

GAAP 2004.

In your pocket

A summary of UK financial reporting

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Deloitte guidance

This guide is one of a series of publications and resources from Deloitte to assist users in understanding financial reporting in the UK and internationally. These include:

- GAAP 2004** Detailed manual of UK financial reporting, including IFRS comparisons, updated quarterly. Published on paper and CD-ROM by CCH publications. Contact CCH on 08707 772906 or <http://www.abgpublications.co.uk>
- GAAP Newsletter** Quarterly newsletter of latest developments. Free download available from our website e-library, or by direct mail through a Deloitte contact.
- GAAP Alert** Short bulletin to announce a new development in accounting. Free download available from our website e-library, or by direct mail through a Deloitte contact.

Further information on all the above publications is available from:
<http://www.deloitte.com/dtt/article/0,2297,sid%253D2850%2526cid%253D4624,00.html>

Further information and up-to-date news on IASB developments, together with reference and training materials for download, is available from our comprehensive IAS Plus website <http://www.iasplus.com>

Abbreviations used in this publication

ASB	UK Accounting Standards Board
UITF	Urgent Issues Task Force (of ASB)
FRRP	Financial Reporting Review Panel
FRS	Financial Reporting Standard
SSAP	Statement of Standard Accounting Practice
STRGL	Statement of Total Recognised Gains and Losses
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard
IAS	International Accounting Standard
SIC	Standing Interpretations Committee (of IASB)
IFRIC	International Financial Reporting Interpretations Committee (of IASB)
EU	European Union
GAAP	Generally Accepted Accounting Practice

Current UK standards

UK standards and interpretations in issue 1 January 2004

The following pages summarise information on UK accounting standards and UITF interpretations in issue on 1 January 2004 under the following headings:

- Effective date – generally an accounting period to which a standard applies.
- Objective – a one line description of the standard's purpose.
- Key features – summary of principles and requirements.
- Related UITF – UITF Abstracts that interpret a standard.
- Review Panel cases – cross reference to FRRP press notices for the last 5 years.
- Deloitte guidance – cross reference to GAAP 2004, GAAP Alert or Newsletter.

After each standard, there is an indication of the impact of IFRS implementation in 2005, based on IFRS in issue at 1 January 2004, with an indication of standards expected to be in issue on 1 April 2004. Standards issued after this date will not be mandatory in 2005 IFRS financial statements.

FRS 1 Cash flow statements (revised 1996)

Effective date	Periods ending on or after 23 March 1997.
Objective	Requirement for, and form of, cash flow statements.
Key features	<ul style="list-style-type: none"> • Defines entities required to present a cash flow statement. Significant number of exemptions. • Prescribes detailed format under 9 headings, based on strict definition of cash. • Requirement for reconciliations to key profit and balance sheet numbers.
Related UITF	None.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 45.

Impact of IFRS implementation

IAS 7 Cash Flow Statements:

- No scope exemptions – all IFRS financial statements are required to include a cash flow statement.
- Only 3 headings are used: operating, investing and financing.
- Final total is movement in cash and cash equivalents (similar to FRS 1 pre-1996).

FRS 2 Accounting for subsidiary undertakings

Effective date	Periods ending on or after 23 December 1992.
Objective	Framework for consolidated accounts, based on a parent entity concept.
Key features	<ul style="list-style-type: none">• Defines the scope, exemptions and bases of consolidated accounts.• Interprets the Companies Act definitions of parent and subsidiary entities, based on ability to control and actual exercise of control.
Related UITF	<p>UITF 31 “Exchanges of businesses or other non-monetary assets for an interest in a subsidiary, joint venture or associate” (Effective for transactions first accounted for in financial statements relating to periods commencing on or after 23 December 2001).</p> <ul style="list-style-type: none">• Addresses the accounting for transactions where an entity A exchanges a business or other non-monetary assets for an interest in another entity B which becomes A’s subsidiary, joint venture or associate.• A’s retained interest should be at its pre-transaction carrying amount and its share of B’s net assets at fair value.• The excess of the fair value of the consideration received by A over the book value of assets given up is a gain which, if unrealised, is shown in the STRGL.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 23.

Impact of IFRS implementation

IAS 27 Consolidated and Separate Financial Statements:

- Subsidiary defined on the basis of power to control. Thus there is no exclusion from consolidation on grounds of severe long-term restrictions, as this would not be a subsidiary.
- Minority interests disclosed within shareholders' funds (whole entity concept).
- Where parent financial statements are presented, investment in subsidiaries, associates and joint ventures shall be either at cost or fair value (in accordance with IAS 39).

FRS 3 Reporting financial performance

Effective date	Periods ending on or after 22 June 1993.
Objective	Establishes statements and components of financial performance.
Key features	<ul style="list-style-type: none"> • Defines the form and content of the profit and loss account, statement of total recognised gains and losses, and statement of movements on shareholders' equity. • Requires analysis of continuing and discontinued activities. • Defines and requires disclosure of exceptional items. • Defines and specifies accounting for prior year adjustments.
Related UITF	None.
Review Panel cases	<p>Princedale Group plc – FRRP press notice 69 (http://www.frrp.org.uk/publications/publication348.html)</p> <p>Ensor Holdings PLC – FRRP press notice 61 (http://www.frrp.org.uk/publications/publication287.html)</p> <p>PWS Holdings PLC – FRRP press notice 58 (http://www.frrp.org.uk/publications/publication257.html)</p>
Deloitte guidance	GAAP 2004 chapters 9 and 11.

Impact of IFRS implementation

IAS 1 Presentation of Financial Statements:

- Defines primary statements and limited format requirements for IFRS financial statements.
- No equivalent to FRS 3 STRGL.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors:

- Treatment of prior year adjustments consistent with FRS 3.
- Requires prior year restatement for all material errors.

IAS 35 Discontinuing activities:

- Requires analysis of activities to which the entity is committed to a disposal. This will be an earlier date than the FRS 3 equivalent of a discontinued operation.

FRS 4 Capital instruments

Effective date	Periods ending on or after 22 June 1994.
Objective	Classification and measurement for capital instruments based on legal form.
Key features	<ul style="list-style-type: none">• Defines capital instruments under 3 headings: debt, non-equity or equity based on strict definitions.• All costs relating to debt and non-equity are spread.
Related UITF	<p>UITF 11 Capital instruments: issuer call options (Effective for periods ending on or after 23 October 1994).</p> <ul style="list-style-type: none">• Allows costs payable by an issuer on the exercise of an issuer only call option to be excluded from finance costs. <p>UITF 33 Obligations in capital instruments (Effective for periods ending on or after 23 March 2002).</p> <ul style="list-style-type: none">• Addresses the presentation of debt that can be settled at the issuer's discretion either by transfer of economic benefits or issue of equity shares.

- Debt will be shown as a liability if (a) there is no genuine commercial possibility that the option to issue shares will be exercised; or (b) in other cases, the number of shares that could be issued to settle the debt will vary so that the total fair value of the shares issued will always equal the amount of the obligation. Additionally, the instrument should be treated as a liability if the entity does not have the authority to issue sufficient equity shares.

Review Panel cases None.

Deloitte guidance GAAP 2004 chapters 17 and 19.

Impact of IFRS implementation

IAS 32 Financial instruments: Disclosure and Presentation:

- Financial instruments issued by an entity are classified under 2 headings only: liability or equity.
- Compound instruments (eg convertible debt) is bifurcated into debt and equity components.

IAS 39 Financial instruments: Recognition and Measurement:

- Allows designation of non-trading financial instruments held as liabilities as trading and hence carried at fair value.

Other aspects of IAS 32 and IAS 39 are considered under FRS 5 and FRS 13.

FRS 5 Substance of transactions

Effective date	<p>Periods ending on or after 22 September 1994.</p> <p>Application Note F on PFI transactions: periods ending on or after 10 September 1998.</p> <p>Application Note G on revenue recognition: periods ending on or after 23 December 2003.</p>
Objective	Requires the substance of a transaction to take precedence over its legal form.

Key features	<ul style="list-style-type: none">• Sets conditions for recognition, de-recognition and partial de-recognition of assets and liabilities.• Provides guidance on separation of legal title from benefits and risks, linking of transactions and evaluation of options.• Defines linked presentation for certain non-recourse finance.• Requires offset of debit and credit balances with a counter party where there is a right to net settlement that survives insolvency of the other party.• Defines, and requires consolidation of, a quasi-subsidiary.• Application Notes give detailed guidance on specific transactions.
Related UITF	<p>UITF 36 Contracts for sales of capacity (Effective for periods ending on or after 23 June 2003).</p> <ul style="list-style-type: none">• Specifies circumstances when a sale or exchange of capacity of a physical asset is accounted for as a sale of an asset. <p>UITF 13 was originally issued as an interpretation of FRS 5. It is superseded by UITF 38 effective for periods ending on or after 22 June 2004. UITF 38 is considered in the section dealing with “Other UITF interpretations” later in the publication.</p>
Review Panel cases	<p>Kensington Group plc – FRRP press notice 76 (http://www.frrp.org.uk/publications/publication406.html)</p> <p>Wiggins Group plc – FRRP press notice 65 (http://www.frrp.org.uk/publications/publication330.html)</p>
Deloitte guidance	GAAP 2004 chapters 28 and 42.

Impact of IFRS implementation

General: there is no direct equivalent IFRS dealing with the substance of transactions, although the Framework includes substance over form as a qualitative characteristic of financial statements.

Derecognition: IAS 39 Financial instruments: Recognition and Measurement includes criteria for derecognition of financial instruments based on control.

Linked presentation: there is no concept of linked presentation under IFRS.

Offset: IAS 32 Financial instruments: Disclosure and Presentation requires that financial instruments should be offset when there is both a right and intention to settle net.

Quasi-subsidiaries: SIC 12 requires consolidation of a controlled special purpose entity (SPE). The definition of controlled SPE is widely drawn.

Revenue recognition: IAS 18 Revenue recognition is more detailed than Application Note G, although it is based on similar principles.

FRS 6 Acquisitions and mergers

Effective date	Business combinations first accounted for in periods commencing on or after 23 December 1994.
Objective	Establishes a regime for classifying acquisitions and mergers accounting based on the substance of transactions.
Key features	<ul style="list-style-type: none"> • Merger accounting is required where (in addition to three legal requirements) five criteria are met. • Where the conditions are not met, acquisition accounting is required. • Group reorganisations, in which there is no change in shareholders or their respective rights, are merger accounted. • Includes detailed disclosure requirements.
Related UITF	<p>UITF 15 Disclosure of substantial acquisitions (Effective for periods to which FRS 6 applies).</p> <ul style="list-style-type: none"> • Restores the FRS 6 classifications of acquisitions following amendments to Stock Exchange rules.

Review Panel cases	QA Services (No.2) Limited (formerly Pontis Consulting Plc) – FRRP press notice 72 (http://www.frrp.org.uk/publications/publication357.html) Photobition Group PLC – FRRP press notice 57 (http://www.frrp.org.uk/publications/publication244.html)
Deloitte guidance	GAAP 2004 chapter 24.

Impact of IFRS implementation

New IFRS expected before 1 April 2004:

- Common control transactions (wider than UK group reorganisations) are scoped out.
- All business combinations falling within the scope are acquisitions, requiring the identification of an acquirer.
- Goodwill must not be amortised but subject to an annual impairment test under IAS 36.

FRS 7 Fair values in acquisition accounting

Effective date	Business combinations first accounted for in periods commencing on or after 23 December 1994.
Objective	Establishes the basis of allocating purchase cost to underlying assets and liabilities acquired in a business combination accounted for as an acquisition.
Key features	<ul style="list-style-type: none">• The basis of valuing assets is generally net replacement cost.• Only separable intangible assets are recognised.• Liabilities are restricted to those which existed prior to control passing, and based on their condition at that time.
Related UITF	UITF 22 The acquisition of a Lloyd's business (Effective for periods ending on or after 23 December 1998). <ul style="list-style-type: none">• Requires a fair value asset to be recorded for profits of unclosed years.

Review Panel cases	Liberty International PLC – FRRP press notice 73 (http://www.frrp.org.uk/publications/publication372.html) Aim Group PLC – FRRP press notice 56 (http://www.frrp.org.uk/publications/publication170.html)
Deloitte guidance	GAAP 2004 chapter 24.

Impact of IFRS implementation

New IFRS expected before 1 April 2004:

- Requires identifiable intangible assets and contingent liabilities to be recognised at fair value.

FRS 8 Related party disclosures

Effective date	Periods commencing on or after 23 December 1995.
Objective	Disclosure of relationships and material transactions which may be affected.
Key features	<ul style="list-style-type: none"> • Requires disclosure of transactions with parties where a relationship of control or influence exists. • Requires disclosure of the identity of controlling parties.
Related UITF	None.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 32.

Impact of IFRS implementation

IAS 24 Related Party Disclosures:

- No exemption for less than wholly-owned subsidiaries.
- Requirement to disclose the nature of the related party relationship rather than the name.
- Requires disclosure of the compensation of key management personnel.
- Requires disclosure of the entity's parent and, if different, the ultimate controlling party.

FRS 9 Associates and joint ventures

Effective date	Periods ending on or after 23 June 1998.
Objective	Accounting definitions and requirements for associates, joint ventures and joint arrangements.
Key features	<ul style="list-style-type: none">• Associates are accounted for on a net equity basis.• Joint ventures are accounted for on a gross equity basis.• Joint arrangements that are not entities (JANEs) are accounted for by including the assets, liabilities, revenue, expenses and cash flows attributable to the investor.
Related UITF	<p>UITF 31 “Exchanges of businesses or other non-monetary assets for an interest in a subsidiary, joint venture or associate” (Effective for transactions first accounted for in financial statements relating to periods commencing on or after 23 December 2001).</p> <ul style="list-style-type: none">• See FRS 2 above.
Review Panel cases	Avesco plc – FRRP press notice 68 (http://www.frrp.org.uk/publications/publication346.html)
Deloitte guidance	GAAP 2004 chapter 25.

Impact of IFRS implementation

IAS 28 Investments in associates:

- Associates, based on the power to influence, are equity accounted. There is no guidance on presentation in the Income Statement.
- Equity accounting is suspended for an associate with net liabilities.

IAS 31 Interests in joint ventures:

- Jointly controlled entities (UK joint ventures and JANEs structured within entities) may be proportionately consolidated or equity accounted.
- Jointly controlled assets and operations (not structured within an entity) are accounted for by including the assets, liabilities, revenue, expenses and cash flows attributable to the investor.

FRS 10 Goodwill and intangible assets

Effective date	Periods ending on or after 23 December 1998.
Objective	Requirements for recognition and expensing of goodwill and intangible assets.
Key features	<ul style="list-style-type: none"> Internally generated goodwill may not be recognised. Purchased goodwill is capitalised and classified as an asset. Internally developed intangible assets are recognised only if they have a readily ascertainable market value. Purchased intangible assets are capitalised. Intangible assets acquired as part of a business combination are recognised only if they are separable and can be measured reliably. Goodwill and intangible assets are amortised over their useful economic lives if this is finite, or not amortised if this is indefinite. Negative goodwill is classified alongside positive goodwill and amortised. Where the period of amortisation exceeds 20 years, an impairment test is carried out annually. In other cases, an impairment test is carried at the end of the first full year after acquisition, and then if there is an indicator of impairment.
Related UITF	<p>UITF 24 Accounting for start up costs (Effective for periods ending on or after 23 July 2000).</p> <ul style="list-style-type: none"> See FRS 15. <p>UITF 29 Website development costs (Effective for periods ending on or after 23 March 2001).</p> <ul style="list-style-type: none"> See FRS 15. <p>UITF 27 Revisions to estimates of the useful economic life of goodwill and intangible assets (Issued 8 December 2000 with immediate effect).</p> <ul style="list-style-type: none"> Whenever estimated useful economic life is revised, the carrying value should be amortised over that remaining life even if the presumption of a maximum 20 year life had previously been rebutted.

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Review Panel cases	Equator Group Plc – FRRP press notice 74 (http://www.frrp.org.uk/publications/publication385.html) Artisan (UK) plc – FRRP press notice 64 (http://www.frrp.org.uk/publications/publication329.html) Sinclair Montrose Healthcare PLC – FRRP press notice 60 (http://www.frrp.org.uk/publications/publication268.html)
Deloitte guidance	GAAP 2004 chapter 13.

Impact of IFRS implementation

New IFRS on Business Combinations, and a revised version of IAS 38 are expected before 1 April 2004:

- Requirements for internally generated intangible assets and goodwill are similar.
- Recognition of identifiable intangible assets acquired in a business combination leads to a lower proportion of purchase consideration allocated to goodwill.
- Positive goodwill must not be amortised but tested annually for impairment under IAS 36.
- Negative goodwill is recognised immediately as a gain.

FRS 11 Impairment of fixed assets and goodwill

Effective date	Periods ending on or after 23 December 1998.
Objective	Imposes a methodology for the measurement and reporting of losses from impairment of fixed assets.
Key features	<ul style="list-style-type: none">• An impairment test is required only when there is an indication of impairment. However, for goodwill or intangible assets with estimated life greater than 20 years, FRS 10 requires the test to be carried out every year.• Under the test, assets are written down to their recoverable amount, being the higher of net realisable value and value in use (measured for the income generating unit into which the asset is allocated).
Related UITF	None.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 44.

Impact of IFRS implementation

A revised version of IAS 36 Impairment of Assets is expected before 1 April 2004:

- Scope extends to investments in subsidiaries, associates and joint ventures.
- Goodwill must be allocated to a cash generating unit and tested annually. Intangible assets with an indefinite life must be tested annually. Other assets are tested when there is an indicator of an impairment.
- Impairment of a revalued asset may always be reported as a reversal of the revaluation.
- No requirement to monitor cash flows following an impairment write down.
- No requirement to measure unrecognised internally generated goodwill when merging businesses.

FRS 12 Provisions, contingent liabilities and contingent assets

Effective date	Periods ending on or after 23 March 1999.
Objective	To ensure that appropriate recognition criteria and measurement bases are applied to provisions, contingent liabilities and contingent assets.
Key features	<ul style="list-style-type: none"> • Provisions are required when, and only when, a pre-balance sheet event has given rise to a post-balance sheet legal or constructive obligation, which requires a transfer of economic benefits that can be estimated reliably. • Amount recognised is the best estimate of the settlement amount. • Contingent liabilities require disclosure only when there is a possible obligation which will be confirmed by a future event outside the entity's control. • Contingent assets require disclosure only when a future inflow of benefits is probable but not virtually certain.
Related UITF	None.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 18.

Impact of IFRS implementation

IAS 37 Provisions, Contingent Liabilities and Contingent Assets has no differences of substance from FRS 12. However, IASB is considering two amendments before 1 April 2004:

- Align the definition of contingent asset and contingent liability with US GAAP. This will not change the meaning of either definition.
- Require a higher level of evidence for a constructive obligation to exist. This may result in certain closure provisions being made at a later date than under present UK and IFRS GAAP.

FRS 13 Derivatives and other financial instruments: disclosures

Effective date	Periods ending on or after 23 March 1999.
Objective	Disclosure of narrative and numerical information about an entity's use of, and exposure to, financial instruments.
Key features	<ul style="list-style-type: none">• Applies to entities with a capital instrument that is listed or publicly traded, banks and financial institutions.• Narrative disclosures, usually given in the Operating and Financial Review, explain objectives, policies and strategies.• Numerical disclosures include four tables in supporting notes to the balance sheet covering credit and interest rate risk, liquidity and fair values of financial instruments.• Additional disclosures related to trading, hedges, commodity contracts and market price risk.
Related UITF	None.
Review Panel cases	General warning regarding failure to apply FRS 13 – FRRP press notice 66 (http://www.frrp.org.uk/publications/publication334.html)
Deloitte guidance	GAAP 2004 chapter 21.

Impact of IFRS implementation

IAS 32 Financial instruments: Disclosure and Presentation:

- No scope exemptions. Disclosures related to financial liabilities will be more widespread under IFRS.
- Requires disclosure of the nature of each instrument including significant terms and conditions that may affect the amount, timing and certainty of future cash flows.

IAS 39 Financial instruments: Recognition and Measurement:

- Requires all derivatives, including certain 'embedded derivatives' to be carried on-balance sheet at fair value.
- All financial assets are classified into one of four categories: trading, held-to-maturity, originated loans and receivables, and available-for-sale. Requirements cover basis of measurement and reporting of gains and losses.
- All financial liabilities are classified into one of two categories: trading and other. Requirements cover basis of measurement and reporting of gains and losses.
- Limited scope for hedge accounting when strict conditions are met. Further amendment to IAS 39 hedging rules are expected to be issued before 1 April 2004.

FRS 14 Earning per share

Effective date	Periods ending on or after 23 December 1998.
Objective	Prescribes the basis for calculating and presenting earnings and other amounts per share.
Key features	<ul style="list-style-type: none"> • Applies to entities with ordinary or potential ordinary shares which are publicly traded. • Requires disclosure of basic and diluted earnings per share figures on the face of the P&L account. • Allows alternative measures of earnings per share with appropriate explanation and reconciliation.
Related UITF	None.

Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 10.

Impact of IFRS implementation

IAS 33 Earnings per share is substantially similar to FRS 14, but there are minor differences, the principle differences being:

- Requirement to additionally show earnings per share from continuing operations on the face of the Income Statement, and from discontinuing operations by way of note.
- Additional earnings per share may only be shown by way of note.
- Where contracts may be settled in cash or shares at the issuer's option, such shares shall be included in potential ordinary shares.
- Inclusion in basic earnings per share of shares to be issued upon conversion of a compulsorily convertible security.

FRS 15 Tangible fixed assets

Effective date	Periods ending on or after 23 March 2000.
Objective	Prescribes the principles for initial measurement, re-measurement and depreciation of tangible fixed assets.
Key features	<ul style="list-style-type: none">• Tangible fixed assets are initially recorded at cost, which includes only directly attributable costs necessary to bring the asset to working condition. Cost includes end of life dismantling provisions.• Capitalisation of borrowing costs for a class of assets is optional.• Assets should never be carried at more than their recoverable amount.• Subsequent expenditure is capitalised if it enhances economic benefits beyond that originally assessed, replaces or restores a component which has been depreciated, or relates to major maintenance that has been charged through depreciation.• Revaluation to current value for a class of assets is optional.

- Depreciable amount of an asset is allocated, and charged, over the asset's useful economic life on a systematic basis. Components of an asset should be allocated separately.

Related UITF

UITF 23 Application of the transitional rules in FRS 15 **(Effective for periods ending on or after 23 March 2000)**.

- States the basis for applying the transitional rules of FRS 15 to components of an asset.

UITF 24 Accounting for start up costs **(Effective for periods ending on or after 23 July 2000)**.

- Requires start-up costs that do not meet the criteria for recognition as an asset under FRS 10, FRS 15 or SSAP 13 to be expensed.

UITF 29 Website development costs **(Effective for periods ending on or after 23 March 2001)**.

- Website development costs relating to design and content should be capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. They should be classified as tangible fixed assets and depreciated in accordance with FRS 15, and tested for impairment in accordance with FRS 11.

Review Panel cases

Groupe Chez Gerard plc – FRRP press notice 71
(<http://www.frrp.org.uk/publications/publication351.html>)

Wyevale Garden Centres plc – FRRP press notice 70
(<http://www.frrp.org.uk/publications/publication350.html>)

Northgate plc – FRRP press notice 67
(<http://www.frrp.org.uk/publications/publication344.html>)

Deloitte guidance

GAAP 2004 chapter 14.

Impact of IFRS implementation

IAS 16 Property, Plant and Equipment:

- Revaluation, where adopted, must be to fair value. This would exclude existing use value required by FRS 15 for non-specialised properties.
- Estimated residual values are revised using current prices at the date of revision (rather than the date of acquisition).
- No requirement for an annual impairment test for assets with a life longer than 50 years.
- IASB is considering the treatment of non-current assets held for sale, and is expected to issue a new IFRS before 1 April 2004.

IAS 23 Borrowing costs:

- Requires consistent accounting policy of capitalisation or non-capitalisation for all qualifying assets.
- Amount capitalised is actual borrowing costs less actual investment income from temporary investment.

FRS 16 Current tax

Effective date	Periods ending on or after 23 March 2000.
Objective	Requires consistent and transparent reporting of tax.
Key features	<ul style="list-style-type: none">• Current tax is provided using enacted rates and recognised in the P&L account, unless it relates to an item reported in the STRGL in which case the tax is also reported in the STRGL.• Dividends and interest should be reported gross of withholding taxes paid on behalf of the recipient, but net of tax credits not payable on behalf of the recipient.• Tax should be reported at the actual amount charged; notional tax credits and charges should not be made.
Related UITF	<p>UITF 19 Tax on gains and losses on foreign currency borrowings that hedge an investment in a foreign enterprise (Effective for periods ending on or after 23 March 1998).</p> <ul style="list-style-type: none">• Pre-dates FRS 16 in allowing tax on items reported in the STRGL to be also reported in the STRGL.

Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 27.

Impact of IFRS implementation

IAS 12 Incomes Taxes:

- Prohibits tax assets and liabilities from being combined with other assets and liabilities.

FRS 17 Retirement benefits (amended 2002)

Effective date	Periods beginning on or after 1 January 2005. Lengthy transitional period with disclosure requirements applying to periods ending on or after 22 June 2001.
Objective	To ensure that employer financial statements reflect assets and liabilities from pension obligations at fair value, and recognise costs and value changes in the periods to which they relate.
Key features	<ul style="list-style-type: none"> • Lengthy transition period (2001 – 2005) allows option to apply SSAP 24 basis to recognition with FRS 17 disclosure by way of note. • Defined contribution schemes: pension contributions charged on an accruals basis. • Defined benefits schemes: balance sheet records pension assets at fair value, pension liabilities measured on a projected unit method, and attributable deferred tax; P&L account reports current and past service cost, estimated return on assets, interest cost, gains and losses from settlements and curtailments; STRGL reports actuarial gains and losses. • Multi-employer schemes are assumed to be defined benefits schemes unless “ring-fence” criteria are met.
Related UITF	<p>UITF 35 Death-in-service and incapacity benefits (Effective for periods ending on or after 22 June 2002).</p> <ul style="list-style-type: none"> • Clarifies the FRS 17 (73-74) treatment of the costs of death-in-service and incapacity benefits provided through a defined benefit pension scheme. The liability and cost for the accounting period of uninsured benefits should be measured using the projected unit credit method. The cost of insured benefits is determined by the relevant insurance premiums.

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Review Panel cases None.

Deloitte guidance GAAP 2004 chapter 30.

Impact of IFRS implementation

IAS 19 Employee benefits:

- Wider scope than FRS 17, covering short-term benefits, pensions, post-employment life insurance and medical benefits, other long-term employee benefits (but excluding share based payments).
- Short-term benefits charged on an accruals basis.
- No requirements regarding the classification of deferred benefit scheme gains and losses within the Income Statement.
- Permits actuarial gains and losses below a threshold (the 'corridor') to be spread forward indefinitely; and those above the threshold to be spread forward over the average remaining service life of employees in the scheme.
- Short term "fix" under discussion to allow actuarial gains and losses to be reported in a "Statement of Recognised Income and Expense", equivalent to UK STRGL.

FRS 18 Accounting policies

Effective date Periods ending on or after 22 June 2001. Provisions re SORP compliance: periods commencing on or after 24 December 2001.

Objective Accounting policies used should be the most appropriate and regularly reviewed, with sufficient disclosure to understand policies adopted and their implementation.

Key features

- Defines accounting policies, and estimation techniques used in implementing those policies.
- Requires selection of accounting policies which are most appropriate to an entity's particular circumstances.
- Requires regular review of accounting policies.
- Contains true and fair view override criteria and disclosures.
- Changes of accounting policy are accounted for in accordance with FRS 3.

Related UITF	None.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 5.

Impact of IFRS implementation

IAS 1 Presentation of Financial Statements:

- Requires disclosure of accounting policies.
- Requires disclosure of the judgements which management has made in the process of applying the entity's accounting policies, key assumptions concerning the future, and key sources of estimation uncertainty.
- Includes guidance on meaning of 'present fairly' and circumstances and disclosures for departure from IFRSs.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors:

- Includes guidance for the selection and application of accounting policies, and a hierarchy of guidance in the absence of Standards or Interpretations which includes similar Standards, the IASB Framework, and standards issued by other standard-setters with a similar framework.
- Requires disclosure of an impending change in accounting policy due to a new Standard or Interpretation issued but not in force.

FRS 19 Deferred tax

Effective date	Periods ending on or after 23 January 2002.
Objective	To ensure that future tax consequences of past transactions and events are recognised as assets or liabilities, and that circumstances affecting current and future tax charges are disclosed.
Key features	<ul style="list-style-type: none"> • Requires full provision for the tax effects of timing differences, including items reported at fair value with gains and losses recognised in the P&L account.

- Prohibits the recognition of deferred tax when a fixed asset is revalued but there is no commitment to sell the asset, a gain on sale of a fixed asset is rolled over into replacement assets, or there is no commitment to remit funds from a subsidiary, associate or joint venture on which tax would be payable.
- Permits discounting.
- Requires disclosure of factors that affect current and future tax charges.

Related UITF None.

Review Panel cases None.

Deloitte guidance GAAP 2004 chapter 27.

Impact of IFRS implementation

IAS 12 Income Taxes:

- Requires full provision for temporary differences. This leads to provision being made on revaluation gains including fair value adjustments, and unremitted earnings of associates and joint ventures. There will be many other detailed areas where provision is made under IAS 12, but not under FRS 19.
- Discounting is not permitted.

Financial Reporting Standard for Smaller Entities (Effective June 2002) (FRSSE 2002)

Effective date 2002 revised version effective for periods ending on or after 22 June 2002.

Objective One-stop simplified accounting standard for small entities.

- Key features
- Definitions and accounting treatments are consistent with companies legislation and other accounting standards.
 - Entities applying FRSSE are exempt from applying other accounting standards unless preparing consolidated financial statements in which case other standards apply.
 - Regard should be had to other accounting standards for transactions or events not dealt with in the FRSSE.

Related UITF	None.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 34.

**Impact of IFRS
implementation**

IASB has no current equivalent to FRSE, but has commenced an active research project.

Standards issued by ASB's predecessor body

SSAP 4 Accounting for government grants

Objective	Matching of government grants in the P&L account with related expenditure.
Key features	<ul style="list-style-type: none">• Revenue grants are recognised in the P&L account in the period in which the matching expenditure is charged, or when they are receivable if this is later.• Capital grants are recognised in the P&L account over the expected life of the related assets. Deduction of a grant from the carrying value of an asset is consistent with this principle, but is not permitted by company law.
Related UITF	None.
Review Panel cases	London Underground Limited – FRRP press notice 63 (http://www.frrp.org.uk/publications/publication301.html)
Deloitte guidance	GAAP 2004 chapter 31.

Impact of IFRS implementation

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance is consistent with SSAP 4. On implementation of IFRS, UK companies will no longer be constrained by the company law limitation on the deduction of a grant from the carrying value of an asset.

SSAP 5 Accounting for value added tax

Objective	Prescribe accounting treatment of value added tax.
Key features	<ul style="list-style-type: none">• Turnover shown in the P&L account should exclude VAT.• Irrecoverable VAT on fixed assets should be included in their cost.
Related UITF	None.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 9.

**Impact of IFRS
implementation**

IAS 18 Revenue recognition is consistent with SSAP 5.

SSAP 9 Stocks and long-term contracts

Objective	To apply the principles of matching and prudence to the recognition and consumption of inventories.
Key features	<ul style="list-style-type: none"> • Stocks are carried at the lower of cost and net realisable value. • Long-term contracts are reflected in the P&L account by recording turnover and related costs as contract activity progresses. • Where the outcome of a long-term contract can be assessed with reasonable certainty, attributable profit is recognised. • The excess of turnover over payments received on account is disclosed as a debtor.
Related UITF	<p>UITF 34 Pre-contract costs (Effective for periods ending on or after 22 June 2002).</p> <ul style="list-style-type: none"> • Pre-contract costs directly attributable to obtaining a contract may be capitalised as an asset if they are incurred on or after the date when the contract becomes virtually certain to go ahead. All pre-contract costs incurred before this date, are written off as incurred. <p>Further recent interpretation of the basis of recognising revenue of a long-term contract is provided in FRS 5 Application Note G.</p>
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapters 16 and 42.

Impact of IFRS implementation

IAS 2 Inventories:

- Excludes from its scope certain biological assets related to agricultural activity produce at the point of harvest (being dealt with under IAS 41).
- Excludes from its measurement bases producers of agricultural and forest products, agricultural produce after harvest, and minerals and mineral products, to the extent that they are measured at net realisable value in accordance with well-established practices in those industries.

IAS 41 Agriculture:

- Biological assets are measured at fair value less estimated point-of-sale costs.
- Agricultural produce is measured at fair value less estimated point-of-sale costs at the point of harvest, but not subsequently re-measured.
- Gains and losses on recording fair value are reported in the Income Statement.

IAS 11 Construction Contracts:

- No requirement to calculate attributable profit taking into account known inequalities of profitability on the various stages of the contract.
- Less prescriptive detail in balance sheet presentation.

SSAP 13 Accounting for research and development

Objective	To ensure that only expenditure meeting the definition of an asset is recognised in the balance sheet.
Key features	<ul style="list-style-type: none">• Expenditure on fixed assets is capitalised and depreciated over their useful lives.• Research expenditure is written off as incurred.• Development expenditure is written off as incurred unless it meets 5 criteria, in which case it may be deferred to future periods.
Related UITF	UITF 24 Accounting for start up costs (Effective for periods ending on or after 23 July 2000). <ul style="list-style-type: none">• See FRS 15.

Review Panel cases	<p>Finelot Plc – FRRP press notice 75 (http://www.frrp.org.uk/publications/publication405.html)</p> <p>Wiggins Group plc – FRRP press notice 65 (http://www.frrp.org.uk/publications/publication330.html)</p> <p>Sinclair Montrose Healthcare PLC – FRRP press notice 60 (http://www.frrp.org.uk/publications/publication268.html)</p>
Deloitte guidance	GAAP 2004 chapter 13.

Impact of IFRS implementation

IAS 38 Intangible assets:

- Similar principles to SSAP 13. However, where criteria are met, development expenditure must be deferred and amortised.

SSAP 17 Accounting for post balance sheet events

Objective	To distinguish events that require adjustment from those that require disclosure but no adjustment.
Key features	<ul style="list-style-type: none"> • Adjusting events are those that provide additional evidence of conditions existing at the balance sheet date, and hence require adjustment. • Non-adjusting events are those that concern conditions that arose after the balance sheet, and which may require disclosure, but do not require adjustment unless they indicate that the going concern concept is not appropriate.
Related UITF	None.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 22.

Impact of IFRS implementation

IAS 10 Events after the balance sheet date:

- Dividends to holders of equity declared after the balance sheet date are not recognised as liabilities.
- Dividends declared by subsidiaries after the balance sheet date are not recognised by the parent as income of the previous period.

SSAP 19 Investment properties

Objective	To specify a fair value model for investment properties.
Key features	<ul style="list-style-type: none">• Investment properties are not subject to depreciation, but are included in the balance sheet at open market value.• Changes in value are reported in the STRGL.
Related UITF	None.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 14.

Impact of IFRS implementation

IAS 40 Investment Property:

- Definition of investment property is restricted to property which is owned, or leased under a finance lease. Property leased under an operating lease may also be accounted for as an investment property provided that the lease is accounted for as a finance lease and the entity uses the fair value model for the asset recognised.
- Allows option of a cost model (per IAS 16) or fair value model (per IAS 40).
- Gains and losses under the fair value model, including the initial recognition of fair value of a self-constructed asset, are reported in the Income Statement.

SSAP 20 Foreign currency translation

Objective	To establish procedures for the translation of foreign currencies in both individual entity and consolidated financial statements.
Key features	<ul style="list-style-type: none">• Individual companies should adopt the temporal method, except that transactions to be settled at a contracted forward rate may be recorded at that rate. Where foreign borrowings hedge an equity investment, that investment may be denominated in the appropriate currency and any gains or losses taken to reserves.

- Translation of foreign subsidiaries, associates and branches for inclusion in consolidated financial statements should be carried out using the closing rate/net investment method. Where foreign borrowings hedge a group equity investment, any gains or losses are taken to reserves.

Related UITF	UITF 19 Tax on gains and losses on foreign currency borrowings that hedge an investment in a foreign enterprise (Effective for periods ending on or after 23 March 1998).
	<ul style="list-style-type: none"> • See FRS 16.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 26.

Impact of IFRS implementation

IAS 21 The Effects of Changes in Foreign Exchange Rates:

- Contains detailed and specific guidance on the selection of a functional currency (in which accounting records are normally kept), but allows wide choice of reporting currency.
- Requires translation of a foreign subsidiary's profit and loss account at the average rate only.
- Requires goodwill and fair value adjustments to be treated as foreign currency items and translated at closing rate.
- Requires gains or losses previously recorded directly in equity to be recycled to the Income Statement on disposal of a foreign subsidiary.
- All hedging rules are contained in IAS 39.

SSAP 21 Accounting for lease and hire purchase contracts

Objective	To distinguish between, and describe required accounting for, finance and operating leases.
Key features	<ul style="list-style-type: none"> • Finance leases are those which transfer substantially all the risks and rewards of ownership to the lessee. This is presumed when the present value of minimum lease payments exceeds 90% of the asset's fair value. Operating leases are all other leases.

- Lessees account for finance leases by recording an asset and an obligation for rentals. Lessees account for operating leases by expensing lease rentals on a straight line basis.
- Lessors account for finance leases as a monetary asset. Lessors account for operating leases as a fixed asset.

Related UITF

UITF 28 Operating lease incentives (**Effective for periods ending on or after 22 September 2001 in respect of lease agreements commencing in the current or the preceding accounting period**).

- Requires all incentives to be recognised as part of the net payment for use of the leased asset, irrespective of the nature of the incentive. An incentive is therefore recognised as a reduction of rental expense by a lessee and as a reduction of rental income by a lessor over the shorter of the lease term and the first date on which rentals are reset to market rates.

Review Panel cases

None.

Deloitte guidance

GAAP 2004 chapter 29.

Impact of IFRS implementation

IAS 17 Leases:

- Classification between finance and operating is achieved using 5 primary and 3 secondary criteria. There is no “90%” bright line.
- Land and buildings are bifurcated and classified separately.
- Lessors are required to recognise income on finance leases using a net investment method. Net cash investment methods are not allowed.
- Lease incentives are required to be spread over the whole of the lease term on a straight-line basis (SIC-15) without reference to any reset of rentals to market rates unless another systematic basis is representative of the benefit consumed.

SSAP 24 Accounting for pension costs

Objective	To recognise the expected cost of providing pensions on a systematic and rational basis over the period during which benefit is derived from the employees' services.
Key features	<ul style="list-style-type: none"> • For defined contribution schemes, contributions are charged when payable. • For defined benefit schemes, pension cost is calculated using an actuarial method such that it is a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread, except in limited circumstances.
Related UITF	None.
Review Panel cases	None.
Deloitte guidance	GAAP 2004 chapter 30.

Impact of IFRS implementation

See FRS 17.

SSAP 25 Segmental reporting

Objective	To establish minimum levels of segmental disclosure.
Key features	<ul style="list-style-type: none"> • Applies to public companies, banks, insurance companies and groups, and other large entities. • For each class of business, and each geographical segment, an entity should disclose turnover, result, and net assets.
Related UITF	None.
Review Panel cases	Photobition Group PLC – FRRP press notice 57 (http://www.frrp.org.uk/publications/publication244.html)
Deloitte guidance	GAAP 2004 chapter 20.

Impact of IFRS
implementation

IAS 14 Segment Reporting:

- Distinguishes primary and secondary reporting segments, with greater disclosure for the primary segment.
- A segment is deemed reportable if it accounts for more than 10% of sales, result or net assets.
- Generally higher level of disclosure than SSAP 25, with no exemption on grounds of 'seriously prejudicial'.

Other UITF interpretations not linked to a specific accounting standard

UITF 4 Presentation of long-term debtors in current assets

Effective date	Periods ending on or after 23 August 1992.
Objective	Requires identification of long-term items included in current assets.
Key features	<ul style="list-style-type: none"> UK company law does not permit the presentation of assets other than within fixed or current assets. Accordingly, debtors falling due after more than one year shall be disclosed within current assets and separately disclosed either on the face of the balance sheet or in the notes.
Deloitte guidance	GAAP 2004 chapter 16 section 2.1.2.

Impact of IFRS implementation

IFRS 1 Presentation of Financial Statements:

- Requires debtors (and other assets) falling due after more than one year to be excluded from current assets, and included within non-current assets.

UITF 5 Transfers from current assets to fixed assets

Effective date	Periods ending on or after 23 December 1992.
Objective	Requires transfer at the lower of cost and net realisable value.
Key features	<ul style="list-style-type: none"> Where assets are transferred from current to fixed, the current asset rules shall be applied to the effective date of transfer, which is the date of management's change of intent.
Deloitte guidance	GAAP 2004 chapter 12 section 2.1.1.

Impact of IFRS implementation

There is no general IFRS requirement concerning transfers, but the treatment in UITF 5 is consistent with specific requirements, eg IAS 40 transfer of a property from inventories to investment property.

UITF 9 Accounting for operations in hyper-inflationary economies

Effective date	Periods ending on or after 23 August 1993.
Objective	Defines the circumstances when adjustment is required, and the acceptable bases of adjustment.
Key features	<ul style="list-style-type: none">• Presumption that hyper-inflationary adjustments are required for a true and fair view when cumulative inflation over 3 years approaches or exceeds 100%.• Allows either of 2 methods: adjustment of local currency financial statements before translation; or use of a relatively stable currency as the functional currency.
Deloitte guidance	GAAP 2004 chapter 26 section 4.

Impact of IFRS implementation

IAS 29 Financial Reporting in Hyperinflationary Economies:

- Wider description of indicators of hyper-inflation.
- Requires use of one method – restatement of local currency financial statements to current prices before translation.

UITF 17 Employee share schemes (revised 2003)

Effective date	Periods ending on or after 22 June 2004 (predecessor version issued in 2000 may be applied to earlier periods).
Objective	Defines the measurement and timing of charges to the P&L account in respect of share awards to employees.
Key features	<ul style="list-style-type: none">• Exempts Inland Revenue approved SAYE schemes.• Minimum charge is the fair value of shares at the date of award, less consideration to be paid by employees ('intrinsic value').• Charge is recognised over the period to which performance relates.
Deloitte guidance	GAAP Alert issued December 2003 (see http://www.deloitte.com/dtt/cda/doc/content/UK_Audit-Alert.pdf).

Impact of IFRS implementation

New IFRS 'Share based payments' is expected to be issued before 1 April 2004:

- Requires charge to Income Statement based on the fair value of share awards (eg fair value of option granted).
- Wider application, and more detailed, than UITF 17.

UITF 21 Accounting issues arising from the proposed introduction of the euro

Effective date

Periods ending on or after 23 March 1998.

Objective

Establishes guidance for entities operating in a country that adopts the euro.

Key features

- Differentiates set-up costs between capital and revenue.
- Appendix gives guidance on implementation issues.

Deloitte guidance

GAAP 2004 chapter 5 section 5.1.1.

Impact of IFRS implementation

SIC-7 Introduction of the Euro:

- Deals mainly with the application of IAS 21 to a changeover.

UITF 25 National Insurance contributions on share option gains

Effective date

Periods ending on or after 22 September 2000.

Objective

Requires an accrual for National Insurance on share options granted to employees.

Key features

- National Insurance cost related to options granted to employees should be based on options to be exercised and share price at the balance sheet date, and charged over the related service period.

Deloitte guidance

GAAP 2004 chapter 43 section 3.3.1.

Impact of IFRS implementation

There is no specific IFRS requirement, but the principles of UITF 25 are based on FRS 12 and will therefore be consistent with IAS 37.

UITF 26 Barter transactions for advertising

Effective date	Periods ending on or after 23 December 2000.
Objective	Regulates reporting of barter transactions as revenue.
Key features	<ul style="list-style-type: none">• Only permits turnover and cost of sales in respect of barter transactions for advertising to be recognised where there is evidence from cash sales of similar advertising to support the values.
Deloitte guidance	GAAP 2004 chapter 42 section 4.1.

Impact of IFRS implementation

SIC-31 Barter Transactions Involving Advertising Services:

- Focuses on ability to establish a reliable fair value, rather than the existence of similar cash transactions.

UITF 30 Date of award to employees of shares or rights to shares

Effective date	Periods ending on or after 22 June 2001.
Objective	Defers the measurement of accounting cost to the date when all necessary approvals have been obtained.
Key features	<ul style="list-style-type: none">• Clarifies that where an award of shares to an employee is subject to shareholders' approval, the award is not made until that approval is obtained. This date can affect the amount and timing of costs recognised under Abstracts 17 and 25.
Deloitte guidance	GAAP 2004 chapter 43 section 3.3.2.

Impact of IFRS implementation

There is no specific IFRS requirement, but the principles of UITF 30 are consistent with the expected IFRS dealing with share-based payments.

UITF 32 Employee benefit trusts and other intermediate payment arrangements

Effective date	Periods ending on or after 23 December 2001.
Objective	Clarifies circumstances when assets held in a trust qualify for continued recognition as an asset of an entity.
Key features	<ul style="list-style-type: none"> • When an entity transfers funds to an intermediary, there is a rebuttable presumption that the entity has exchanged one asset (usually cash) for another (such as restricted cash) rather than having incurred an expense. • If the sponsoring entity continues to benefit, and controls the benefit of amounts transferred, they should be recognised as assets and liabilities of the sponsoring entity.
Deloitte guidance	GAAP 2004 chapter 43 section 3.3.3.

Impact of IFRS implementation

There is no specific IFRS requirement. However, assets held by an intermediary may fall within the scope of specific IFRSs, and the intermediary itself may fall within the scope of SIC 12.

UITF 37 Purchases and sales of own shares

Effective date	Periods ending on or after 23 December 2003.
Objective	Establishes the accounting treatment of own shares acquired and held under company law.
Key features	<ul style="list-style-type: none"> • Consideration paid for own shares is deducted in arriving at shareholders' funds. • No gain or loss is recognised in the P&L account or STRGL for the purchase, sale or cancellation of an entity's own shares.
Deloitte guidance	GAAP Newsletter December 2003 (see http://www.deloitte.com/dtt/cda/doc/content/uk_Audit_GaapNewsletter_2004.pdf).

Impact of IFRS implementation

SIC-16 'Share Capital – Reacquired Own Equity Instruments (Treasury Shares)' is consistent with UITF 37.

UITF 38 Accounting for ESOP trusts

Effective date	Periods ending on or after 22 June 2004. (NB UITF 13 is superseded by UITF 38, but remains in force until UITF 38 becomes effective. UITF 13 is not considered in this publication).
Objective	Extends the principles of treasury share accounting (UITF 37) to shares held in an ESOP.
Key features	<ul style="list-style-type: none">• Until shares held in an ESOP vest unconditional in employees, they are shown as a deduction in arriving at shareholders' funds.• No gain or loss is recognised in the P&L account or STRGL for the purchase, sale or cancellation of an entity's own shares.• Finance costs and administration expenses are charged as expenses as they accrue.• Dividend income on own shares is excluded from the P&L account.
Deloitte guidance	GAAP Alert issued December 2003 (see http://www.deloitte.com/dtt/cda/doc/content/UK_Audit-Alert.pdf).

Impact of IFRS implementation

There is no specific IFRS requirement dealing with shares held in trust, but the principles of UITF 38 are consistent with SIC-12 and SIC-16.

Other statements issued by ASB

Operating and financial review (revised statement issued January 2003)

Effective date	Voluntary. (Draft regulations for a statutory statement are expected to be published early in 2004).
Objective	Framework for directors to discuss and analyse business results.
Key features	<ul style="list-style-type: none"> Includes general principles, and detailed guidance on content.
Deloitte guidance	GAAP 2004 chapter 6 section 5.

Impact of IFRS implementation

IASB has no current guidance, but has discussed the subject as a potential agenda topic.

Preliminary announcements

Effective date	Voluntary.
Objective	Establishes principles for preparation of preliminary announcements.
Key features	<ul style="list-style-type: none"> Includes guidance on the statement's role, its distribution, timescale, reliability, accounting policies and detailed content.
Deloitte guidance	GAAP 2004 chapter 37.

Impact of IFRS implementation

IASB does not regard this subject as falling within its scope.

Interim reports

Effective date	Voluntary.
Objective	Establishes principles for preparation of interim reports.
Key features	<ul style="list-style-type: none">• Includes guidance on the report's role, timescale, basis of presentation, and detailed content.
Deloitte guidance	GAAP 2004 chapter 38.

Impact of IFRS implementation

IAS 34 Interim Financial Statements is consistent with the ASB statement.

Current Statements of Recommended Practice

Issuing body and title of SORP	Date of issue or last revision
The Investment Management Association	
Financial Statements of Authorised Funds	November 2003
British Bankers' Association and Irish Bankers' Federation	
Advances	November 1997
Contingent liabilities and commitments	February 1996
Derivatives	December 2001
Securities	September 1990
Segmental reporting	January 1993
Charity Commission for England and Wales	
Accounting and Reporting by Charities	October 2000 (Update Bulletin 1 January 2003)
Universities UK	
Accounting for Further and Higher Education	October 2003
Association of British Insurers	
Accounting for Insurance Business	January 1999 (Revised November 2003)
Association of Investment Trust Companies	
Financial Statements of Investment Trust Companies	December 1995 (Revised January 2003)
Finance and Leasing Association	
Accounting issues in the asset finance and leasing industry	April 2000
The Consultative Committee of Accountancy Bodies	
Limited Liability Partnerships (LLPs)	May 2002

Issuing body and title of SORP	Date of issue or last revision
Chartered Institute of Public Finance and Accountancy	
Code of Practice on Local Authority Accounting in the United Kingdom 2003 (Exposure Draft of 2004 SORP issued November 2003)	July 2003
Oil Industry Accounting Committee	
Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities	June 2001
Pensions Research Accountants Group	
Financial Reports of Pension Schemes	July 1996 (Revised November 2002)
National Housing Federation	
Accounting by Registered Social Landlords	March 1999 (Revised November 2002)

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