



Issue: Number 113
Date: 18 April 2008
Subject: AASB Meeting 86, 17 April 2008

Key Management Personnel Disclosures

The Board decided to issue an Exposure Draft (ED) proposing that disclosing entities that are companies be exempted from complying with key management personnel (KMP) disclosures in AASB 124 *Related Party Disclosures* [paragraphs Aus25.2 to Aus25.7.2]. Those companies are required to disclose remuneration information about individual KMP in the remuneration report under section 300A of the *Corporations Act 2001* and Regulation 2M.3.03. The existing ASIC relief from making duplicate disclosures expires before the end of June 2008. The Board will vote on the ED out-of-session. It expects to issue the ED by the end of April, with 19 May 2008 the closing date for comments and expects that the new relief will be in place by 30 June 2008.

Superannuation Plans and ADFs

The Board agreed that:

- the accrued benefits of members of a superannuation plan or an approved deposit fund (ADF) should be recognised as liabilities in the financial statements of the plan or ADF; and
- the amendments to AASB 101 *Presentation of Financial Statements* and AASB 132 *Financial Instruments: Presentation* arising from AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation* should not apply to superannuation plans or ADFs as it would produce different presentations for similar entities.

The Board also agreed to give further consideration to whether a deficiency in relation to a superannuation plan's defined benefit members compared with the members' accrued benefits represents an asset that would be recognised in the plan's financial statements and how it might be measured.

Interpretations

Distributions of Non-cash Assets to Owners

The Board considered a draft AASB submission on IFRIC Draft Interpretation D23 *Distributions of Non-cash Assets to Owners*, which addresses the accounting by an entity that declares a distribution and has an obligation to distribute assets to its owners. This includes addressing how the entity should measure the dividend payable, and how the entity should account for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when the dividend is settled.

The Board noted that, in practice, the majority of distributions of non-cash assets to owners are common control transactions and providing an Interpretation might provide a solution to the common control accounting issue.

Accordingly, the Board agreed to acknowledge the need for accounting guidance in this area, and to express a

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preference that these types of transactions be dealt with instead as part of the IASB's project on common control transactions. Alternatively, if the project is progressed separately, The Board agreed that it should be dealt with by the IASB as an amendment to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Customer Contributions

IFRIC Draft Interpretation D24 *Customer Contributions* aims to standardise practice for initial recognition of, and subsequent accounting for, the receipt of items of property, plant and equipment or cash (customer contributions) that the entity is required to use to construct or acquire an item of property, plant and equipment that, in turn, must be used to provide access to a supply of goods or services. The Board decided to make the following comments in its submission to the IFRIC on D24:

- the scope of the Draft Interpretation should be narrower and more clearly defined, or the IFRIC should not issue an Interpretation on this topic;
- it disagrees with the proposal that revenue, in all cases, should be recognised in respect of customer contributions only as ongoing access to a supply of goods or services is provided; and
- the appropriate accounting treatment of a customer contribution should depend on the circumstances, such as whether the customer is entitled to remain connected to the network as a result of making the contribution, and whether there are supply price differentials arising from the customer contribution.

Planning

The Board discussed its key strategies and Business Plan 2008-09 in private. The Business Plan 2008-09 will be published on the website following consideration by the FRC.

Minutes

The Board approved the minutes of the meeting held on 5-6 March 2008. These are now published on the website.

Next Meeting on 21-22 May 2008

The Board will meet, in public, with its Consultative Group on Wednesday, 21 May 2008.

It is anticipated that the Board will also deal with the following items:

- Amendments to AASB 1049 arising from AASB 101
- Definition of Not-for-Profit Entity
- GAAP/GFS (Entities within the GGS)
- Interpretations
- KMP Disclosures
- Non-exchange Income
- Superannuation Plans and ADFs

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2008 Meeting Dates

Remaining 2008 meeting dates are:

- May 21-22
- June 25-26
- July 30-31 (joint meeting with NZ FRSB – Auckland)
- September 24-25
- November 12-13
- December 17-18

Unless indicated otherwise, meetings are held in Melbourne.

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