



## ACCOUNTING STANDARDS BOARD

### **Minutes of a meeting of the Accounting Standards Board (2007:07) held on 25 May 2007 at Aldwych House, 71-91 Aldwych, London, WC2**

#### PRESENT

Ian Mackintosh	Director
David Loweth	Technical Director and Secretary
Mike Ashley	
Edward Beale	
Marisa Cassoni	
Roger Marshall	
Robert Overend	
Geoffrey Whittington	

#### IN ATTENDANCE

Andrew Lennard	Director of Research
David Watkins	HM Treasury
Roger Nicklen	Minutes Secretary

Technical Staff: Michelle Crisp, Jennifer Guest, Seema Jamil-O'Neill, Hans Nailor, Alan O'Connor and Simon Peerless.

APOLOGIES FOR ABSENCE were received from Peter Elwin, Helen Weir and Peter Westlake.

#### 1 MINUTES OF MEETING

The minutes of the meeting held on 10 May 2007 (2007:06) were agreed and approved for publication, subject to correcting the impression that the Chairman's letter about EU adoption of IFRS 8 'Operating Segments' was to be issued immediately.

#### 2 CHAIRMAN'S UPDATE AND REPORTS

2.1 The Chairman reported on his negotiations on the proposed letter to the European Commission about endorsement of IFRS 8 'Operating Segments' and indicated that he should be in a position to write to the Commission in the near future.

2.2 The Board noted that the ICAEW forum on the IFRS for SMEs had been well attended and that the exposure draft had in general been well received.

2.3 The Status Report was approved for publication on the website.

### 3 PENSIONS PROJECT

3.1 The Board considered a progress report on the pensions project, took note of an outline of the proposed discussion paper and of a project plan aiming at publication by November 2007, and agreed that it should set aside an appropriate amount of time to consider the issues emerging from the project work.

3.2 The Board also reviewed an initial draft Preface and made a number of suggestions for improvement.

### 4 FRS 3 'REPORTING FINANCIAL PERFORMANCE'

4.1 The Board considered the responses to the exposure draft of a limited amendment to FRS 3 'Reporting Financial Performance' and approved a number of changes to the text of the amendment.

4.2 The Board agreed that the final text should be resubmitted to Board members for approval outside the meeting, following a further fatal flaw review.

### 5 IAS 23 'BORROWING COSTS': RESPONSE TO EFRAG'S ENDORSEMENT ADVICE

The Board considered EFRAG's draft endorsement advice letter on the revision of IAS 23 'Borrowing Costs' and approved a response supporting EU adoption.

### 6 IASB/FASB CONCEPTUAL FRAMEWORK PROJECT: STEWARDSHIP/ACCOUNTABILITY AS AN OBJECTIVE OF FINANCIAL REPORTING

The Board considered a draft paper on stewardship and suggested a number of amendments to the paper. The Board agreed that the finalised paper, after further amendment following discussion at EFRAG, would be sent to Board members for comment outside the meeting.

### 7 DTI CONSULTATION 'IMPLEMENTATION OF DIRECTIVE 2006/46/EC ON COMPANY REPORTING - AMENDING THE ACCOUNTING DIRECTIVES'

The Board considered a draft FRC response to the DTI Consultation Document 'Implementation of Directive 2006/46/EC on Company Reporting - Amending the Accounting Directives'. The Board focussed particularly on small and medium-sized entity thresholds, fair value accounting, off-balance sheet arrangements and related party transactions and proposed a number of amendments.

### 8 ACCOUNTING FOR HERITAGE ASSETS

8.1 The Board considered an overview of responses to FRED 40 'Accounting for Heritage Assets, noting that whilst it had not received as positive a welcome as the Discussion Paper that had preceded it there was still strong support for the project. The Board also noted that a good many of the responses were effectively supporting a standard that would allow the non-recognition of heritage assets on the face of the balance sheet and took the view this would not lead to an improvement in accounting for heritage assets.

8.2 The Board commissioned a further paper analysing the range of options for taking the project forward.

## 9 PRAG SORP 'FINANCIAL REPORTS OF PENSION SCHEMES'

9.1 The Board considered its Statement on the revised version of the Pensions Research Accountants Group (PRAG) Statement of Recommended Practice (SORP) 'Financial Reports of Pension Groups'.

9.2 The Board agreed that its Statement should be amended to make clearer that financial reports of pension schemes did not cover actuarial liabilities and that a revised text should be circulated for approval outside the meeting.

## 10 RE-APPOINTMENT TO CAPE

The Board approved the re-appointment of Ieuan Griffiths as a member of the Committee on Accounting for Public-benefit Entities (CAPE) for a further two year term to 31 May 2009.

## 11 REPORT OF THE APRIL MEETING OF THE EFRAG TECHNICAL EXPERTS GROUP (TEG)

The Board noted the report of the April meeting of the EFRAG Technical Experts Group (TEG).

## 12 NEXT MEETING

Thursday 7 June, 9.00 a.m.