



ACCOUNTING STANDARDS BOARD

**Minutes of a meeting of the Accounting Standards Board (2012:05)
held on 24 May 2012 at Aldwych House, 71-91 Aldwych, London, WC2**

PRESENT

Roger Marshall	Chairman
Michelle Sansom	Director of Accounting
Nick Anderson	(item 4 onwards)
Edward Beale	
Peter Elwin	
Robert Overend	
Andy Simmonds	
Pauline Wallace	

IN ATTENDANCE

Matt Blake	HMRC (items 1 to 4)
Michael Kavanagh	IAASA Observer
Andrew Lennard	ASB Research Director
Simon Peerless	Minutes Secretary

Technical Staff: Jenny Carter, Jennifer Guest, Seema Jamil-O'Neill, Deepa Raval, Joanna Spencer.

APOLOGIES FOR ABSENCE were received from Ken Lever.

1 MINUTES OF MEETING

1.1 The minutes of the meeting held on 12 April 2012 (2012:04) were agreed and approved for publication.

2 DIRECTOR OF ACCOUNTING UPDATE REPORT

2.1 The Board received an update from the Director of Accounting.

2.2 The Board noted:

- a. the IASB's meeting on 16-20 April and the tentative decisions reported;
- b. the IFRS Interpretations Committee meeting on 15-16 May and the draft Interpretations considered;
- c. the IASB meetings on 17 May and 21-25 May, and progress on the projects on insurance and financial instruments;

- d. the consultation on the updated and revised IFRS Foundation Due Process Handbook;
- e. the discussion at the EFRAG TEG meeting on 9-11 May; and
- f. the issue by the UITF of a draft abstract on residential management companies.

3 RESEARCH ACTIVITIES AND DEVELOPMENTS

3.1 The Board received an update on research activities.

3.2 The Board noted:

- a. a paper presented to the FRC Codes and Standards Committee on research activities;
- b. references in the draft revised IFRS Foundation Due Process Handbook to research by national standard setters; and
- c. a progress report on PRC research projects, including corporate taxes, the business model and separate financial statements.

4 FUTURE OF FINANCIAL REPORTING IN THE UK AND ROI

4.1 The Board considered an overview of the responses to FREDs 46 to 48.

4.2 The Board noted issues raised by respondents relating to:

- a. the reduced disclosure framework;
- b. segmental reporting;
- c. agriculture;
- d. retirement benefit plans;
- e. related party disclosures;
- f. public benefit entities;
- g. taxation; and
- h. financial instruments.

4.3 The Board tentatively decided to reaffirm the proposed implementation date of 1 January 2015.

4.4 The Board agreed to continue consideration of the issues raised by respondents at a future meeting.

5 FUTURE OF FINANCIAL REPORTING IN UK AND ROI – INSURANCE

5.1 The Board considered a summary of responses to the ASB Staff Discussion Paper 'Insurance Accounting – Mind the UK GAAP'.

5.2 The Board commissioned further papers setting out proposals for addressing both long and short-term solutions for consideration at a future meeting.

6 EU ACCOUNTING DIRECTIVES

6.1 The Board received an update on the proposed revision of the EU Accounting Directives.

6.2 The Board:

- a. expressed concern at some of the proposals and amendments being considered; and
- b. requested staff to work with BIS to bring these views to the attention of the Commission.

7 FRC POLICY ON INFLUENCING THE IASB

7.1 The Board considered a draft paper setting out a proposed policy for the FRC on influencing the IASB.

7.2 The Board expressed the view that the FRC needed to develop its vision of the future of global financial reporting as a basis for considering how to influence the IASB.

7.3 The Board commissioned a further draft of the paper for consideration at a future meeting.

8 LEASES

8.1 The Board considered examples of possible disclosures on leases and other long-term commitments.

8.2 The Board expressed the view that:

- a. detailed disclosures of leasing commitments might be the best way of meeting users' needs if the IASB and FASB were unable to reach conclusions on recognition of leases not capitalised under current standards;
- b. such disclosures might include discounted information and sensitivity analysis, and information on optional lease periods based on a current reassessment of whether the option would be exercised; and
- c. similar disclosures of other long-term commitments would also provide useful information to users of financial statements.

8.3 The Board agreed to consider such disclosures further at a future meeting.

9 EFRAG GOVERNANCE REVIEW

9.1 The Board received an update on the EFRAG Governance Review.

10 RSL SORP WORKING PARTY MEMBERSHIP

10.1 The Board approved the appointment of Rosi O'Neill and Kyla Bellinghall to the RSL SORP Working Party.

11 OTHER BUSINESS

11.1 The Board deferred consideration of papers on the disclosure framework, credit analysts' needs and Board committees to a future meeting.

12 NEXT MEETING

Thursday 14 June at 9.00 a.m.