 15 June

Time	Agenda item	Agenda paper #
10:00-10:30	IASB and Interpretations Committee Update	AP1/1A/1B
10:30-10:45	Break	
10:45-11:05	Materiality – Staff presentation	AP2
	To be discussed at this meeting: <ul style="list-style-type: none">• whether the guidance in the Materiality Practice Statement is consistent with preparers' views of materiality and whether it will result in the provision of useful information to investors; and• in order to do so the staff will test a draft decision tree using one or two examples.	
	Background: <p>The application of the concept of materiality in practice is seen by many as a major cause of the 'disclosure problem'. Failing to make appropriate materiality judgements can result in the disclosure of too much immaterial information and not enough material information. To address this 'disclosure problem', in October 2015 the Board published the Exposure Draft, <i>IFRS Practice Statement Application of Materiality to Financial Statements</i> (the Materiality Practice Statement). The objective of this document is to help preparers, auditors and regulators use judgement when applying the concept of materiality. This project does not change the current definition or concept of materiality in financial reporting.</p>	
11:05-11:10		
11:10-11:55	Materiality – Breakout Session 1	
	The breakout groups will discuss: <ul style="list-style-type: none">• the effects of the draft decision tree on one or two examples;• whether the guidance in the Materiality Practice Statement will help preparers with making judgments about materiality; and• the effects, if any, on the information that is provided to investors.	
11:55-12:00		
12:00-12:30	Materiality – Report Back	
12:30-13:30	Lunch	
13:30-13:50	Statement of Cash Flows – Staff presentation	AP3/3A

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	<p>To be discussed at this meeting:</p> <ul style="list-style-type: none"> the staff of the UK Financial Reporting Council (FRC) will discuss specific points and questions raised in a draft Discussion Paper (DP) on the statement of cash flows; and the draft DP will be included for background purposes. <p>Background:</p> <p>The staff of the FRC has been researching problems that have been identified with the statement of cash flows and ways of improving this statement. The FRC staff plan to publish a DP on this topic, which will include a discussion of cash and cash equivalents, liquidity disclosures and the mechanics of possible revisions to IAS 7 <i>Statement of Cash Flows</i>. The Board believes that feedback from the FRC's staff DP will help establish whether there is a need for changes to the statement of cash flows.</p>	
13:50-13:55		
13:55-14:40	<p>Statement of Cash Flows – Breakout Session 2</p> <p>The breakout groups will discuss:</p> <ul style="list-style-type: none"> key points in the draft DP on which they would like input from preparers and investors; any additional issues that participants say should be addressed in the DP; arguments against the views presented that should be addressed; and opportunities to strengthen the arguments presented in the DP. 	
14:40-14:45		
14:45-15:15	<p>Statement of Cash Flows – Report Back</p>	
15:15-15:30	Break	
15:30-15:45	<p>Primary Financial Statements – Staff presentation</p> <p>To be discussed at this meeting:</p> <ul style="list-style-type: none"> a brief summary of the feedback received on the Request for Views: <i>2015 Agenda Consultation</i>; potential issues in relation to the structure and content of the statement of profit or loss and other comprehensive income (OCI); and other key issues that the project should consider, particularly for the balance sheet. <p>Background:</p> <p>The Board is conducting a research project on the Primary Financial Statements. To determine the scope of this project, we would like to have a clear picture of the concerns that investors and preparers have on the primary financial statements in current practice. For example, in the feedback received on the 2015 Agenda Consultation, many respondents</p>	AP4

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	<p>thought that the Primary Financial Statements project should consider certain issues relating to the structure and content of the statement of profit or loss and OCI (eg defining certain subtotals). The results of these discussions will be fed back to the Board at a later date for further consideration. The Board may also consider the feedback received on the cash flow statement discussions as part of this project.</p>	
15:45-15:50		
15:50-16:40	<p>Primary Financial Statements – Breakout Session 3</p> <p>The breakout groups will discuss:</p> <ul style="list-style-type: none">• issues concerning the structure and content of the statements of profit or loss and OCI; and• any other key issues that the project should consider.	
16:40-16:45		
16:45-17:15	<p>Primary Financial Statements – Report Back</p>	

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Thursday 16 June

Time	Agenda item	Agenda paper #
09:00-09:20	Financial Instruments with Characteristics of Equity (FICE) – Staff presentation To be discussed at this meeting: We would like to understand how the classification of financial instruments with characteristics of both liabilities and equity would affect assessments of a company's financial position and performance. Background: Some financial instruments have characteristics of both liabilities and equity (eg put options on a company's own shares). There is currently diversity in practice regarding the accounting for such items. The Board is investigating potential improvements to how such instruments should be classified, as well as to the presentation and disclosure requirements for such instruments, irrespective of whether they are classified as liabilities or equity.	AP5
09:20-09:25		
09:25-10:10	Financial Instruments with Characteristics of Equity (FICE) – Breakout Session 4 The breakout groups will discuss: <ul style="list-style-type: none">• the various features of these instruments; and• the different ways financial statements might provide information about such features.	
10:10-10:15		
10:15-10:45	Financial Instruments with Characteristics of Equity (FICE) – Report Back	
