



ACCOUNTING STANDARDS BOARD

**Minutes of a meeting of the Accounting Standards Board (2006:05)
held on 11 May 2006 at Aldwych House, 71-91 Aldwych, London, WC2**

PRESENT

Ian Mackintosh	Chairman
David Loweth	Secretary and Acting Technical Director
Mike Ashley	
Roger Marshall	
Robert Overend	
Peter Westlake	
Geoffrey Whittington	IASB Liaison Member

IN ATTENDANCE

Andrew Lennard	Director of Research
Ben Higgin	DTI
David Watkins	HM Treasury (for Items 1 to 5)
Nigel Bankhead	Director, Actuarial Standards, BAS (for Items 3 and 4)
Roger Nicklen	Minutes Secretary

Technical Staff: Michelle Crisp, Jennifer Guest, Hans Nailor and Simon Peerless.

APOLOGIES FOR ABSENCE were received from Marisa Cassoni, Jonathan Symonds and Helen Weir.

1 MINUTES OF MEETING

The minutes of the meeting held on 21 April (2006:04) were agreed and approved for publication.

2 CHAIRMAN'S UPDATE AND REPORT ON THE STATUS OF ASB PROJECTS

The Chairman reported on the public round table meetings on 'Measurement in Financial Reporting' that had been held on 24 April. The view was that these had been very successful, with over 80 external participants and a very good discussion of the issues. The Board also discussed possible further round tables, agreeing to consider a plan for a round table on the conceptual framework project at its next meeting.

The Board took note of the publication of the International Accounting Standards Committee Foundation's (IASCF's) 'Due Process Handbook for the IASB'.

The Board took note of the publication of the DTI News Release 'New Clauses to keep company law reform 'light touch'', noted that while there was no return to a statutory Operating and Financial Review (OFR) some of the provisions of the former OFR Regulations were being retained in the requirement for a business review, in particular in respect of quoted companies. The Board agreed to consider whether it should modify the Reporting Statement on the OFR once the Company Law Reform Act came into force.

The Chairman reported on the previous day's meeting of the European Financial Reporting Advisory Group's (EFRAG's) Pro-active Accounting Activities in Europe (PAAinE) Co-ordinating Group which had discussed progress on the UK led project on pensions, the project on concepts led by France, the project on the debt/equity split being led by Germany and the project on performance reporting being led by EFRAG/Spain. The Group had considered a proposal to mount a project on measurement but had not taken it up. The Group had discussed arrangements aimed at enabling a better information exchange between standard setters in Europe on matters of common interest. The Group had also discussed the forthcoming European Commission round table on consistent application of International Financial Reporting Standards (IFRS).

The Board received updates on individual projects.

3 RETIREMENT BENEFITS SCHEMES: DISCLOSURES

The Board considered a revised draft Exposure Draft 'Proposed Amendments to FRS 17 'Retirement Benefits' and Reporting Statement 'Retirement Benefits Disclosures'' that would replace the disclosure requirements of FRS 17 with those in IAS 19 'Employee Benefits' and set out recommendations on further disclosures in the form of a Reporting Statement. The Board agreed a number of amendments and approved the Exposure Draft for publication (subject to clearance of the final text by email).

4 PENSIONS PROJECT: PROGRESS TO DATE AND TENTATIVE CONCLUSIONS

The Board considered and approved for publication a discussion summary covering progress so far in its pensions project, subject to comments to be provided by the Advisory Panel and the EFRAG working group.

5 MEASUREMENT

The Board considered its response to the IASB Discussion Paper 'Measurement Bases for Financial Accounting – Measurement on Initial Recognition'. The Board expressed its appreciation to the authors of the Discussion Paper from the staff of the Canadian Accounting Standards Board for their contribution to its round table discussions and approved a response that questioned the applicability in practice of the market framework approach to initial measurement and commissioned work on a further response dealing with more general concerns about the IASB's intention to apply the emerging exit value definition of fair value to all pre-existing IFRSs.

6 LEASE ACCOUNTING

The Board considered an update on the IASB and FASB discussions on lease accounting and took note of a draft IASB agenda proposal.

7 IASB/FASB CONCEPTUAL FRAMEWORK PROJECT

The Board considered a progress report on the IASB/FASB Conceptual Framework project, relating to discussions on the reporting entity, elements and measurement phases. The Board took note of the latest review of implications for Public-benefit entities.

8 URGENT ISSUES TASK FORCE

The Board approved the re-appointment of Andy Simmonds to the Urgent Issues Task Force for a two-year term running to 31 May 2008.

9 RECENT AND UPCOMING ASB ACTIVITIES

The Board took note recent and upcoming ASB activities.

10 REPORTS OF THE APRIL MEETINGS OF EFRAG, IASB AND THE IASB/FASB

The Board took note of the 'Update' reports on the EFRAG Technical Experts Group (TEG) meeting in April and of the April meetings of IASB and of IASB/FASB.

11 NEXT MEETING

Thursday 15 June, 9.00 a.m.