

## In the July 2007 issue

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# ASB issues paper on Stewardship

In June 2007 the European Financial Reporting Advisory Group (EFRAG), the ASB and a number of other European standard-setters published a paper discussing the rationale for including stewardship as a separate objective of financial reporting. Project Director Seema Jamil-O'Neill explains the background.

The International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) proposed in their July 2006 Discussion Paper (DP) *Preliminary Views on an improved Conceptual Framework for Financial Reporting* that the converged framework should specify only one objective of financial reporting, that of resource allocation decision-usefulness. The DP argued that this objective "encompasses providing information useful in assessing management's stewardship".

Although a majority of the IASB and FASB respondents were in favour of identifying stewardship as an objective of financial reporting there has been a view expressed that the comment letters contain a number of different interpretations of the term 'stewardship'; this implies that if there was more of a consensus the respondents' view on stewardship would carry more weight.

Another view is that the implications of keeping stewardship as a separate objective of financial reporting are not obvious and that some examples of

its impact on financial reporting are required to demonstrate the point.

This paper was drafted as a response to these views. A part of the research conducted included a detailed review of the comment letters received by the IASB and FASB to ascertain whether these claims are an accurate summation of the respondents' views.

The paper demonstrates that:

- there is consensus amongst respondents on their view of stewardship/ accountability as a central plank of financial reporting;
- stewardship/accountability is inherently linked to agency theory and is a broader notion than resource allocation decision-making as it focuses on both past performance and potential future direction;
- stewardship/accountability is required as a separate objective of financial reporting to ensure that there is appropriate emphasis on company performance as a whole and not just on potential future cash flow; and

- stewardship/accountability has implications for financial reporting which can be demonstrated by way of examples. However, these implications cannot be discussed meaningfully without some references to wider issues including recognition and measurement criteria.

The paper has been prepared under the 'Proactive Accounting Activities in Europe' (PAAinE) initiative, in which EFRAG and European standard-setters have agreed to pool some of their resources and work together more closely so that Europe as a whole can participate more effectively in the global accounting debate. The accounting standard-setters of Germany, Denmark, Italy, France and Poland are joint issuers of the paper with EFRAG and the ASB. A number of others (Sweden and the Netherlands) have made the paper available on their websites.

A copy of the paper has been sent to the IASB and FASB. The text of the paper is available for download from the ASB website at [www.frc.org.uk/asb](http://www.frc.org.uk/asb) and EFRAG's website at [www.efrag.org](http://www.efrag.org).

# The interpretation of financial principles for public benefit entities

The ASB published an Interpretation for Public Benefit Entities of its Statement of Principles for Financial Reporting in June 2007. Alan O'Connor, Secretary of the ASB's Committee on Accounting for Public-benefit Entities (CAPE), sets out a summary of the document and further international developments.

The Interpretation is intended to operate alongside the Board's Statement of Principles (SoP) that was published in December 1999. It explains that the term 'public benefit entities' embraces entities in both the private and public sectors whose primary objective is to provide goods or services for the general public or social benefit. These entities are of great significance to the UK economy.

The close relationship between the Interpretation and the SoP is made clear by the inclusion of tables that compare the two documents paragraph by paragraph. Changes are confined to rewording and shifts of emphasis designed to clarify the application of the principles to public benefit entities.

## Clarifications made in the Interpretation

A few examples will demonstrate the approach taken in the Interpretation.

*Stewardship:* There is considerable controversy about the importance of stewardship as part of the objectives of financial statements — and — as reported on page 1 — the ASB has made clear that it believes this concept is important. Whatever may

be the right answer for profit-oriented enterprises, the Interpretation suggests that the importance of information on stewardship requires special emphasis in the context of public-benefit entities.

*Funders and financial supporters:* The SoP identifies present and potential investors as the defining class of user but many, perhaps most, public-benefit entities would have difficulty in identifying parties who would consider themselves 'investors' — indeed the Interpretation notes that providing a financial return to shareholders will not be a primary objective of such entities. Instead, 'funders and financial supporters' are identified as the defining class of user for financial statements in the public benefit sector.

*Funds:* It remains common in the public-benefit sector, long after it has become obsolete elsewhere, for financial statements to attempt to portray something about the financial position of an entity by dividing the reserves into various 'funds'. The Interpretation notes that mere designation, reflecting no more than management intent, should not be recognised as a transaction in the financial statements. Information on the adequacy of resources for future needs and plans would normally be provided in accompanying information, for example in the management commentary.

*Assets:* The Interpretation notes that, in the context of the definition of assets, the term economic benefits includes 'service potential' as well as cash inflows. Service potential includes the ability to provide goods or services to beneficiaries in furtherance of the entity's objectives. Under this view, historic and inalienable items are assets because they provide services to the entity or through it to its beneficiaries. This is the view the ASB has consistently expressed in its work on heritage assets.

## The Interpretation in practice

It would be unrealistic to expect a framework document such as the Interpretation to provide solutions to all the issues that arise in the public benefit context. However, the Interpretation should guide the work of those responsible for the development of financial reporting in the sector. This will include bodies developing Statements of Recommended Practice (SORPs) in accordance with the ASB's standing arrangements and the Board itself in framing new accounting standards.

The Interpretation is not an accounting standard and does not override the requirements of existing accounting standards or SORPs. Where there is an inconsistency between the principles set out in the Interpretation and a standard, the standard must be followed until it is replaced or revised. For example, application of SSAP 4 'Accounting for government grants' may result in the recognition in the balance sheet of deferred credits that do not meet the definition of liabilities. This is an issue that the ASB will be considering further: the IASB has a review of its corresponding standard within its sights and progress on this will obviously influence developments.

## The future

As noted above, the Interpretation is closely based on ASB's original Statement of Principles for Financial Reporting. In developing the Interpretation, the ASB did not try to re-debate or update the SoP, which is now almost ten years old. The SoP itself will need updating in due course, and a review will be necessary in any case in the light of international developments.

As reported on this page, the IASB and FASB are working on a converged framework. The ASB is closely

# reporting entities

following this work and seeking to engage its constituents in debate on it. It has also joined forces with the standard setters of Australia, Canada and New Zealand and is monitoring in particular the framework's applicability to not-for-profit entities in the public and private sectors. This work has resulted in the publication of a report on the IASB/FASB's first Discussion Paper on the Conceptual Framework project, which is available on the ASB website.

The ASB is also working closely with the International Public Sector Accounting Standards Board (IPSASB), which has launched its own project to develop a Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities, although this does not include the many private sector not-for-profit entities. Ian Mackintosh, ASB Chairman, serves on the sub-committee that prepares issue papers and draft consultation papers for IPSASB and David Loweth, ASB Technical Director, is taking the lead on one of the first issue papers, on the Objectives of Financial Reporting.

While the Interpretation will no doubt be revised in the light of this international work, its publication now will help ensure that UK views are fully considered. And, as the international projects will take some time to complete, the Interpretation has an important immediate role in the development of financial reporting in the UK.

## Update on Current Projects

### Pensions

Work is continuing to develop a discussion paper that will take a fresh look at – and stimulate discussion on – the principles that might be reflected in a future accounting standard on pensions. The project is being led by the ASB as part of the PAAinE initiative that is a partnership including EFRAG and European standard-setters (see page 6). It is expected that the discussion paper will be published later in the year.

As reported in *Inside Track 51*, staff papers setting out different viewpoints on a number of topics that have been discussed with the Pensions Advisory Panel and the EFRAG Working Group were added to the ASB and EFRAG websites in April. They can be accessed via the following link: <http://www.frc.org.uk/asb/technical/projects/project0065.html>. ASB staff gave an update and discussed major issues with EFRAG TEG at its meeting on 31 May. In the last quarter, the ASB and the advisory groups have begun to consider draft sections of the discussion paper.

### Conceptual Framework

As reported previously in *Inside Track*, the IASB and FASB are developing a common conceptual framework that they can both use in preparing new and revised accounting standards.

As noted on page 1, the first DP set out the preliminary views of the two Boards on the objective of financial reporting and the qualitative characteristics of decision-useful financial reporting information. In recent months, the Boards have continued to consider the responses to that DP and are expected to issue an Exposure Draft (ED) in the fourth quarter of 2007.

The Boards are taking forward work on a number of other phases of the project; for example, a DP on the reporting entity is scheduled to be issued during the third quarter of 2007. In addition, work has begun on the elements and measurement phases of the project. The ASB has been actively monitoring the progress of the discussions held on these topics and has taken part in roundtables and other discussions with the IASB on these topics.

### Leases

The IASB and FASB are continuing to consider how a single 'right of use' model can be developed for leases. Under this model, the lessee would recognise an asset representing its right to use the leased item for the lease term and a corresponding liability for the lease rentals. The boards recently discussed the scope of the project, the treatment of lessee options to extend or terminate a lease, the measurement basis for the asset and liability arising in a simple lease example, and the timing of initial recognition of this asset and liability. A discussion paper is planned for issue in 2008.

### Financial statement presentation

The IASB is expected to issue an amendment to IAS 1 shortly, making the changes proposed in the first phase of this project. These include the requirement for all non-owner changes in equity to be included in either a single statement of performance or a two-statement form, and income statement and a separate statement of other income and expenditure.

The IASB, jointly with the FASB, are continuing to consider proposals for the revised presentation of all financial statements, including the separation of income statement and balance sheet items into 'business' and 'financing' elements. A discussion paper on these proposals is expected later this year.

# Also new from the ASB

The ASB publication pipeline has been busy recently, with a number of other documents being issued in July.

## **Amendment to Financial Reporting Standard 3**

The ASB has issued an amendment to FRS 3 *Reporting Financial Performance* to clarify its application to entities within the scope of FRS 26 (IAS 39) *Financial Instruments: Recognition and Measurement*. The amendment clarifies the required treatment of gains and losses on remeasurement and derecognition of certain instruments which are covered by FRS 3 as well as certain other more recent standards.

The principal change to FRS 3 is to reflect the exemption from certain paragraphs of FRS 3 for entities applying FRS 26 and FRS 23 (IAS 21) *The Effects of Changes in Foreign Exchange Rates*. The amendment to the FRS will be effective for accounting periods beginning on or after 1 January 2007. Early adoption is permitted.

## **Financial Reporting Exposure Draft (FRED) 41 'Related Party Disclosures'**

FRED 41 contains proposals to replace the existing UK standard (FRS 8) with a Financial Reporting Standard based on International Accounting Standard (IAS) 24.

The proposals in the FRED are designed to ensure consistency between the requirements of accounting standards and company law. In March 2007 the Government issued a consultation document

'Implementation of Directive 2006/46/EC on Company Reporting – Amending the Accounting Directives' which will align the definition of a related party in UK company law with that in IAS 24. Without an amendment to FRS 8 a conflict would arise between that standard and the Companies Act requirement.

The proposals will lead to improved convergence between UK and International Financial Reporting Standards (IFRS) whilst avoiding any potential conflict between the requirements of financial reporting standards and company law. The FRED also proposes to:

- incorporate the IASB's proposals to amend IAS 24, as published in February 2007;
- provide disclosure exemptions for wholly owned subsidiaries in accordance with the DTI proposal for the UK implementation of Directive 2006/46/EC; and
- provide guidance on materiality, based on that set out in IAS 1 *Presentation of Financial Statements*.

The FRED also requires disclosure of transactions entered into by the company with related parties if they are material and have not been concluded under normal market conditions, as required by the Directive. The ASB notes that this is an addition to the disclosure requirements under IAS 24 and has asked both the Government and the European Commission to clarify whether this was the intention of the Directive. This proposal will be reviewed in the light of their responses.

It is anticipated that the changes proposed to UK company law above will become effective in 2009. The ASB is seeking the views of its

constituents at this time so that it can make any changes required to UK FRSs simultaneously to changes in company law. The deadline for comments is 19 October 2007.

## **Statement 'Half-Yearly Financial Reports'**

The Statement is designed to provide guidance for UK or Irish entities that are required or voluntarily choose to prepare half-yearly financial reports.

The Statement is an update of the ASB's 1997 Statement *Interim Reports*, in particular following the implementation in the UK of the EU Transparency Directive through the Financial Services Authority's (FSA) Disclosure and Transparency Rules (DTR). The FSA has made clear in the DTR that UK issuers reporting under UK GAAP can satisfy the requirement for the half-yearly financial statements to give a true and fair view by a statement that they have been prepared in accordance with pronouncements by the ASB.

The ASB decided to revise its 1997 Statement and rename it *Half Yearly Financial Reports* to reflect the requirements of the DTR. Other than that, the ASB has made the minimum number of changes necessary. The ASB has adopted this approach in order to have revised guidance available for the first round of half-yearly financial reports that have to be prepared to meet the requirements of the DTR.

# ASB highlights wider implications of IASB Discussion Paper on Insurance Contracts

In May the IASB issued its long-awaited DP on accounting for insurance contracts. Project Director Simon Peerless summarises the proposals and their implications for other areas of financial reporting.

This represents the IASB's first comprehensive proposals for recognition and measurement issues for insurance contracts – the existing standard, IFRS 4 *Insurance Contracts*, was issued in 2004 with the main purpose of enabling insurers to adopt full IFRS whilst continuing their existing accounting policies for insurance contracts with little modification.

The central part of the discussion paper (DP) deals with the measurement of insurance liabilities. The DP proposes that all such liabilities should be measured on a current exit value basis. A model is proposed, comprising three 'building blocks':

- an unbiased probability-weighted estimate of the future cash flows
- adjustment for the time value of money using current market discount rates
- an explicit margin for bearing risk and providing services

Each of these building blocks would be estimated based on the amount an insurer would have to pay to transfer the contractual rights and obligations under the policy to another insurer at the balance sheet date. However, such transfers rarely if ever occur; in order to estimate these elements (and in particular the amount of risk margin) it will be necessary to consider a hypothetical transaction. In practice, in many cases the only available information will be the insurer's own pricing data. The DP emphasises that the adoption of a current exit value model does not imply that the insurer can, will or should transfer the liability to a third party.

The DP discusses whether the value of a liability should be 'calibrated' to the transaction price by adjusting the risk margin in the valuation so that the initial value is equal to the premiums agreed (taking into account the insurer's costs of entering into the transaction). If the value is not calibrated in this way, a 'day one' gain or loss can arise, reflecting the difference between the premium agreed with the policyholder and the current exit value determined by the valuation model. The IASB was split on this issue, with a small majority in favour of no calibration.

If the value is calibrated, a separate 'liability adequacy test' is then needed to ensure that provision is made for losses arising from any contracts written at below market rates.

The DP goes on to consider contracts – such as life assurance – where the insurer expects the majority of policyholders to continue to pay premiums over the whole term of the contract, but has no contractual rights to this; policyholders can choose to cancel the contract at any time. The profitability of a group of such contracts can often depend on the assumption that, subject to estimated lapse rates, policyholders will continue to pay premiums. The DP proposes that these future premiums can be included in the valuation of the contracts where continued payment gives the policyholder continuing insurance cover on the existing terms. However, the DP notes that conceptually these future premiums are more in the nature of an intangible asset representing part of the customer relationship.

The DP proposes that for participating contracts (such as with-profits life assurance) the liability should include those benefit payments that the insurer is contractually or constructively obliged to make, but not additional benefits that are discretionary. Surpluses in life funds in excess of the insurer's obligations to policyholders are

therefore treated as equity even though shareholders are entitled to only a small proportion of these.

The DP also addresses the presentation of income and expenses arising from insurance business, including the treatment of changes in the value of liabilities.

It also proposes that in some circumstances it may be necessary to separate out components of insurance contracts that are in effect financial instruments – for example, where a life assurance policy is effectively a combination of a savings product and death benefit insurance.

As well as having major implications for insurers, the IASB's conclusions on these issues will have a bearing on their analysis of related issues in non-insurance financial reporting. Key areas include:

- the adoption of a current exit value model for liabilities for which no market exists;
- revenue recognition based on changes in the value of liabilities rather than on the extent to which services have been delivered to customers;
- recognition of future income that is not contractually enforceable;
- separation or 'unbundling' of financial instrument components of contracts;
- recognition and measurement of non-financial liabilities;
- the distinction between liabilities and equity; and
- the relationship to the measurement of pensions liabilities.

The ASB has issued a briefing paper on these issues (available from [www.frc.org.uk/asb](http://www.frc.org.uk/asb)) and encourages all those involved in financial reporting – not just insurance – to consider these issues and respond to the DP's proposals. The IASB's comment deadline is 16 November 2007.

# European Developments

## EU Endorsement of IFRS

Over the few months, an issue has arisen on the proposed adoption of IFRS 8 *Operating Segments* for use in the EU. The European Parliament's (EP) Economic and Monetary Affairs Committee has drafted a Motion for a Resolution calling for IFRS 8 not to be adopted until a full impact assessment of the standard has been carried out. The European Commission is now carrying out such an analysis in advance of a Parliamentary vote scheduled for September. As part of that assessment, the Commission has issued a questionnaire for public consultation on the potential impact of IFRS 8, to which the ASB – together with some 200 other parties - has responded.

EP interest in IFRS 8 has been stirred by some user groups expressing concerns about the standard. Following a meeting the ASB convened of representatives of some of the major UK constituents (preparers, users, the major accounting firms and the profession) to discuss views as to how this situation could best be resolved, ASB Chairman Ian Mackintosh wrote to the Commission and the EP in June to suggest that the standard should be adopted, but proposing that a post-implementation review of IFRS 8 be carried out for the IASB which it could use as evidence to consider whether or not the standard should be changed. A number of other constituents signalled their support for this approach in the letter. The ABI did not, but wrote separately to the Commission with a similar suggestion. The IMA has also written stating that it has no objection to the endorsement of IFRS 8, providing guidance is given to clarify that the chief operating decision maker in the EU context is the board of directors,

and that the true and fair override should be used if necessary to ensure that the information reported reflects the performance of the underlying segments.

## Pro-active Accounting Activities in Europe (PAAinE)

In 2005, EFRAG and European National Standard-Setters (NSS) agreed to work more closely together on a number of projects under the PAAinE initiative. Details of the PAAinE projects on stewardship and pensions are reported elsewhere in this edition of *Inside Track*.

At the time of going to press, a PAAinE Discussion Paper on revenue recognition, developed by EFRAG and the German standard-setter (the DRSC) is due for publication. The DP considers and seeks views on two broad approaches to revenue recognition:

- 'critical event' approaches that involve recognising no revenue under a contract until a particular event or threshold in the contract (the critical event) has been reached; and
- the 'continuous' approach, where revenue is recognised continuously over the course of the contract as the contract progresses and the entity performs.

# IFRS for SME Consultation

As reported previously in *Inside Track*, the ASB is closely monitoring the initial reactions to the draft standard. Project Director Peter Godsall outlines the latest developments.

The IASB's eagerly awaited proposals for a simplified set of standards for smaller companies have provoked a good deal of reaction.

The draft standard raises many important issues, for example:

- could the proposed standard fulfil a useful role as part of UK GAAP – for Small and Medium-sized Entities (SMEs) or as a new UK GAAP for larger companies?
- is the level of simplification in measurement and disclosure sufficient?
- does the proposed standard address the needs of developing countries that have adopted IFRS, or are looking to do so?

The ASB has already welcomed the exposure draft as recognition that the full suite of international standards is too complex for SMEs. While the IASB has been much criticised – often unfairly – for ignoring the demands of its constituents around the world, on this occasion, the IASB deserves praise for developing the IFRS for SMEs.

As part of the consultation process, the ASB has participated in a number of public roundtable meetings to discuss the IASB's proposals and their implications. The first of these, organised with ICAS, took place in

# Es and UK

# IFRIC Update

March in Edinburgh. After a lively debate, a view emerged from ICAS members that the proposed standard would be a useful basis for reporting unlisted entities, but not a replacement for the FRSSE. At a similar event in May, organised with the ICAEW, the attendees expressed more diverse views. At the final event in June in Dublin, organised with the Irish profession, almost all delegates voted for two tiers of reporting – full IFRS and IFRS or SMEs.

What is becoming very evident is that there will be many views on the way forward for UK reporting when all the responses to the UK consultation papers are reviewed and analysed. The closing date for these comments was 31 July 2007.

Future issues of *Inside Track* will provide an opportunity to give UK constituents an insight of these views and the ASB's developing thinking on the future of UK convergence.

In the meantime, the European Commission has issued a Communication setting out measures to simplify the business environment for EU SMEs in the areas of company law, accounting and auditing. The proposals are open for comment until mid-October 2007 and can be accessed at: [http://ec.europa.eu/internal\\_market/company\\_simplification/index\\_en.htm](http://ec.europa.eu/internal_market/company_simplification/index_en.htm).

## **IFRIC interpretation on customer loyalty programmes**

In June, the International Financial Reporting Interpretations Committee (IFRIC) issued Interpretation IFRIC 13 *Customer loyalty programmes*. IFRIC 13 addresses revenue recognition when, as part of a sales transaction, companies grant their customers loyalty award credits (often called 'points') that can be redeemed for free or discounted goods or services. The interpretation requires companies to estimate the fair value of the award credits and to defer this amount of revenue as a liability until they have fulfilled their obligations to supply awards. This is in line with the position in the UK, where the accounting for such transactions is covered by FRS 5 Application Note G *Reporting the Substance of Transactions: Revenue Recognition*, which includes guidance on accounting for redeemable vouchers that are given to customers as part of a sale transaction.

## **IFRIC Interpretation on pensions**

In July, IFRIC issued IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. IFRIC 14 provides guidance on how to assess the limit in IAS 19 *Employee Benefits* on the amount of surplus that can be recognised as an asset. It also explains that when a plan is operated in an environment of statutory or contractual minimum funding requirements, and there are restrictions over the amounts that the employer can recover from the plan, an obligation to pay contributions may give rise to a liability additional to the liability that is recognised in respect of the IAS 19 deficit. IFRIC 14 is mandatory for annual periods beginning on or after 1 January 2008.

## **Draft interpretation on revenue recognition from real estate sales**

Also in July, IFRIC issued draft Interpretation IFRIC D21 *Real Estate Sales*. D21 provides guidance on when revenue should be recognised on real estate sales when properties (mainly residential) are sold 'off plan', i.e. before construction is complete. It sets out features that indicate whether a sale agreement is a construction contract (when IAS 11 *Construction Contracts* applies and revenue is recognised as construction progresses) or a sale of goods (when IAS 18 *Revenue* applies and revenue is recognised on completion). The comment deadline is 5 October 2007.

## **Draft interpretation on hedges of a net investment in a foreign operation**

In July, IFRIC issued draft Interpretation D22 *Hedges of a Net Investment in a Foreign Operation*. D22 deals with the accounting for hedging foreign currency risk within a company and its foreign operations. It clarifies what qualifies as a risk in the hedge of a net investment in a foreign operation and where within a group the instrument that offsets the risk may be held. The comment deadline is 19 October 2007.

# SORPs Update

Statements of Recommended Practice (SORPs) supplement accounting standards and other legal and regulatory requirements to reflect factors prevailing or transactions undertaken in a specialised industry or sector. SORPs are issued by the sectoral body recognised for the purpose by the ASB.

## Pension Scheme Accounts

The Pensions Research Accountants Group (PRAG) has recently issued a revised version of its SORP on pension scheme accounts. This revision takes account some of the main requirements of FRS 26 (IAS 39) 'Financial Instruments: Recognition and Measurement' and related standards, together with changes to reflect the new regulatory structure for pension schemes.

## Local Authorities

The 2007 Local Authority SORP has been issued by the CIPFA/LASAAC Joint Committee. The revised SORP includes provisions for applying the financial instruments standards (FRS 25, FRS 26 and FRS 29) to all local authorities. It also includes provisions for accounting for soft loans, ie loans advanced at a below market rate of interest. The Joint Committee is now taking forward work on the 2008 SORP and the need to provide IFRS-based information for consolidation as part of Whole of Government Accounts for 2008-09.

## Registered Social Landlords

Following consultation on an exposure draft for an update to the RSL SORP, the RSL SORP Working Party has issued a further invitation to comment on the proposed accounting requirements for shared ownership sales and mixed tenure development. The comment period closes on 28 August.

## Higher and Further Education

Universities UK is issuing in July a revised HEFE SORP, which provides enhanced guidance in key areas such as income recognition and retirement benefits. It also brings the SORP up to date reflecting accounting standards that have been issued since the current SORP was published in July 2003. The SORP applies to accounting periods beginning on or after 1 August 2007.

## People

**Roger Marshall**, a Partner with PricewaterhouseCoopers, is stepping down as a member of the Board, having served two full three-year terms. Roger's place is being taken by

**Andy Simmonds**, a Partner with Deloitte. A replacement for Andy is being sought for the Urgent Issues Task Force. A second new member on the Board is **Nick Anderson**, Head of Equity Research with Insight Investment, as a replacement for **Peter Westlake**, following Peter's appointment to a new role with Nestlé SA.

**Simon Billingsley** has left the staff of the ASB as a Project Director. In an internal reorganisation, **Simon Peerless** is taking over the role of Board Secretary from **David Loweth**.

## Further Information

For further information on any of these topics please contact David Loweth at Aldwych House.

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