

Accounting Roundup October 2014

In this new style of accounting roundup, further information on the developments below plus tools and resources can all be accessed by clicking on the links provided.

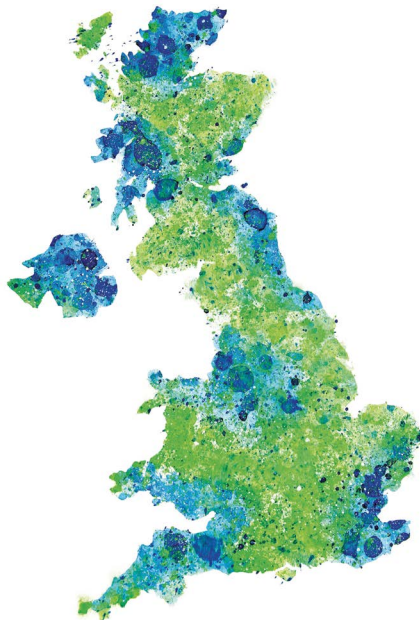
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- IFRS
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Tools and resources:

- Deloitte publications, interviews and recordings
- Deloitte comment letters
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Recent developments

IFRS

Projects:

Further deliberations on the Insurance project in the September IASB meeting
Further deliberations on the Conceptual Framework project in the September IASB meeting
IFRS Foundation publishes update on leases project
Click [here](#) for the latest IASB work plan.

New Standards, Interpretation or Amendments:

IASB changes IAS 27 *Separate Financial Statements* to again allow application of the equity method in separate financial statements
IASB issues *Annual Improvements to IFRSs 2012–2014 Cycle*
IASB finalises amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* on sales or contributions of assets between an investor and its associate/joint venture

Exposure drafts published:

IASB publishes Discussion Paper on rate regulation
IASB proposes amendments to six standards regarding the unit of account for investments in subsidiaries, joint ventures and associates
IASB proposes amendments to IAS 12 *Income Taxes* regarding the recognition of deferred tax assets for unrealised losses

Meeting minutes and further information:

September IASB meeting
July and September IFRSIC meetings

UK GAAP

Projects:

Proposed changes to small company and micro-entity reporting
New SORPs for FRS 102 continue to progress

New Standards or Amendments:

FRC issues revised versions of FRS 101 and FRS 102

Exposure drafts published:

FRC proposes clarification of pensions accounting under FRS 102



For more information please see the following websites:

www.ukaccountingplus.co.uk

www.deloitte.co.uk

Recent developments (continued)

Other:

FRC publishes updated UK Corporate Governance Code

Competition and Markets Authority (CMA) finalises UK audit market reforms

Council of the European Union adopts ESG disclosure Directive for large companies and groups

BIS consults on UK implementation of the EU Accounting Directive

The Financial Conduct Authority (FCA) consults on early implementation of the Transparency Directive's requirements for reports on payments to governments

BIS publishes response to its consultation on country-by-country reporting in the extractive industries

European Commission consults on the impact of IFRSs in the EU

Financial Reporting Lab publishes insight report on 'Clear and Concise' reporting

FRC publishes XBRL taxonomies for IFRS, FRS 101 and FRS 102

Charity commission reminds charities with net current liabilities of the need for adequate disclosures in the trustees' Annual Report

The Professional Accountants in Business Committee (PAIB) of the International Federation of Accountants (IFAC) publish guidance on supplementary financial measures

ACCA publishes interim guidance on carbon accounting for small businesses

Deloitte publications, interviews and recordings



Point of view:

Designed for CEOs, CFOs and non-executive directors; issues from the last quarter include:

Non-financial corporates – new financial instrument standard changes financial asset classification and bad debt provisioning

Banking and securities sector – banks required to adopt new expected loss model and changes to financial asset classification

Need to know:

Designed for financial controllers, chief accountants and accounting technicians; issues from the last quarter include:

IASB proposes amendments to IAS 12 to clarify the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value

IASB publishes amendments to IFRS 10 and IAS 28 (2011) dealing with the sale or contribution of assets between an investor and its joint venture or associate

BIS and FRC consult on changes to law and accounting standards as a result of the UK implementation of the EU Accounting Directive

IASB proposes amendments to clarify the unit of account and measurement of quoted investments in subsidiaries, joint ventures and associates at fair value

IASB publishes Discussion Paper on rate regulation

IASB issues *Annual Improvements to IFRSs: 2012-2014 Cycle*

IFRS in focus:

Issues from the last quarter include:

IASB issues amendments to IAS 27 to allow the use of the equity method in separate financial statements

IFRS Project Insights:

Issues from the last quarter include:

Leases

Governance in brief:

A summary of the latest corporate governance developments; issues from the last quarter include:

FRC issues updated UK Corporate Governance Code and Guidance on Risk Management, Internal Control and Related Financial and Business Reporting

The Competition & Markets Authority's final Order on mandatory tendering and audit committee responsibilities for FTSE 350 companies

Other publications:

Annual report insights 2014 – Providing a clear steer – *This publication analyses the annual reports of 100 listed UK companies from multiple sectors and provides suggestions on how annual reports can be improved. It examines how organisations have dealt with the latest corporate reporting challenges, including the narrative and financial elements, identifying new innovations and highlighting industry best practice as a take away for preparers to consider.*

IFRS in your pocket 2014 – *The 2014 edition includes background information on the structure and workings of the IASB, analysis of the use of IFRSs around the world, summaries of all current Standards and Interpretations, and up-to-date details of IASB and IFRIC agenda projects.*

EPRA Annual Report Survey 2013/14 – *This survey comprises a review of 84 annual reports from leading listed real estate companies across Europe to assess compliance with the Best Practices Recommendations (BPR) of the European Public Real Estate Association (EPRA). This year, for the first time, the results take into account the new EPRA Cost Ratios as well as the established EPRA Performance Measures.*

Insurance webcasts:

Insurance webcast 47 — progress towards finalising IFRS 4 Phase II slow down





IFRS:

EFrag's Discussion Paper (DP) regarding the amortisation of goodwill

IASB ED/2014/2 'Investment Entities: Applying the Consolidation Exception (Proposed amendments to IFRS 10 and IAS 28)'

Tentative agenda decision on IAS 21 *The effects of changes in Foreign Exchange rates* – foreign exchange restrictions and hyperinflation

Tentative agenda decision on IAS 16 *Property, Plant and Equipment* and IAS 2 *Inventories* – core inventories

Tentative agenda decision on IAS 39 *Financial Instruments: Recognition and Measurement* – holder's accounting for the exchange of equity instruments

Tentative agenda decision on IFRS 12 *Disclosure of Interests in other Entities* – disclosure of summarised financial information about material joint ventures and associates

Tentative agenda decision on IAS 16 – accounting for proceeds and cost of testing on fixed assets

Others:

CMA proposals for audit reform in the UK

FCA consultation to remove the requirement to publish interim management statements

IAASB's Exposure Draft on proposed changes to various International Standards on Auditing (ISAs) to better deal with disclosures in financial statement audits

The Federation of European Accountants (FEE) discussion paper 'The Future of Audit and Assurance'

Other comment letters, including responses to IFRSIC tentative agenda decisions, can be found by clicking [here](#).

New and revised pronouncements for 30 September 2014 year-ends



The table below provides a summary of pronouncements that will be newly effective for those with 30 September 2014 year-ends.

Although not mentioned below, since their mandatory effective date is periods commencing on or after 1 January 2014, amendments to IAS 36 may be attractive for voluntarily adopting early, since they remove the requirement to disclose the recoverable amount of all CGUs with significant goodwill, which was inadvertently added when IFRS 13 was issued.

Pronouncement	Newly effective for those reporting under IFRSs as issued by the IASB	Newly effective for those reporting under IFRSs as endorsed by the EU
New or revised standards		
IFRS 10 <i>Consolidated Financial Statements</i>	Yes	Not yet effective
IFRS 11 <i>Joint Arrangements</i>	Yes	Not yet effective
IFRS 12 <i>Disclosures of Interests in Other Entities</i>	Yes	Not yet effective
IFRS 13 <i>Fair Value Measurement</i>	Yes	Yes
IAS 19 <i>Employee Benefits</i>	Yes	Yes
IAS 27 (2011) <i>Separate Financial Statements</i>	Yes	Not yet effective
IAS 28 (2011) <i>Investments in Associates and Joint Ventures</i>	Yes	Not yet effective
Amendments		
Deferred Tax: <i>Recovery of Underlying Assets</i> (Amendments to IAS 12)	Effective in previous periods	Yes
<i>Severe Hyperinflation and Removal of Fixed Dates for Firsttime Adopters</i> (Amendments to IFRS 1)	Effective in previous periods	Yes
<i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i> (Amendments to IFRS 7)	Yes	Yes
<i>Government Loans</i> (Amendments to IFRS 1)	Yes	Yes
<i>Annual Improvements 2009-2011 Cycle</i>	Yes	Yes
<i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>	Yes	Not yet effective
Interpretations		
IFRIC 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	Yes	Yes
Regulatory requirements		
Strategic report (for UK companies other than small companies)	Yes	Yes
New directors' remuneration report (for UK quoted companies)	Yes	Yes
2012 UK Corporate Governance Code (for listed companies)	Yes	Yes

For those standards issued but not yet effective, the latest EU endorsement status can be found [here](#).

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Designed and produced by The Creative Studio at Deloitte, London. 39043A