



**Minutes of a meeting of the Accounting Standards Board (2009:12)
held on 15 October 2009 at Aldwych House, 71-91 Aldwych, London, WC2**

PRESENT

Ian Mackintosh	Chairman
David Loweth	Technical Director
Nick Anderson	(for Items 5-11)
Mike Ashley	
Edward Beale	(for Items 2-11)
Robert Overend	
Andy Simmonds	

IN ATTENDANCE

Bob Garnett	IASB (for Items 2-5)
Michael Kavanagh	IAASA
Andrew Lennard	ASB Director of Research
Larry Pinkney	HM Treasury
David Tyrrall	BIS
Ian Wright	FRC Director of Corporate Reporting (for Item 7)
Peter Godsall	Secretary
Roger Nicklen	Minutes Secretary

Technical Staff: Janice Lingwood, Melanie Kerr, Seema Jamil-O'Neill and Michelle Sansom.

APOLOGIES FOR ABSENCE were received from Marisa Cassoni, Peter Elwin and Ken Lever.

1 MINUTES OF MEETING

The minutes of the meeting held on 24 September 2009 (2009:11) were agreed and approved for publication.

2 CHAIRMAN'S UPDATE AND REPORTS

2.1 The Board received an update on global financial crisis developments; European developments and FRC developments.

2.2 The Board noted:

- a. the statement from the G20 leaders following their September summit and the references to accounting standards.

- b. on European Financial Reporting Advisory Group (EFRAG) issues, the recent meetings of the Consultative Forum of Standard-Setters (CFSS), Technical Experts Group (TEG) and the Supervisory Board.
 - c. a report back from the trilateral meeting held in Berlin with the German Accounting Standards Board (GASB) and the French *Autorité des Normes Comptables* (ANC).
 - d. progress and next steps by the European Commission on its review of the EU Accounting Directives and proposal to consult on the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).
 - e. publication on that day of the FRC's revised Guidance for Directors on Going Concern Assessments and Disclosures.
 - f. the summary minutes of the UITF meeting held on 16 September.
- 2.3 The Board also noted the Status Report and approved it for publication.

3 PROGRESS REPORT ON THE IASB'S PROJECT TO REPLACE IAS 39 'FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT'

- 3.1 The Board reviewed progress on the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement' and noted that the IASB intended to publish the standard on classification and measurement and the exposure draft on impairment some time in November and the exposure draft on hedge accounting in December.

4 RE-APPOINTMENTS TO CASE AND CAPE

- 4.1 The Board approved the re-appointment of John Coombs and Kenneth McDowell to the Committee on Accounting for Smaller Entities (CASE) for a period of two years to 30 September 2011.
- 4.2 The Board approved the re-appointment of Roger Marshall to the Committee on Accounting for Public-benefit Entities (CAPE) for a period of two years to 31 October 2011.

5 INVESTMENTS MANAGED ON A FAIR VALUE BASIS

- 5.1 The Board considered a proposal submitted to the International Accounting Standards Board (IASB) by the Investment Funds Institute of Canada (IFIC) and the British Columbia Investment Management Corporation, relating to when a reporting entity should measure controlled investments at fair value and so thereby be exempt from the requirement to consolidate controlled investments. The Canadian Institute of Chartered Accountants (CICA) was seeking Board support similar to that already given by itself to the proposal submitted.

5.2 The Board agreed that a response to the request should be sent expressing support for the basic contention that there were circumstances in which fair value information would be more decision-useful than consolidated information but offering to work with the Canadians and other interested parties on the scope in order to arrive at a more robust proposal.

6 ROLE OF THE ACCOUNTING STANDARDS BOARD

6.1 As part of its annual review the Board discussed the results of work carried out by the ASB staff on developing the Board's aims and objectives and the means by which to improve the ASB's effectiveness in the delivery of those aims and objectives.

6.2 The Board also noted the arrangements for Board assessment.

7 REVIEW OF NARRATIVE REPORTING

7.1 The Board considered a redrafted report package on the review of narrative reporting, consisting of a short overview report, for general publication, with a more detailed supporting report to be made available on the website.

7.2 The Board:

- a. congratulated the authors on the improvements made;
- b. made some suggestions for further refinement; and,
- c. approved the report for publication together with an accompanying Press Notice.

8 IASB EXPOSURE DRAFT 'RATE REGULATED ACTIVITIES'

8.1 The Board considered the IASB Exposure Draft (ED) 'Rate Regulated Activities' and a proposed response.

8.2 The Board approved a response rejecting the proposals on the grounds that rate regulated activities did not give rise to assets and liabilities.

9 IASB EXPOSURE DRAFT 'ANNUAL IMPROVEMENTS'

9.1 The Board considered a response to the IASB Exposure Draft 'Annual Improvements' together with EFRAG's draft comment letter.

9.2 The Board approved responses to the IASB and to EFRAG that were largely supportive of the proposals.

10 REPORTS OF THE SEPTEMBER MEETINGS OF THE IASB AND EFRAG

The Board noted the reports of the September meetings of the IASB and EFRAG.

11 NEXT MEETING

Thursday 5 November, 9.00 a.m.