



ASB's Technical Plan

as at 22 June 2005

The Board's Technical Plan is set out below. It is based on the IASB's current timetable and will need to be adjusted to reflect any changes in that timetable. Any related changes to UK company law will also have to be considered.

The plan reflects the Board's view that it should adopt a phased approach to convergence of UK standards with International Financial Reporting Standards, which will limit the burden of change in any one year. This entails:

- the introduction of standards dealing with related topics at the same time.
- the postponement of implementation in the UK of an IFRS that is likely to be superseded in the short term; and
- the introduction of a UK standard based on IFRS where retention of the UK standard results in a disproportionate burden on companies that report under UK standards.

Table 1 summarises current expectations for technical publications for the remainder of the calendar year. Tables 2-8 show plans for implementing each group of UK standards based on IFRS.

The Technical Plan will be regularly updated. The most recent version can be found at www.frc.org.uk/asb/technical/techplan.

Amendments to the Technical Plan

Amendments made for the 22 June update:

- the IASB plans to issue its business combinations EDs during Q2, and the UK equivalents will be issued as soon as practicable after this, but it is likely this will not be before Q3
- financial instruments FRSs based on FRED 33 and parts of the Supplements to FRED 30 are expected to be issued in Q4, rather than Q2, following changes in the IASB's timetable for issuing the standard based on ED 7 and amendments to IAS 39
- an ED of amendments to FRS 25 is expected to be issued in Q4, consistently with the IASB publishing an ED of amendments to IAS 32 relating to shares puttable at fair value



- IASB has indicated that its ED of amendments to IAS 20 (Government grants etc) will not now be issued in 2005, therefore this has been deleted from the ASB's timetable for 2005, but it is still expected that an ED will be issued concurrently with the IASB
- IASB has indicated that its ED of amendments to IAS 12 'Income taxes' will be issued in Q4
- IASB has indicated that it intends to issue an ED of 'Segment A' issues in its Reporting Comprehensive Income project in Q4. Once the content of the ED becomes clearer the ASB will decide whether to issue the proposals as an ED or a Consultation Paper (CP)
- In relation to revenue recognition and inventory it is now expected that EDs implementing IAS 18 and IAS 41 will not be issued before Q4, and as a result the corresponding standards would not be issued in 2005
- It is now expected that the FRS resulting from FRED 33 'Corresponding Amounts' will be issued in Q4



Table 1: Expected publications in 2005

	Q1	Q2	Q3	Q4
CONVERGENCE STANDARDS				
Business combinations (Table 2)				
• Business combinations			ED	
• Minority interests			ED	
• Intangible assets			ED	
• Impairment of assets			ED	
• Non-financial liabilities			ED	
Revenue recognition and inventory (Table 3)				
• Inventories				FRS
• Construction contracts				FRS
• Revenue				ED
• Agriculture				ED
Presentation (Table 4)				
• Non-current assets held for sale and discontinued operations				
• Presentation of financial statements				
• Cash flow statements				
• Accounting policies, changes in accounting estimates and errors				
• Segment reporting			ED	
• Reporting Comprehensive Income				ED or CP
Financial instruments (Table 7)				
• Financial instruments: measurement				FRS
• Financial instruments: measurement (Scope and derecognition)		ED		FRS
• Financial instruments: disclosures				FRS
• Financial instruments: disclosure and presentation (amendment)				ED
Other standards (Table 8)				
• Income taxes				ED
• Related party disclosures				FRS



Table 1: Expected publications in 2005 (continued)

OTHER ASB PROJECTS		
Corresponding amounts	ED	FRS
Financial Reporting Standard for Smaller Entities (Effective January 2005)		FRS
Operating and financial review		RS
Statement of Principles for Financial Reporting: Proposed Interpretation for Public Benefit Entities		ED
Heritage assets		DP

Table 2: Business combinations

Implements	IFRS 3 (Revised) ¹ 'Business Combinations' Parts of IAS 27 'Consolidated and Separate Financial Statements' relating mainly to minority interests IAS 36 'Impairment of Assets' IAS 37 (Revised) 'Non-financial Liabilities' IAS 38 'Intangible Assets'
Supersedes	FRS 6 'Acquisitions and Mergers' FRS 7 'Fair Values in Acquisition Accounting' FRS 10 'Goodwill and Intangible Assets' FRS 11 'Impairment of Fixed Assets and Goodwill' FRS 12 'Provisions, Contingent Liabilities and Contingent Assets' SSAP 13 'Accounting for Research and Development' Amends FRS 2 'Accounting for Subsidiary Undertakings'
Process	Exposure Drafts to be issued when IASB issues the Exposure Draft(s) arising from its Application of the Purchase Method project.
Planned effective date	The effective date for the UK IFRS-based standards is not expected to be before that for IFRS 3 (Revised).

Table 3: Revenue recognition and inventory

Implements	IAS 2 'Inventories' IAS 11 'Construction Contracts' IAS 18 'Revenue' IAS 41 'Agriculture'
Supersedes	FRS 5 'Reporting the Substance of Transactions' Application Note G 'Revenue Recognition' SSAP 5 'Accounting for Value Added Tax' SSAP 9 'Stocks and Long-term Contracts'
Process	FRED 28 proposed to replace SSAP 9 with UK standards based on IAS 2 and IAS 11. Further Exposure Drafts will be issued for UK standards based on IAS 18 and IAS 41.
Planned effective date	The effective date for the UK IFRS-based standards is planned to be 1 January 2006 or 1 January 2007, except for the standard based on IAS 41, where mandatory implementation may be delayed until 2008, although earlier adoption would be permitted.

¹ New IFRS resulting from the completion of the IASB's current project on the Application of the Purchase Method.



Table 4: Presentation

Implements	IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' IAS 1 'Presentation of Financial Statements' IAS 7 'Cash Flow Statements' IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' IAS 14 'Segment Reporting'
Supersedes	FRS 1 (Revised 1996) 'Cash Flow Statements' ² FRS 3 'Reporting Financial Performance' FRS 18 'Accounting Policies' SSAP 25 'Segmental Reporting'
Process	FRED 32 proposed to implement IFRS 5. Exposure Drafts will be issued for the remainder of the standards.
Planned effective date	The effective date for the UK IFRS-based standards is planned to be 1 January 2007. IASB intends to revise/replace IAS 14; an Exposure Draft is expected during 2005. The effective date for an equivalent UK standard will be determined after taking into account various factors, including the entities that might apply the standard and the effective date agreed by the IASB. The IASB's 'Reporting Comprehensive Income' project is eventually expected to supersede certain of the IFRS listed above. As the project progresses the ASB will decide how best to present those proposals for UK constituents.

Table 5: Tangible fixed assets

Implements	IAS 16 'Property, Plant and Equipment' IAS 17 'Leases' IAS 23 'Borrowing Costs' IAS 40 'Investment Property'
Supersedes	FRS 15 'Tangible Fixed Assets' SSAP 19 'Accounting for Investment Properties' SSAP 21 'Accounting for Leases and Hire Purchase Contracts'
Process	FRED 29 proposed to replace FRS 15 with UK standards based on IAS 16 and IAS 23. Exposure Drafts will be issued for the remainder of the standards.
Planned effective date	The effective date for the UK IFRS-based standards is planned to be 1 January 2008.

² The timing of the withdrawal of FRS 1 will be kept under review in the light of progress made by the IASB on its project 'The Form and Content of Financial Statements'.

Table 6: Consolidation

Implements	IAS 27 'Consolidated and Separate Financial Statements' IAS 28 'Investments in Associates' IAS 31 'Interests in Joint Ventures'
Supersedes	FRS 2 'Accounting for Subsidiary Undertakings' FRS 9 'Associates and Joint Ventures' ³
Process	Parts of IAS 27 will be implemented with the 'Business Combinations' project. Exposure Drafts will be issued for the remainder of IAS 27 and the other standards.
Planned effective date	The effective date for the UK IFRS-based standards is planned to be 1 January 2008.

Table 7: Financial instruments

Implements	ED 7 'Financial Instruments: Disclosures' Amendments to IAS 39 'Financial instruments: Recognition and Measurement' Further elements of IAS 39 (eg derecognition) Amendments to IAS 32 'Financial Instruments: Disclosure and Presentation'
Supersedes	Parts of FRS 25 (IAS 32) 'Financial Instruments: Disclosure and Presentation' Parts of FRS 5 'Reporting the Substance of Transactions' Amends FRS 26 (IAS 39) 'Financial Instruments: Measurement'
Process	FRED 33 proposed implementing ED 7 in line with the effective date agreed by the IASB, with early adoption permitted. FRED 30 (3) proposed a number of amendments to what is now FRS 26. ED (Amendments to FRS 26) proposes extending the scope of FRS 26 and implement the recognition and derecognition parts of IAS 39. Exposure Drafts for any further amendments will be issued concurrently with any proposals from the IASB.
Planned effective date	The effective date for the UK standard based on ED 7 is planned to be the same as that agreed by the IASB (expected to be 1 January 2007), with early adoption permitted. For entities already within the scope of FRS 26, the effective dates for the amendments are planned to be 1 January 2005, 1 January 2006 or as agreed by the IASB. The proposed extension of the scope of FRS 26 is not expected to be effective before 1 January 2007.

³ A watching brief will be kept on the IASB's potential amendment of IAS 31 before a final decision is made to implement it and withdraw FRS 9.



Table 8: Other standards

Implements	<p>Standards under revision by IASB:</p> <ul style="list-style-type: none"> • IAS 12 'Income Taxes' • IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' <p>Other convergence standards</p> <ul style="list-style-type: none"> • IAS 24 'Related Party Disclosures'
Supersedes	<p>Standards under revision by IASB:</p> <ul style="list-style-type: none"> • FRS 16 'Current Tax' • FRS 19 'Deferred Tax' • SSAP 4 'Accounting for Government Grants' <p>Other convergence standards</p> <ul style="list-style-type: none"> • FRS 8 'Related Party Disclosures'
Process	<p>FRED 25 proposed replacing FRS 8 with a standard based on IAS 24. Exposure Drafts will be issued for the remainder based on the equivalent IASB Exposure Drafts.</p>
Planned effective date	<p>The effective date for the UK standard based on IAS 24 is planned to be 1 January 2006.</p> <p>The effective date for the other UK IFRS-based standards is planned to be the same as that for the relevant IFRS.</p>

Other standards to be kept under review:

- FRS 5 'Reporting the Substance of Transactions'
- FRS 17 'Retirement Benefits'.