Discounting in financial statements is often perceived as a complex and academic topic, but in fact has significant social and economic impact. It therefore merits greater attention from policy-makers, preparers and users of financial statements, amongst others. Discounting has a fundamental effect on areas such as pensions and impairments, and influences decision-making that can have significant and long-lasting economic impacts, such as pension scheme closures.

Discounting is a requirement under several IFRSs. These requirements have different objectives and theoretical bases in different standards, and the way that discounting is to be applied differs across standards. In spite of this inconsistency and its complexity and importance, discounting is, however, paid only limited attention by academic accounting research. A significant evidence gap therefore remains.

ICAS is interested in sponsoring research which considers questions, concerns, proposals and recommendations related to discounting under IFRS. This research should be helpful in informing current practices and also have the potential to deliver evidence to the IASB and regulators.

Research proposals are invited to consider relevant issues around the principles of discounting, measurement and disclosure. Research proposals must address the public interest and the practical and policy issues related to discounting. Examples of research questions that are of particular interest to ICAS include, but not limited to:

1. What does the existing accounting, finance and economics literature tell us about the use of discounting in financial reporting?
2. What are the theoretical bases and objectives of the application of discounting on a standard-by-standard basis?
3. How is discounting applied in practice?
4. Is any lack of consistency in the standards and in practice problematic to users, auditors and/or preparers and if so, why?
5. Is there an alternative approach to discounting in IFRS?

The final report(s) should draw conclusions and implications for policy makers, the profession, investors and business. ICAS will use the report(s) arising from this call to inform public debate and policy development and the project(s) will therefore be high profile.

In addition to the financial support offered by the grant, ICAS will offer in kind assistance to help the successful teams to gain access to relevant individuals and provide support by regular contact and communication with the Strategy & Research Advisory Group and the Corporate & Financial Reporting Panel of ICAS.
Terms of agreement

A final draft of the report arising from the project is to be delivered by 31 August 2018 and authors will be required to make short presentations of interim and key findings to the ICAS Strategy and Research Advisory Group and Corporate and Financial Reporting and Pensions Panel. A presentation of findings at ICAS sponsored events may also be required. Reports should be a maximum of 10,000 words in length. Draft reports will be fast-track reviewed using practitioner and academic reviewers, with a view to publication and use by ICAS and to influence policy makers. Grant funding is available up to a maximum of £20,000 per project. If any additional funding is required in excess of this amount, justification should be provided in the submitted proposal.

Publication in academic journals, following submission of the final report, is also encouraged.

It is essential that the research report should identify the public interest in these issues and be of interest to policy makers, regulators, investors, business and members of the profession and academia.

Expressions of interest

If you are interested in undertaking a project in this area, please email research@icas.com attaching a call for research application form (available aticas.com), a proposal together with summary CVs by 31 May 2017. You should explain why you believe you or your research team are suitable individuals to undertake the project, demonstrating your knowledge and experience in the area. You should specifically state how any team will be structured and responsibilities for completion of the report. The proposal should identify the specific topics identified in this flyer which you will focus on and include:

- details of the proposed research questions and methodology;
- a brief review of prior research/literature (academic and other);
- how the project will advance current knowledge on the topic and meet the evidence needs and objectives outlined in this call;
- the extent to which the research will be breaking new ground or building upon work which has already been undertaken;
- a summary of the key issues which you believe are likely to arise from the project;
- the anticipated impact and influence of the project;
- an indication of any assistance required from ICAS to access potential contacts or interviewees; and
- the amount of grant, in sterling, which you require to complete the project and a breakdown of the estimated costs.

You should also refer to the Guidance Notes for Research Applicants (available aticas.com) for further information on what should be included in a proposal.

The expressions of interest will be considered by a panel of academics and non-academics from ICAS to arrive at a final decision. Applicants will be advised of the decision by 30 June 2017.

For further information about this funding opportunity or any queries please contact the ICAS Research Centre: