



**Minutes of a meeting of the Accounting Standards Board (2011:09)
held on 21 July 2011 at Aldwych House, 71-91 Aldwych, London, WC2**

PRESENT

Roger Marshall	Chairman
David Loweth	Technical Director
Nick Anderson	
Edward Beale	
Andy Simmonds	

IN ATTENDANCE

Richard Carter	BIS (for Item 1)
Michael Kavanagh	IAASA Observer (for Items 1-7)
Andrew Lennard	ASB Research Director
Alison Ring	HMRC
Philip Trotter	HM Treasury
Alison Thomas	Project Manager, FRC (for Item 10)
Roger Nicklen	Minutes Secretary

Technical Staff: Jenny Carter, Seema Jamil-O'Neill, Deepa Raval and Michelle Sansom.

APOLOGIES FOR ABSENCE were received from Peter Elwin, Ken Lever, Robert Overend and Pauline Wallace.

1 FUTURE OF FINANCIAL REPORTING IN THE UK AND ROI

1.1 The Board considered papers that reviewed the project's objectives, considered the requirements to provide additional disclosures and examined the interaction between the proposed Financial Reporting Standard for Medium-sized Entities (FRSME) and company law requirements.

1.2 The Board:

- a. agreed the basis on which the problem definition for the project and the project objectives should be amended;
- b. tentatively decided -
 - i) that additional disclosure requirements relating to segments, earnings per share and interim reporting should be mandated for a limited scope of FRSME users and to consult on the application of the scope, and

- ii) insert requirements for insurance accounting into the FRSME by way of a reference to IFRS 4 'Insurance Contracts';
- c. deferred for further consideration disclosure requirements on discontinued operations;
- d. tentatively decided that additional disclosure guidance should be provided for financial institutions and agreed the basis on which the staff should conduct outreach on a definition of financial institutions for the purposes of the FRSME and the reduced disclosure framework;
- e. tentatively decided that, as a working principle, options that were not compliant with company law should not be retained in the FRSME for use by entities that were not companies and that the FRSME should include a brief summary of the legal and regulatory requirements governing entities that were not companies;
- f. tentatively decided that the company law formats should be mandated for all entities using the FRSME and that the current FRSME formats should be abandoned; and
- g. noted the proposed timetable for further.

2 MINUTES OF MEETING

- 2.1 The minutes of the meeting held on 7 July 2011 (2011:08) were agreed and approved for publication.

3 TECHNICAL DIRECTOR'S UPDATE AND REPORTS

- 3.1 The Board received an update on International Accounting Standards Board (IASB) and further international accounting developments, European Financial Reporting Advisory Group (EFRAG) and other European developments, and Financial Reporting Council (FRC) developments.
- 3.2 The Board noted publication of:
 - a. the IASB's latest Work Plan; and
 - b. the joint Accounting Standards Board/Auditing Practices Board paper 'True and Fair'.
- 3.3 The Board noted the Status Report and approved its publication.

4 APPOINTMENTS TO THE COMMITTEE ON ACCOUNTING FOR PUBLIC-BENEFIT ENTITIES (CAPE)

- 4.1 The Board approved the appointment of Ruth Cooke as a CAPE member for the two-year period to 31 July 2013.

- 4.2 The Board also approved the re-appointment of Miles Hedges and Geoffrey Whittington as CAPE members for the two-year period to 31 July 2013 and 31 August 2013 respectively.

5 UPDATE ON RESEARCH ACTIVITIES AND DEVELOPMENTS

- 5.1 The Board received an update on research activities and developments.

6 DISCLOSURE FRAMEWORK

- 6.1 The Board considered a progress report on the EFRAG Planning and Resource Committee (PRC) project on a disclosure framework for the notes to financial statements that was being carried out jointly by EFRAG, the ASB and the French national standard-setter (ANC).
- 6.2 The Board discussed alternative views on the scope of the project and gave preliminary consideration to draft chapters on the Role of Materiality and on Communications Principles and made a number of suggestions for consideration by the project team.

7 IASB AGENDA CONSULTATION 2011

- 7.1 The Board gave preliminary consideration to the approach it would need to take to the IASB's forthcoming Agenda Consultation and noted that the deadline for responses was likely to be 30 November 2011.

8 FINANCIAL INSTRUMENTS

- 8.1 The Board received an update on the IASB's project on financial instruments and on the latest joint IASB/FASB deliberations on the project.

9 PROPOSED FINANCIAL REPORTING LAB

- 9.1 The Board received a report on the latest developments on the FRC's proposal to institute a Financial Reporting Lab.
- 9.2 The Board discussed a number of aspects of the proposals and agreed that it would like to receive regular reports on the progress of the project.

10 NEXT MEETING ON 8 SEPTEMBER

- 10.1 The Board noted the proposed agenda for the meeting on 8 September at 9.00 a.m.