



**Minutes of a meeting of the Accounting Standards Board (2011:06)
held on 26 May 2011 at Aldwych House, 71-91 Aldwych, London, WC2**

PRESENT

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| Roger Marshall | Chairman |
| David Loweth | Technical Director |
| Edward Beale | |
| Peter Elwin | |
| Ken Lever | |
| Robert Overend | |
| Andy Simmonds | |
| Pauline Wallace | |

IN ATTENDANCE

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| Matt Blake | HMRC |
| Michael Kavanagh | IAASA Observer |
| Andrew Lennard | ASB Research Director |
| Simon Peerless | Minutes Secretary |

Technical Staff: Jennifer Guest, Seema Jamil-O'Neill, Deepa Raval and Michelle Sansom.

APOLOGIES FOR ABSENCE were received from Nick Anderson.

1 MINUTES AND NOTE OF MEETING

1.1 The minutes of the meeting held on 5 May 2011 (2011:05) were agreed and approved for publication.

2 TECHNICAL DIRECTOR'S UPDATE AND REPORTS

2.1 The Board received an update on IASB and further international accounting developments, EFRAG and other European developments, and FRC developments.

2.2 The Board noted:

- a. the issue by the IASB of six new and amended international financial reporting standards on 12 May;
- b. the latest IASB work plan;

- c. the meeting of the IFRS Interpretations Committee on 5-6 May, including the discussion on the accounting treatment of bank levies, on which the Board agreed to await the conclusions reached at the next Interpretations Committee meeting, in July;
- d. the issue of the EFRAG annual review;
- e. the meeting of EFRAG TEG on 12-13 May, including the initial discussion of the endorsement process for the standards recently issued by the IASB;
- f. meetings hosted by the European Commission on 16 May to discuss the ASB-EFRAG discussion paper 'Considering the Effects of Accounting Standards';
- g. forthcoming European Commission proposals on country-by-country reporting and accounting requirements for small and micro entities, together with a draft paper by the Chairman of the APB on financial reporting by micro entities;
- h. the publication by the FRC of its Plan & Budget for 2011/12; and
- i. discussions with BIS on its proposals for the future of narrative reporting.

2.3 The Board noted the Status Report and approved its publication.

3 RESEARCH ACTIVITIES AND DEVELOPMENTS

3.1 The Board received an update on recent research projects and related activities:

3.2 The Board made observations on:

- a. the progress of the joint project with EFRAG and the German DRSC on corporate income taxes; and
- b. the commencement of the joint project with EFRAG and the French ANC on the business model.

4 REPORTS OF MEETINGS OF THE IASB AND EFRAG'S TECHNICAL EXPERTS GROUP

4.1 The Board noted the 'Update' reports of:

- a. the 27 April meeting of the IASB, some of it held in joint session with the FASB;
- b. the joint meeting of the IASB and FASB held on 4 May; and
- c. the 29 April conference call and main monthly meeting of EFRAG Technical Experts Group (TEG).

5 FUTURE OF UK GAAP

5.1 The Board considered:

- a. an analysis of the major issues raised by respondents to the Board's exposure drafts FRED 43 and 44 on the future of UK GAAP;
- b. a presentation on user outreach and research.

5.2 The Board gave preliminary consideration to:

- a. the scope of tier 1 for entities that would be required to apply EU-adopted IFRS;
- b. the principles the Board would apply when considering changes to the IFRS for SMEs for incorporation into the FRSME;
- c. the reduced disclosure framework;; and
- d. the relationship to the effective date of the FRSME.

5.3 The Board commissioned papers on these issues for consideration at a future meeting.

6 IASB PRIORITY PROJECTS

6.1 The Board received an update on the progress of the joint IASB and FASB projects on financial instruments, insurance contracts, leases and revenue recognition.

6.2 The Board:

- a. expressed concern over the extent of changes being made to the proposed standards and the issues remaining to be resolved; and
- b. agreed to await further developments before considering whether to press the IASB to re-expose some or all of these proposed standards.

7 TRUE AND FAIR VIEW

7.1 The Board considered a draft paper on the role of the concept of the true and fair view in UK financial reporting.

7.2 The Board:

- a. welcomed the proposal to publish a paper reaffirming the importance of the true and fair concept; and
- b. made observations for incorporation in a revised paper.

8 IPSASB CONCEPTUAL FRAMEWORK

8.1 The Board:

- a. considered the IPSASB consultation paper 'Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Measurement of Assets and Liabilities in Financial Statements'; and
- b. approved a response to IPSASB.

9 IAASB DISCUSSION PAPER ON THE EVOLVING NATURE OF FINANCIAL REPORTING

9.1 The Board:

- a. considered the IAASB discussion paper 'The Evolving Nature of Financial Reporting: Disclosure and Its Audit Implications'; and
- b. approved a response to IAASB.

10 NEXT MEETING

The Board noted the proposed agenda for the next Board meeting on Thursday 16 June at 9.00 a.m.