



ACCOUNTING STANDARDS BOARD

Minutes of a meeting of the Accounting Standards Board (2007:08) held on 7 June 2007 at Aldwych House, 71-91 Aldwych, London, WC2

PRESENT

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

IN ATTENDANCE

Andrew Lennard	Director of Research
Nigel Bankhead	Technical Director, BAS (for Item 3)
Bob Garnett	IASB Observer
Michael Kavanagh	IAASA Observer
Derek Pike	Project Director, BAS (for Item 3)
David Tyrrall	DTI
David Watkins	HM Treasury
Roger Nicklen	Minutes Secretary

Technical Staff: Michelle Crisp, Peter Godsall, Jennifer Guest, Alan O'Connor and Simon Peerless.

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

1 MINUTES OF MEETING

The minutes of the meeting held on 25 May 2007 (2007:07) were agreed and approved for publication.

2 CHAIRMAN'S UPDATE AND REPORTS

2.1 The Board was informed of the Association of British Insurers' (ABI) recent letter to the European Commission supporting the adoption of IFRS 8 'Operating Segments' subject to the provision of some explanatory guidance and to the IASB being asked to conduct a post implementation review. The Chairman's letter to the European Commission indicating UK support for EU adoption of IFRS 8 from a number of bodies would be issued shortly.

- 2.2 The Board received an oral update on the latest European Financial Reporting Advisory Group (EFRAG) Technical Expert Group (TEG) meeting.
- 2.3 The Board noted the latest position on the work on Management Commentary.
- 2.4 The Status Report was approved for publication on the website.

3 INSURANCE CONTRACTS

- 3.1 The Board considered a preliminary analysis of some of the key issues arising from the IASB's Discussion Paper (DP) on Insurance Contracts, with particular attention to the measurement basis, beneficial policyholder behaviour and with-profits life assurance.
- 3.2 The Board noted that a number of the issues raised by the DP had implications for accounting that ran much wider than the insurance industry which needed to be drawn to the attention of constituents generally. The Board agreed that as part of its further deliberations it should consider an education session and also the issue of a briefing paper that would include non-insurance and user aspects of the proposals as well as insurance preparer issues.

4 RELATED PARTY DISCLOSURES

- 4.1 The Board further considered a Financial Reporting Exposure Draft (FRED) of a standard to replace FRS 8 'Related Party Disclosures' based on IAS 24 'Related Party Disclosures'.
- 4.2 The Board sought further clarification whether the changes to the Accounting Directives to come into force during 2008 would require separate disclosure of related party transactions under normal market conditions or whether the requirements of the Directive would be met by application of IAS 24.
- 4.3 The Board commissioned a number of amendments to the draft FRED and agreed that it should be submitted to Board members for approval outside the meeting.

5 HALF-YEARLY FINANCIAL REPORTS

- 5.1 The Board considered the responses to the Exposure Draft (ED) of the Statement 'Half-Yearly Financial Reports', agreed a number of amendments and agreed that a final Statement should be prepared for publication.

6 SHARE-BASED PAYMENT

- 6.1 The Board considered its strategy in relation to the proposed IASB amendment to IFRS 2 - Share-based Payment 'Vesting Conditions and Cancellations and its impact on FRS 20 'Share-based Payment'.

6.2 The Board noted that the respondents to its consultation had shared its concerns about the recognition of an immediate expense on cancellation and its view that these concerns were not sufficient to justify FRS 20 diverging from IFRS 2. The Board therefore agreed that FRS 20 should be amended in line with the amendments to IFRS 2 and to consider the detailed amendments outside the meeting.

7 LOCAL AUTHORITY SORP

7.1 The Board considered the final draft of the CIPFA/LASAAC Statement of Recommended Practice (SORP) for Local Authority Accounting 2007.

7.2 The Board, noting that for the first time the SORP would apply accounting standards relating to financial instruments to all authorities and congratulating the CIPFA/LASAAC Joint Committee on a job well done, approved its Statement of Assurance on the SORP.

8 REPORT OF THE MAY MEETING ON IASB

8.1 The Board noted the report of the May meeting of the IASB.

9 NEXT MEETING

Thursday 29 June, 9.00 a.m.