

In the October 2009 issue

- ASB publishes Review of Narrative Reporting
- The Financial Reporting of Pensions
- Financial Crisis Related Issues

ASB publishes review of narrative reporting by listed companies

Project Director Melanie Kerr gives a summary of the main issues and conclusions in the recently published ASB report of its review of narrative reporting *'Rising to the Challenge'*.

Over the summer months, ASB staff has reviewed the annual reports of 50 randomly selected UK listed companies. The review focused on:

- how companies are complying with the enhanced business review content requirements contained in the Companies Act 2006 (CA);
- effective communication and presentation of the required content; and
- areas that are leading to clutter in narrative reporting, following up the Financial Reporting Council's (FRC) Discussion Paper (DP) *'Louder than Words: Principles and actions for making corporate reports less complex and more relevant'* (see *Inside Track 60*).

'Rising to the challenge' summarises the key messages arising from the review and includes a list of 'Do's and don'ts' for companies who want to improve their reporting. *'Rising to the challenge'*, plus a full report of the detailed results, are available on the ASB's website.

Areas of good reporting

The review found that the best reporters continue to evolve their narrative reporting and also did well across a number of content areas. Overall, most companies provided good content in relation to their:

- Financial performance and position;
- Financial key performance indicators (KPIs); and
- Articulation of strategy.

Areas for improvement

However, as in the ASB's first review of narrative reporting undertaken in 2006 (the results of which were reported in *Inside Track 50*), some companies continue to struggle to meet some of the requirements, notably the communication of principal risks and uncertainties and non-financial KPIs.

In addition, the review found that companies are having difficulties with some of the new enhanced business review requirements, particularly those related to the reporting of trends and factors and contractual and other arrangements, as the table below reveals:

Principal risks	Non-financial KPIs	Trends and factors	Contractual and other arrangements
66% of the sample were technically compliant but needed to make improvements to meet the spirit of the requirements	32% of the sample did not disclose any non-financial KPIs, despite the CA requirement to do so where 'necessary' and 'appropriate'	Only 38% of companies provided discussion of trends and factors that was relevant and forward looking	It was unclear whether 64% of the sample specifically addressed this requirement

ASB publishes review of narrative reporting by listed companies

/...continued

Clutter

The review found that the areas that gave rise to the most clutter were risk reporting and sections on corporate social responsibility (CSR). In particular:

- Listing every conceivable risk just adds to clutter, one company in the sample had 33 risks and 8 companies had 20 or more. Some companies had risk sections that were 10 pages long;
- Nine companies had a CSR section longer than their financial review and only 20% of the sample provided a convincing explanation of why CSR is important to their business.

Communication

The best reporters in our sample not only provided high quality content but effectively communicated that content in a way that was understandable and interesting.

And finally ...

'Rising to the challenge' ends with some observations relating to how regulations in this area may be improved in the future.

For example, the best reporters in our sample went beyond describing their products, services and geographical spread to include business processes, distribution methods and the structure of the business – in other words the disclosure of a business model. The review found that good business model disclosure can help drive better disclosure in other areas. It is possible that an explicit requirement for business model disclosure could improve narrative reporting overall.

The review also had a particular focus on sustainability reporting. As noted above, one main finding is that CSR sections of annual reports can contain significant immaterial clutter that is not necessarily essential for

making resource allocation decisions. The pressure for companies to include further disclosure in this area looks likely to continue with a number of evolving requirements in the pipeline. While the vital importance of reporting on sustainability is acknowledged, the ASB is concerned that there is confusion surrounding the plethora of different carbon reporting requirements or guidance and a danger that requiring reporting on sustainability issues in the business review will simply add clutter to an already lengthy annual report. In the ASB's view, companies should comment on CSR matters in their annual reports to the extent that they do impact long-term sustainability of the business. Detailed explanations of sustainability issues, in our view, are best dealt with in a separate report targeted at other stakeholders.

The ASB has also considered whether to update its Reporting Statement on Operating and Financial Review. The Board has decided to not to update the Reporting Statement at the present time, pending possible near-term developments in the area of narrative reporting. In particular, the government committed during the passage of the Companies Act 2006 to assess the business review provisions two years after implementation. This is expected to take place in 2010. Also, the International Accounting Standards Board (IASB) has recently released an Exposure Draft on Management Commentary guidance, which it expects to finalise in 2010.

The Financial ASB issues Feedback Report on Future

Project Director Michelle Sansom outlines the latest developments and finalisation of this long-term project.

At the time of going to print the final touches are being made to the Feedback and Redeliberations report following the outcome of the consultation on the discussion paper *'The Financial Reporting of Pensions'* issued in January 2008 as part of the 'ProActive Accounting Activities in Europe' (PAAinE) initiative (see *Inside Track* 54).

The report sets out the ASB's redeliberations and recommendations following the comments received through the consultation process on the Discussion Paper (DP). A total of 103 responses were received on the DP and the ASB has spent some considerable time in considering the responses and the issues raised in them.

The ASB has, in the main, affirmed its views set out in the DP, acknowledging that a number of them cover difficult issues and are controversial. In particular, on the measurement of liabilities, the ASB has affirmed its view that the discount rate used should reflect the time value of money, and therefore should be a risk-free rate. The ASB has retained the view that it is not possible to make a reliable estimate of the risk arising from the size and variability of the liability to pay pension benefits. In its view users of financial statements are better served by disclosures regarding the risk rather than through adjustment of the underlying liability. In addition the ASB has sought to clarify the cash flows which should be used in measuring the liability to pay pensions.

The ASB has, however, decided not to affirm its view that the actual return on

Reporting of Pensions: Feedback and Redeliberations in the Direction

assets held to fund pension liabilities should be presented separately as financing income in the statement of comprehensive income. Whilst acknowledging the conceptual merits of this approach the ASB took into consideration the views of some respondents, including users of financial statements, to the discussion paper who did not consider the approach was useful. The ASB considers that further research is required in this area.

In relation to the financial statements of pension scheme themselves the ASB affirmed its view that schemes should include the liability to pay future benefits. The ASB agreed with respondents that a more detailed study of the potential costs should be undertaken. The ASB also agreed (by majority) that, conceptually, the employer's covenant should be recognised as an asset in the pension plan's financial statements but recognised that this could present a number of serious practical difficulties. The alternative preferred by the ASB is to require narrative disclosure of how the difference between the assets and liabilities will be funded.

The ASB commenced the project in October 2005 with the aim of stimulating debate and assist in the further development of international financial reporting standards for pensions. The ASB considers that the quality of and number of responses received to the discussion paper provides evidence that the discussion paper achieved its objective of stimulating debating on the financial reporting of pensions.

The current report, like the original DP, is being published under the PAAinE initiative by the ASB, the European Financial Reporting Advisory Group (EFRAG), and other European standard-setters, notably

the Accounting Standards Committee of Germany (ASCG) and the French *Autorité des Normes Comptables* (ANC). The recommendations in the report, however, set out the recommendations only of the ASB. EFRAG, ASCG and the ANC consider the report a useful contribution to the debate on the financial reporting of pensions but do not express a view as to the recommendations in the report.

The report, which can be accessed from the ASB and EFRAG websites, has been submitted to the IASB. The ASB believes the report will provide the IASB with valuable material for consideration in its current short-term project and for the longer term fundamental review of the financial reporting of pensions.

International Meetings

National Standard-Setters (NSS) September meeting

As part of the ASB's influencing role, ASB Chairman Ian Mackintosh chairs a group of national accounting standard-setters from around the world, plus other organisations that have a close involvement in financial reporting issues. The latest meeting of the group, held in Frankfurt on 8-9 September, was attended by 22 NSS present, plus representatives of the IASB and EFRAG. Among other things, the group considered items on the global financial crisis, the IASB's work plan, a potential project on a framework for disclosures, pensions accounting, intangible assets, share-based payments, reporting foreign currency transactions, and assessing the effects of accounting standards. A full report of the meeting can be accessed via the 'Spotlight' column on the ASB website at <http://www.frc.org.uk/asb/>. The next meeting of the group is to be held in April 2010.

IASB meeting with World Standard-Setters (WSS)

Once a year, the IASB holds a meeting with WSS. The latest meeting took place in London on 10-11 September, with some 60 WSS present, including Ian Mackintosh and ASB Technical Director David Loweth. The IASB's activities in response to financial crisis-related issues featured heavily on the agenda. Recordings of the sessions at the meeting are available at <http://www.iasb.org/Meetings/World+Standard+Setters+Meeting+10+September+2009.htm>.

Trilateral meeting with the German and French standard-setters

As part of the ASB's drive to develop closer ties with other standard-setters, the Board held a trilateral meeting with the German Accounting Standards Board (GASB) and the French *Autorité des Normes Comptables* (ANC) meeting in Berlin on 2 October. It was a useful meeting and the main issue of interest to note was the degree of commonality of the views of the three Boards on a wide range of IASB agenda projects, including the IASB's project to replace IAS 39. The meeting also included discussions on global convergence of accounting standards, the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the role it might (or might play) in the respective national accounting frameworks, and an initial exchange on what the IASB's work plan priorities might be post-2011.

European Developments

European Commission

As reported previously in *Inside Track*, the European Commission is currently undertaking a review of the 4th and 7th Company Law Directives (usually referred to as the Accounting Directives). The Commission's original plan was to finalise a legislative proposal this month, but in July, it announced that had decided to take more time over its review of the Accounting Directives to allow for consultations on the IFRS for SMEs and, more generally, on the specific needs of EU financial reporting.

The ASB has written to the Commission welcoming this decision and highlighting the role for the IFRS for SMEs the Board foresees in the future UK GAAP reporting requirements. The ASB's letter to the Commission is available from the 'Responses to External Consultations' page at http://www.frc.org.uk/asb/publications/asb_responses.cfm.

The Commission has now received the agreement of the European Parliament and the Council to provide funding contributions to EFRAG and to the International Accounting Standards Committee Foundation (IASCF). The relevant decision, as published in the EU Official Journal, can be accessed at: http://ec.europa.eu/internal_market/accounting/committees/efrag_en.htm.

EU Endorsement of IFRS

Any new or revised IFRS or IFRIC Interpretation has first to be endorsed for use in the EU before it can be applied by EU-listed companies in their consolidated financial statements under a process first set out in Regulation 1606/2002, and as amended in Regulation 297/2008.

During October, the European Financial Reporting Advisory Group (EFRAG) issued its latest report showing the status of endorsement for application in the EU of each IFRS and IFRIC Interpretation. The report can be

downloaded from the EFRAG website at: <http://www.efrag.org/news/detail.asp?id=441>. There are currently 9 IASB pronouncements awaiting European Commission endorsement for use in Europe:

Standards and Amendments

- IFRS 1 *First-time Adoption of IFRS* – Restructured standard (2008);
- Amendment to IFRS 7 *Improving Disclosures About Financial Instruments*;
- Amendment to IFRIC 9 and IAS 39 *Embedded Derivatives*;
- *Improvements to IFRSs* (April 2009);
- Amendment to IFRS 2 *Group Cash-settled Share-based Payment Transactions*;
- Amendments to IFRS 1 *Additional Exemptions for First-time Adopters*
- Amendment to IAS 32 *Classification of Rights Issues*;

Interpretations

- IFRIC 17 *Distributions of Non-cash Assets to Owners*;
- IFRIC 18 *Transfers of Assets from Customers*.

EFRAG is monitoring closely the IASB's project to replace IAS 39 (see page 5) and is standing steady to 'fast track' the development of its endorsement advice on the IFRS on classification and measurement scheduled for issue in November.

EFRAG Issues

EFRAG's new Supervisory Board (SB) held its first meeting on 14 September. A report of the meeting is available on the EFRAG website at: <http://www.efrag.org/news/detail.asp?id=425>. The meeting included the voting of the members of EFRAG's Audit and Budget Committee and the Nominating Committee. The Nominating Committee will have a busy time in the coming months, as the present mandate period for eleven of the twelve members of EFRAG's Technical Experts Group (TEG), including the TEG Chairman,

expires on 31 March 2010. A call for applicants for all the posts has been made on the EFRAG website at: <http://www.efrag.org/news/detail.asp?id=445> and the closing date for applications is 30 November 2009.

The ASB continues to work with EFRAG and other major European standard-setters on proactive issues, as part of the Pro-active Accounting Activities in Europe (PAAinE) initiative, which now falls within the remit of the Planning and Resources Committee (PRC). Ian Mackintosh is a member of the PRC. The PRC held its latest meeting on 19 October, where the agenda items included the status of current proactive projects, proposals for new projects and a discussion of a proposed research strategy for proactive work.

Financial Crisis Related Issues

As previously discussed in *Inside Track* the global financial crisis continues to be the focus of attention. Project Director Deepa Raval provides a brief update.

G20 Summit

The latest summit meeting of G20 leaders was held in Pittsburgh on 24-25 September. At the summit, the leaders made the following statement on accounting standards:

“We call on our international accounting bodies to redouble their efforts to achieve a single set of high quality, global accounting standards within the context of their independent standard setting process, and complete their convergence project by June 2011. The International Accounting Standards Board’s (IASB) institutional framework should further enhance the involvement of various stakeholders”

At the time of the summit, the Financial Stability Board (FSB) (the successor body to the Financial Stability Forum) issued a number of reports to the G20 leaders, including one on ‘Improving Financial Regulation’. The FSB report refers to concerns that the deliberations by the IASB and the US Financial Accounting Standards Board (FASB) on crisis-related issues might lead to divergences, and includes a strong encouragement to the two Boards to agree on improved converged solutions, which:

- Recognise credit losses in loan portfolios at an earlier stage as part of an effort to mitigate procyclicality; and
- Do not expand the use of fair value in relation to the lending activities of financial intermediaries.

So what are standard-setters doing in response?

Financial Instruments

Over the last few months, the project to replace of IAS 39 *Financial Instruments: Recognition and Measurement* (as reported in *Inside Track* 60) has dominated the agenda of the IASB and other standard setting groups. Following the issue of the IASB’s Exposure Draft (ED) *Classification and Measurement* in July 2009 discussions on the issue have been held at, for example, meetings of the National Standard-Setters and World Standard-Setters meetings. The IASB has also held a number of round table meetings on its ED. The IASB received nearly 250 comment letters on its ED, including one from the ASB (the response is available at http://www.frc.org.uk/iasb/publications/iasb_responses.cfm), and is currently holding extra meetings with the plan of issuing a standard in November.

In addition, the IASB published a Request for Information in June 2009 requesting comments on the feasibility of an expected cash flow model for impairment. The ASB’s response can be accessed from the website address above. Following on from this the IASB has set up an Expert Advisory Panel to advise it on how the expected cash flow model can be implemented in practice. At the time of writing, the publication of an IASB ED on the impairment of financial assets is imminent, with a further ED on hedge accounting scheduled to follow in December.

One of the key issues at the forefront of many people’s minds is convergence between the IASB and FASB. The two Boards have emphasised their commitment to arrive at a common approach on financial instruments, but achieving this is proving to be difficult for two main reasons. Firstly, the IASB and FASB are working to different timetables. The IASB’s timetable is driven by political pressure to come up

with a solution to crisis related issues in time for 2009 year ends.

As a result, the IASB is further ahead in its discussions compared to the FASB. Secondly, based on tentative decisions made by the FASB so far, the basis for classification and measurement in the FASB model is likely to be fair value. The IASB’s constituents (at least those outside the United States) support the use of a mixed measurement model with many taking the view that fair value is not an appropriate measurement attribute in all circumstances.

Fair Value Measurement

The ASB submitted its response letter to the IASB on its ED *Fair Value Measurement*, on 29 September (an overview of the ED was given in *Inside Track* 60). The response can be found on the website under “Responses to external consultations”.

In summary, the response:

- a) Welcomes the IASB’s decision to re-define fair value and improve fair value measurement guidance, but conveys a strong message that the ASB is unconvinced that the proposals in the ED represent an improvement to existing practice for operating assets and that the proposed standard should have its scope limited to financial instruments that are carried at fair value;
- b) Expresses reservations with the proposal of a definition for fair value being exit based and suggests that further consideration should be given to current values other than exit value for measuring operating assets;
- c) Expresses a concern that the ED should not set a precedent for the wider use of fair value; and
- d) Suggests that for items other than financial instruments, guidance on the most appropriate measurement basis should be provided in individual accounting standards.

Update on Curren

Rate-regulated Activities

In July 2009, the IASB published its ED 'Rate-regulated Activities' with a comment deadline of 20 November 2009.

Rate regulation restricts the prices that can be charged to customers for services or products. Generally, it is imposed by regulatory bodies or governments when an entity has a monopoly or a dominant market position that gives it excessive market power.

The IASB proposes that certain types of rate-regulation give rise to assets and liabilities. If adopted, the proposed IFRS would:

- define regulatory assets and regulatory liabilities;
- set out criteria for their recognition;
- specify how they should be measured; and
- require disclosures about their financial effects.

The ASB has debated the proposals and submitted its response to the IASB, available at http://www.frc.org.uk/asb/publications/asb_responses.cfm. In summary, the ASB does not support the ED on the basis that it fundamentally disagrees that rate-regulation creates assets and liabilities under the current framework.

Further, the ASB considers that the ED has not been sufficiently persuasive in explaining why regulator controlled prices give rise to an asset in the form of a right to increase or decrease prices in the future when other entities have this same right but it does not give rise to an asset or liability. The ASB considers that the risk of non-recovery of costs for rate-regulated entities may typically be lower than for other entities because many are monopoly providers of an essential service – in some instances the risk may be lowered to practically nil – but the ASB does not believe lowered business risk in itself gives rise to an asset or liability.

Future of UK GAAP: Initial reactions and the ASB on the road

As reported in *Inside Track 60*, the ASB published its Policy Proposal 'The Future of UK GAAP' on 11 August 2009, with a consultation period running until 1 February 2010.

The initial reaction to the Policy Proposal has been broadly favourable with commentators so far agreeing with the principles outlined in the proposal. However, the Board acknowledges that the devil can lie in the detail, and concerns have been raised already on a number of issues, including the ambitious timescale, the definition of public accountability and the entities that might come within it, the future of Statements of Recommended Practice (SORPs), and the most appropriate reporting requirements for subsidiaries.

As part of the consultation, representatives of the ASB are giving presentations on the proposals and will be reaching out to various organisations throughout the rest of the year. In particular, presentations have already been made at an event hosted by the Institute of Chartered Accountants in England and Wales (ICAEW) in Wakefield and PwC's 'Meet the Experts' conference in London, with further presentations scheduled with the Institute for Chartered Accountants in Scotland (ICAS) in Glasgow and Edinburgh, Co-operatives UK in Coventry, Chartered Accountants in Ireland (CAI) in Belfast and Dublin, and a number of London-based events, including those hosted by the Association of Chartered Certified Accountants (ACCA), the Institute of Chartered Book-keepers (ICB), the ICAEW and the Charity Commission.

The ASB is urging all interested parties to consider the proposals (available at <http://www.frc.org.uk/asb/press/pub2054.html>) and submit their views.

Post-employment benefits

The IASB has issued two proposals in relation to Post-employment benefits:

Discount Rate for Employee Benefits (Proposed amendment to IAS 19)

In August the IASB issued an exposure draft 'Discount Rate for Employee Benefits (Proposed amendment to IAS 19)'. The IASB proposes to remove the requirement in IAS 19 to use a government bond rate when there is no deep market in high quality corporate bonds. Instead, an entity would be required to estimate the rate for a high quality corporate bond using the guidance on determining fair value in IAS 39. Entities would apply the proposed amendment prospectively from the end of the accounting period in which the amendment is adopted, with any adjustment arising from the change in accounting policy going direct to retained earnings.

In its response (available on the ASB's website), the ASB stated that it does not support the proposals in the exposure draft because it does not see a need to amend the current requirements in paragraph 78 of IAS 19. In its view IAS 19 paragraph 78 requires the rate to be used to discount post-employment benefits **by reference** to market yields on high quality corporate bonds. Where there is no deep market in such bonds then market yields on government bonds is used.

The IASB decided at its October 2009 meeting not to proceed with the exposure draft following comments from constituents.

IFRIC 14 IAS 19—The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction

On 28 May 2009 the IASB published an ED of proposed amendments to IFRIC 14 'Prepayments of a Minimum Funding Requirement'. The amendments are aimed at correcting an unintended consequence of IFRIC 14. As a result of the interpretation, entities are in some circumstances not permitted to recognise as an asset some prepayments for minimum funding contributions.

t Projects

The ASB responded to the ED and noted its support for the IASB addressing the unintended consequence that arises from IFRIC 14 regarding the accounting treatment of prepayments for minimum funding contributions. The ASB agreed the IASB reasoning; that an entity expects to obtain future economic benefits from a prepayment in the form of reduced cash flows in future years in which payments would otherwise have been required. Those cash outflows relate to both future service costs and future minimum funding requirements (MFR) contributions and consequently the entity has an asset.

IAS 37 'Provisions Contingent Liabilities and Contingent Assets'

The IASB issued an ED in June 2005 that would require entities to recognise in their financial statements obligations that satisfy the definition of a liability in the IASB's Framework, unless they cannot be measured reliably. Uncertainty about the amount or timing of the economic benefits that will be required to settle a liability would be reflected in the measurement of that liability instead of affecting whether it is recognised.

The proposals would also align the accounting in IASs 37 and 19 for costs typically associated with restructuring an entity with the requirements of FASB Standard SFAS 146 Accounting for Costs Associated with Exit or Disposal Activities.

The IASB has now concluded its redeliberations of the exposure draft. The IASB has been considering whether - following redeliberations - re-exposure is necessary. The IASB will take into consideration the time period that has lapsed since it published its original exposure draft. At its October 2009 meeting the IASB made the tentative decision to re-exposure certain elements of the exposure draft.

Credit Risk in Liability Measurement

The IASB published in June 2009 an invitation to comment on a staff paper that outlines the three most often-cited arguments in favour of including

credit risk in current measurement of liabilities and the three most often-cited arguments against. The objective of the invitation to comment is to generate a focused discussion that will enhance the debate on this topic.

The ASB responded to the invitation to comment stating that in its view it is important that different measurement methods are applied to different categories of liabilities so that objectives of financial reports are achieved. Thus it is important to determine the measurement objective before addressing credit risk.

Having considered the arguments set out in the paper the ASB formed the view that:

- (i) when a liability is initially recognised its measurement should incorporate the price of credit risk only where there is an observable market transaction; and
- (ii) current measurement of liabilities should not include changes in credit risk.

IASB Annual Improvements ED 2009

The IASB issued an exposure draft of Improvements to IFRS in August 2009 (ED/2009/11). The ASB has considered the improvements and submitted its comment letter (available on the website). The ASB support the proposed amendment except for:

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Changes in terminology to the qualitative characteristics

Notwithstanding the ASB's comments on the Conceptual Framework project, the ASB is of the view that the proposed changes should be made as consequential amendments when the updated Conceptual Framework chapters are issued – and not in advance.

IAS 28 Investments in Associates – Partial use of fair value for measurement of associates

The ASB does not support the proposed amendment and considers that the

alternative option set out in the IASB's ED is correct. In the ASB's view it is irrelevant how a parent entities shareholdings are distributed amongst its subsidiary entities, what matters is if the parent entity can exercise significant influence.

Consolidations

The IASB has been discussing the responses to its Consolidations ED (referred to as ED10, see *Inside Track* 59). At the joint meeting in October the IASB and FASB will consider making the project a joint IASB/FASB project.

Leasing

The IASB continues to debate issues related to accounting for leases in light of the responses to its Leases Discussion Paper (DP). Most recently at its joint October meeting with the FASB, the IASB considered:

- whether to reconfirm the right-of-use model for lessees (the model described in *Inside Track* 59) after most respondents supported the model;
- how leases that are in-substance purchases/sales should be treated;
- when initial recognition of assets and liabilities arising under the right-of-use leasing model should take place.

UITF Update

The UITF met on 16 September 2009 and considered:

- (i) The basis of preparation for cessation accounts of Building Societies concluding that the basis of preparation for cessation accounts of building societies did not raise any issues that the UITF should take on to its agenda; and
- (ii) The IFRIC draft Interpretation D25 'Extinguishing Financial Liabilities with Equity Instruments'. The UITF considered the guidance provided in the draft Interpretation and supported the IFRIC in its decision to issue an Interpretation on this matter. The UITF agrees that there is diversity in practice and acknowledges that in the present economic climate such guidance will be useful.

The UITF responded to the IFRIC noting that it considers that the most significant issue addressed in D25 is measurement of the equity instrument issued in consideration for the extinguishment of debt. Following detailed review of the proposals in D25 the UITF, on a majority basis, decided the equity instruments issued should be measured at the fair value of the financial liability extinguished and in order to determine the value of the liability it may be necessary to make reference to the value of the equity issued. Consequently, the UITF does not support the proposal in paragraph 5 of D25.

There are no other matters that the UITF is considering at this time.

IFRIC

The International Financial Reporting Interpretations Committee (IFRIC) has only one item out for comment, D25, which is discussed above.

People

John Coombs, Kenneth McDowell and Liam McQuaid have been reappointed to the Board's Committee for Smaller Entities (CASE).

Roger Marshall has been reappointed to the Board's Committee for Public-benefit Entities (CAPE).

On the staff side, **Paul Ebling** joined as a Project Director, having previously held the post of Technical Director at EFRAG.

Publication in the Pipeline

ASB Annual Improvement FRED 2009

The ASB is considering comments received on its Financial Reporting Exposure Draft (FRED) of annual improvements (the issue of which was reported in *Inside Track 60*) and aims to issue the final amendments before 31 December 2009.

Further Information

For further information on any of these topics please contact Peter Godsall at Aldwych House.

Email: p.godsall@frc-asb.org.uk

The Board's Publications

Copies of the Board's publications may, except where otherwise stated, be obtained from:

FRC Publications
145 London Road
Kingston upon Thames
KT2 6BR

Tel: +44(0) 20 8247 1264
Fax: +44(0) 20 8247 1124
Email: customer.services@cch.co.uk

Website: www.frcpublications.com

Accounting Standards Board

5th Floor
Aldwych House
71-91 Aldwych
London WC2B 4HN

Tel: +44(0) 20 7492 2300
Fax: +44(0) 20 7492 2301
Website: www.frc.org.uk/asb



**ACCOUNTING
STANDARDS
BOARD**

a part of the  Financial Reporting Council

ISSN 1360-1342
The Financial Reporting Council Limited is a company limited by guarantee. Registered in England number 2486368. Registered Office: 5th Floor, Aldwych House, 71-91 Aldwych, London WC2B 4HN.