



ACCOUNTING STANDARDS BOARD

**Minutes of a meeting of the Accounting Standards Board (2008:06)
held on 1 May 2008 at Aldwych House, 71-91 Aldwych, London, WC2**

PRESENT

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| Ian Mackintosh | Director |
| David Loweth | Technical Director |
| Nick Anderson | |
| Edward Beale | |
| Marisa Cassoni | |
| Peter Elwin | |
| Robert Overend | |
| Andy Simmonds | |
| Geoffrey Whittington | |

IN ATTENDANCE

| | |
|----------------|--------------------------------------|
| Bob Garnett | IASB |
| Andrew Lennard | Director of Research (for Items 1-8) |
| David Tyrrall | BERR |
| David Watkins | HM Treasury |
| Roger Nicklen | Minutes Secretary |
| Simon Peerless | Secretary |

Technical Staff: Michelle Crisp (MDC), Seema Jamil-O'Neill and Alan O'Connor.

APOLOGIES FOR ABSENCE were received from Mike Ashley and Ken Lever.

1 MINUTES OF MEETING

1.1 The minutes of the meeting held on 10 April 2008 (2008:05) were agreed subject to some minor corrections and approved for publication on the website.

1.2 The Board was informed that, having established that ASB guidance that resolution of a contingency was not an adjusting post balance sheet event would not give rise to difficulties for IFRIC, the Chairman would be replying to the ICAEW on the contingent fee arrangement issue considered at the last meeting.

2 CHAIRMAN'S UPDATE AND REPORTS

2.1 The Board received oral reports on the discussion of progress on the 2006 MoU at the recent joint meeting between the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) and on the joint Boards' meeting with representatives of the Corporate Reporting Users Forum (CRUF).

2.2 The Board received a brief oral report on the latest EFRAG meeting and noted recent developments in the discussions on restructuring EFRAG to provide a more co-ordinated European voice.

2.3 The Board noted European Parliament adoption of the Radwan Report and discussed its implications in relation to the International Financial Reporting Standard (IFRS) for Small and Medium-sized Entities (SMEs) on which a review by ASB staff of its consistency with the European Accounting Directives and with UK company law was under way.

2.4 The Board noted publication of the FRC's Plan and Budget for 2008/09.

2.5 The Board discussed potential agenda topics for its forthcoming awayday discussions.

2.6 The Board noted the Status Report and approved its publication on the website. The Board also noted the Activity Report.

3 HERITAGE ASSETS

3.1 The Board considered a revised exposure draft (ED) applying FRS 15 'Tangible Fixed Assets' accounting to heritage assets with enhanced disclosure requirements.

3.2 The Board considered the application of the ED to corporate art and concluded that corporate art did not meet the definition of assets held for their contribution to knowledge and culture.

3.3 The Board discussed a number of other points of clarification related to impairment and the conditions applying to the use of a cost model as opposed to a valuation model (noting that valuation was more likely to give information of use to users).

3.4 The Board agreed that the ED should be further revised and sent to Board members for approval outside the meeting.

4 2008 CODE OF PRACTICE FOR LOCAL AUTHORITY ACCOUNTING

The Board considered the 2008 Code of Practice for Local Authority Accounting and approved its normal Statement of Assurance.

5 MEMBERSHIP OF THE REGISTERED SOCIAL LANDLORDS SORP WORKING PARTY

The Board approved the appointment of a new Chair and two new members to the Registered Social Landlords SORP Working Party.

6 ANNUAL IMPROVEMENTS

6.1 The Board considered and gave its approval to the approach being taken to the preparation of a Financial Reporting Exposure Draft (FRED) dealing with amendments to Financial Reporting Standards (FRS) consequent on the IASB's Annual Improvements exercise. The FRED would include editorial corrections made by the IASB and consequential amendments to UK FRS that arose from the IASB introducing new or revised IFRS.

7 MEASUREMENT

7.1 The Board considered a paper on measurement concepts that had been presented to the recent meeting of National Standard Setters.

7.2 The Board agreed that the paper should be further developed as a possible contribution to the IASB's measurement concepts debate and brought back for further consideration.

8 IMPLICATIONS FOR ACCOUNTING STANDARDS OF CURRENT MARKET CONDITIONS

8.1 The Board discussed recent developments by a range of international and UK bodies who were reviewing aspects of the credit crisis, in preparation for consideration at a future meeting of the business drivers that had led to the credit crisis, the regulatory response and the accounting issues. The Board noted that consolidation issues were being addressed by the IASB in its consolidation project. Members agreed that there was a need to develop further understanding of the impact of the use of fair value accounting on the credit crisis.

9 EU ENDORSEMENT OF THE AMENDMENT TO IAS 32

9.1 The Board considered the European Financial Reporting Advisory Group's (EFRAG's) Invitation to Comment on the effects of the endorsement of the amendment to IAS 32 'Financial Instruments Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation'.

9.2 The Board continued to have reservations about the arbitrary rules-based nature of the amendment on which its consultation about the effects of the amendment on UK GAAP was still outstanding but concluded that this was a separate matter to that of EU adoption.

9.3 The Board agreed that a response should be sent supporting EFRAG's conclusions on the effects of adoption.

10 APRIL MEETING OF EFRAG'S TECHNICAL EXPERTS GROUP (TEG)

The Board noted the report of the April meeting of EFRAG's Technical Experts Group (TEG).

11 NEXT MEETING

Thursday 22 May, 9.00 a.m.