



ACCOUNTING STANDARDS BOARD

Minutes of a meeting of the Accounting Standards Board (2008:10) held on 4 September 2008 at Aldwych House, 71 - 91 Aldwych, London WC2

PRESENT

Ian Mackintosh	Chairman
David Loweth	Technical Director
Nick Anderson	
Mike Ashley	
Edward Beale	
Marisa Casoni	
Peter Elwin	
Ken Lever	
Robert Overend	
Andrew Simmonds	
Geoff Whittington	

IN ATTENDANCE

Andrew Lennard	Director of Research
Simon Peerless	Secretary
Larry Pinkney	HM Treasury
David Tyrall	BERR
Ciarán Morris	Minutes

Technical Staff: Mario Abela, Michelle Crisp (MDC), Jennifer Guest and Janice Lingwood

1 MINUTES OF MEETING

- 1.1 The minutes of the meeting held on 16 July 2008 (2008:09) were approved subject to one correction and approved for publication.

2 CHAIRMAN'S UPDATE AND REPORTS

- 2.1 The Board was informed that the staff of the International Accounting Standards Board (IASB) had prepared a staff draft of an Exposure Draft of a proposed International Financial Reporting Standard (IFRS) on 'Consolidated Financial Statements' and that IASB staff would attend the Board meeting on 25 September to discuss the issue.
- 2.2 The Board noted the publication of:

- (a) a number of further reports on the current financial crisis and the accounting implications, in particular a report prepared by a working group chaired by René Ricol for President Sarkozy in the context of the 2008 French Presidency of the European Union (EU); and
- (b) an announcement by the US Securities and Exchange Commission (SEC) of its proposal to issue a 'roadmap' that could lead to the use of IFRS by US issuers beginning in 2014.

2.3 The Board noted the forthcoming meetings of the:

- (a) Technical Experts Group (TEG) of the European Financial Reporting Advisory Group (TEG);
- (b) the National Standard-Setters (NSS), a grouping of national accounting standard-setters from around the world, plus other organisations that had a close involvement in financial reporting issues; and
- (c) the IASB's World Standard-Setters (WSS) conference.

2.4 The Board was informed that the Financial Reporting Council (FRC) consultation document on updating the guidance for directors on going concern, a draft of which had been considered by the Board at its meeting on 16 July, had now been published for public comment.

2.5 The Board was informed that its meeting to be held on 27 November would be a joint meeting with the German Accounting Standards Board (GASB). The Board was also updated on the proposal to take a forward a project on tax with the GASB.

2.6 The Board received an update on Urgent Issues Task Force (UITF) developments.

2.7 The Board noted the publication of a report on the implications for the not-for-profit entities of the IASB and FASB's Exposure Draft 'An improved Conceptual Framework of Financial Reporting: Chapter 1: The Objective of Financial Reporting, Chapter 2: Qualitative Characteristics and Constraints of Decision-useful Financial Reporting Information' and Discussion Paper 'Preliminary Views on an improved Conceptual Framework for Financial Reporting: The Reporting Entity'. The Board noted that this raised again the issue of its remit in future to public sector financial reporting as well as the wider public-benefit sector.

2.8 The Board noted the status report and activity report and approved the status report for publication.

3 REDUCING COMPLEXITY IN MEASUREMENT OF FINANCIAL INSTRUMENTS

3.1 The Board considered its responses to:

ASB 2008:10 Minutes of Meeting

- (a) The IASB Discussion Paper (DP) 'Reducing Complexity in Reporting Financial Instruments'
 - (b) EFRAG's draft comment letter on the IASB DP.
- 3.2 The Board agreed that the response to the IASB should be amended and circulated for approval outside the meeting.
- 3.3 The Board approved the response to EFRAG subject to amendments consequential to those made to the response to IASB.
- 4 EXPOSURE DRAFT OF AN AMENDMENT TO FRS 22 (IAS 33) 'SIMPLIFYING EARNINGS PER SHARE'
- 4.1 The Board considered the recent IASB exposure draft 'Simplifying Earnings per Share - Proposed amendments to IAS 33'.
- 4.2 The Board agreed not to issue an exposure draft proposing similar amendments to FRS 22 at this stage but to respond to the IASB exposure draft.
- 5 TO CONSIDER A SUMMARY OF RESPONSES TO THE PAAinE DISCUSSION PAPER 'THE FINANCIAL REPORTING OF PENSIONS'
- 5.1 The Board considered a preliminary summary of responses to the PAAinE Discussion Paper 'The Financial Reporting of Pensions'. The Board decided it should structure its deliberations by reviewing the proposals in the discussion paper on a "chapter-by-chapter" basis. The Board decided to defer a decision on how it should structure its report following its redeliberations.
- 6 IMPLICATIONS FOR FINANCIAL REPORTING STANDARDS OF THE COMPANIES ACT 2006
- 6.1 The Board consider a proposal by staff to update the legal references in FRS 2 'Accounting for Subsidiary Undertakings', FRS 6 'Acquisition and Joint Ventures' and FRS 28 'Corresponding Amounts' to refer to the relevant paragraph in the Companies Act 2006. The Board asked the staff to consider extending proposals to update all of the legal appendices in current Financial Reporting Standards.
- 6.2 The staff will report back to the Board at a future meeting.

- 7 FINANCIAL REPORTING COUNCIL (FRC) RESPONSES TO (I) THE IASCF 'REVIEW OF THE CONSTITUTION: PUBLIC ACCOUNTABILITY AND THE COMPOSITION OF THE IASB - PROPOSALS FOR CHANGE' AND (II) THE EFRAG CONSULTATION 'STRENGTHENING THE EUROPEAN CONTRIBUTION TO THE INTERNATIONAL STANDARD-SETTING PROCESS'
- 7.1 The Board considered drafts of proposed FRC responses to the above consultations and made a number of suggestions for amendments.
- 8 FRC COMPLEXITY PROJECT
- 8.1 The Board received a progress report on the project. The Board noted that there were several areas that would be followed up in future meetings such as the issue of materiality relating to measurement and disclosure, as well as the use of preliminary announcements as a main source of information for users.
- 8.2 The Board considered an overview of the recommendations in the final report of the US SEC Advisory Committee on Improvements to Financial Reporting, which had been set up to examine the U.S. financial reporting system with the goals of reducing unnecessary complexity and making information more useful and understandable for investors.
- 9 EFRAG'S INVITATIONS TO COMMENT ON ITS ASSESSMENTS OF THE ENDORSEMENT OF THE REVISED IFRS 3 'BUSINESS COMBINATIONS' /AMENDED IAS 27 'CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS' AND IFRIC 15 'AGREEMENTS FOR THE CONSTRUCTION OF REAL ESTATE'
- 9.1 The Board considered EFRAG's invitations to comment on the above assessments and approved responses agreeing with EFRAG's recommendation that the revised IFRS 3, the amended International Accounting Standard (IAS) 27, and International Financial Reporting Interpretations Committee (IFRIC) 15 should all be endorsed for use in the EU.
- 10 RE-APPOINTMENTS TO THE URGENT ISSUES TASK FORCE
- 10.1 The Board approved the re-appointments of Bill Hicks, Geoff Mitchell and Andrew Vials to the Urgent Issues Task Force (UITF) for periods to 30 September 2010.

ASB 2008:10 Minutes of Meeting

11 REPORTS OF THE JULY MEETINGS OF EFRAG'S TECHNICAL EXPERTS GROUP (TEG) AND OF THE IASB

11.1 The Board noted the reports of the July meetings of EFRAG's TEG and the IASB.

NEXT MEETING

Thursday 25 September, 9.00am