

INDEX

- 20F reconciliation 3, 5
 ACCOR 21
 accounting policies 30–3
 Accounting Standards for Business Enterprises 10
 Accounting Standards Codification 141
 adjusting events 124
 agriculture 70–1
 AICPA *see* American Institute of Certified Public Accountants
 American Institute of Certified Public Accountants (AICPA) 141, 177, 206
 Analyst Representative Group 169
 Annual Improvements Process 165, 167
 anti-abuse measures 213–16
 ARC *see* EU Accounting Regulatory Committee
 assets 41–4, 152, 208–9, 212
 control 43
 definition 42
 held for disposal 56
 held for sale 99–100
 intangible 92–4
 leased 90–2
 net 55
 recognition 42
 associates 54–5
 Australian Accounting Standards Board (AASB) 93–4
 AXA
 balance sheet 85, 208, 212
 assets held for sale 99–100
 contingent liabilities 112–13
 defining equity 106–9
 disclosures about financial instruments 105–6
 events after balance sheet date 123–4
 financial instruments 100–5
 impairment 95–9
 intangible assets 92–4
 investment property 89–90
 leased assets 90–2
 liabilities 109–12
 mineral rights 94
 property, plant and equipment 86–8
 barter transactions 68
 Barth, Mary 189
 Barthès de Ruyter, Georges 181–2
 Basel Committee 145
 Bay, Wolf 5–6

- Benson, Henry 176, 177–8, 185
 Bloomer, Carrie 138
 bright line method 54
 Bruns, Hans-George 5–6
 business combinations 51–3
- Cairns, David 180–1, 184, 192
 Camfferman, K. 182 and note, 184
 Carsberg, Bryan 185
 carve-out 30–1
 cash flow 26–9
 Cash Generating Unit (CGU) 95–9, 150
 chief financial officers (CFOs) 5
 China 3, 9–10, 13, 118–19, 197
 Chirac, Jacques 9
 Committee of European Securities Regulators 12
 comprehensive income 19–23
 Conceptual Framework *see The Framework for Preparation and Presentation of Financial Statements*
 concessions 122–3
 consolidation approach 16, 46–8, 142–3
 contingent liabilities 112–13
 contracts 41, 52–3, 60, 66, 77, 83, 124
 construction 68
 derivatives 100, 101, 105, 108
 executory 211–12
 insurance 106, 110, 124–6
 leases 90–1
 onerous 68–70, 111
 public to private concessions 122
 controlling interest 46–8
 convergence 3–5, 14
 compulsory 3
 exemptions 4–5
 government support for 7–8
 large company advantages 5–7
 modified 13
 problems with 10–13
 small and medium-sized business 13–14
 worldwide use of IAS/IFRS 8–10
 Cooper Bros 176
 Coopers & Lybrand 176, 185
 Cope, Tony 129, 189, 205
 CTC *see* UN Center for Transnational Corporations
 current items 23–5
 customer loyalty schemes 66–7
- Daimler 184–5
 Daimler Benrath
 Daimler Chrysler 52
 Delaware Foundation 17
 depreciation 86–7
 derivatives 100, 101, 105, 108, 214
 developing countries 8
 disclosures 105–6, 121–2, 134
 disposals 24
- E32 exposure draft 183–4
 EFRAG *see* European Financial Reporting Advisory Group
 Enron 31, 143, 190
 equity
 changes in 30
 definition 106–9
 method 54–5
 EU Accounting Regulatory Committee (ARC) 193
 European Commission 3, 7, 128, 170, 171, 186, 188–9, 191, 193, 194, 196
 European Council of Ministers 193
 European Financial Reporting Advisory Group (EFRAG) 112, 122, 162n, 193

- European Securities and Markets Authority 12
- European Seventh Company Law Directive (1983) 142–3
- European Union (EU) 3, 7, 8, 9, 12, 30, 101, 102–3, 169, 192–4, 210
- fair presentation 33–4
- fair value 20, 52–3, 87–8, 90, 96–7, 102, 144, 208–9, 212
- controversies 209–11
- highest and best use 62–3
- liabilities 63–4
- market definition 60–1
- measurement 59–64
- measurement hierarchy 61–2
- non-performance risk 63–4
- FASB *see* Financial Accounting Standards Board
- Financial Accounting Standards Board (FASB) 27, 30, 101, 102, 108, 125–6, 130, 138, 139, 141, 144–5, 156, 170–1, 181, 186, 189, 190–2, 196, 206, 210–11, 215
- Financial Crisis Advisory Group 169
- financial instruments 100–5
- disclosures about 105–6
- IFRS-US GAAP comparison 143–6
- Financial Instruments with the Characteristics of Equity* (FICE) 108
- financial position 23–6
- Financial Reporting and Global Capital Markets: A History of the International Accounting Standards Committee 1973–2000* (2007) 182n
- Financial Services Agency of Japan 169, 194
- Financial Stability Board (FSB) 102, 145, 147, 196, 207
- financial statements 15
- accounting policies and changes 30–3
- cash flows 26–9
- changes in equity 30
- comprehensive income 19–21
- conventions 34
- fair presentation 33–4
- financial position 23–6
- IASB conceptual framework 37–44
- income statement items 65–84
- interim 34–6
- presentation (IAS 1) 18–19
- SMEs 132
- First In First Out (FIFO) 78, 151
- first time adoption 115–18
- foreign exchange differences 82–3
- foreign listing 5–6
- foreign subsidiaries, converting (translating) statements 48–51
- The Framework for Preparation and Presentation of Financial Statements* 206, 208, 213
- assets and liabilities 41–4, 152
- background 37–9, 140–2
- objectives of financial reporting 38
- qualitative characteristics 39–41
- French GAAP 11
- FSB *see* Financial Stability Board
- functional currency 50
- G4+1 group 189–90
- G20 9, 17, 102, 139, 145–6, 195, 196–7, 201, 207
- GAAP (Generally Accepted Accounting Principles) 3, 6, 32, 34, 93, 113, 116, 125
- Garnett, Bob 167, 203–4
- Gélard, Gilbert 141

- German GAAP 11
- German limited partnership problem
107, 108
- Global Preparers Forum 169–70
- goodwill 35–6, 53, 92, 99, 132, 134
- governments
grants 71–2
problems with convergence 11–12
support for IFRS 7–8
- hedging 104–5, 214
- Herz, Bob 189
- Hoogervorst, Hans 169
- hyperinflationary economies 83–4
- IAS 1 (*Presentation of Financial Statements*) 18–36, 116, 146, 177–8, 201, 213
- IAS 2 (*Inventories*) 78, 151
- IAS 7 (*Statement of Cash Flows*) 26–7
- IAS 8 (*Accounting Policies, Changes in Accounting Estimates and Errors*) 31–2, 33, 125
- IAS 10 (*Events after the Reporting Period*) 123–4
- IAS 11 (*Construction Contracts*) 68, 69, 70, 78
- IAS 12 (*Income Taxes*) 79–80
- IAS 14 120–1
- IAS 16 (*Property, Plant and Equipment*) 86–8, 90, 149
- IAS 17 (*Leases*) 66, 90–2
- IAS 18 (*Revenue*) 66, 67–8
- IAS 19 (*Employee Benefits*) 30, 73–5
- IAS 20 (*Accounting for Government Grants and Disclosure of Government Assistance*) 34, 71–2
- IAS 21 (*The Effects of Changes in Exchange Rates*) 49–51, 82–3
- IAS 22 52
- IAS 23 (*Borrowing Costs*) 80–2
- IAS 24 (*Related Party Disclosures*) 30, 118–20, 129
- IAS 27 (*Consolidated and Separate Financial Statements*) 16, 46–8, 142–3
- IAS 28 (*Investments in Associates*) 54
- IAS 29 (*Accounting in Hyperinflationary Economies*) 83–4
- IAS 31 (*Interests in Joint Ventures*) 55–6
- IAS 32 (*Financial Instruments, Presentation*) 106–9, 146–7
- IAS 34 (*Interim Financial Reporting*) 34–5, 36, 185
- IAS 36 (*Impairment of Assets*) 95–9, 139, 149–50, 185
- IAS 37 (*Provisions, Contingent Liabilities and Contingent Assets*) 67, 68–9, 109–13, 185, 211–12
- IAS 38 (*Intangible Assets*) 92–4, 139, 147–9, 185
- IAS 39 (*Financial Instruments: Recognition and Measurement*) 57, 82, 101n, 102–5, 109, 143–6, 185, 214, 215
- IAS 40 (*Investment Property*) 89–90, 148–9
- IAS 41 (*Agriculture*) 66, 70–1
- IAS *see* International Accounting Standards
- IAS Lite 30, 129
- IASB *see* International Accounting Standards Board
- IASB Conceptual Framework *see* *The Framework for Preparation and Presentation of Financial Statements*
- IASB *Due Process Handbook* 157
- IASB Monitoring Board 168–9, 194
- IASC *see* International Accounting Standards Committee

- IASC Comparability Committee
 183–4
 IASC Foundation 17
 IASC Standards Advisory Council
 186
 IASC Strategy Working Party 186
The IASC-US Comparison Project
 (1996) 138
 ICAEW *see* Institute of Chartered
 Accountants of England and
 Wales
 IFAC *see* International Federation of
 Accountants
 IFRIC 10 (goodwill impairment)
 35–6
 IFRIC 12 (*Service Concession*
 Arrangements) 122–3
 IFRIC 13 (*Customer Loyalty*
 Programmes) 67
 IFRIC *see* International Financial
 Reporting Interpretations
 Committee
 IFRS 1 (*First Time Adoption of IFRS*)
 116–18, 126
 IFRS 2 (*Share-based Payment*) 76–8,
 190
 IFRS 3 (*Business Combinations*) 48,
 51–3, 92, 93
 IFRS 4 (*Insurance Contracts*) 32,
 124–6
 IFRS 5 (*Non-current Assets Held*
 for Sale and Discontinued
 Operations) 56, 90, 99–100
 IFRS 6 (*Exploration for and Evaluation*
 of Mineral Resources) 32, 94
 IFRS 7 (*Disclosures*) 105–6
 IFRS 8 (*Operating Segments*) 120–2,
 139
 IFRS 9 (*Financial Instruments*) 57–8,
 66, 103, 104, 144, 201, 215
 IFRS Advisory Council 158, 169
 IFRS Foundation 17, 155, 207
 Trustees of 158, 168–9, 170, 194
 IFRS (International Financial
 Reporting Standards) 89,
 100–1, 103, 113, 191–2
 application 17
 background 1–3
 names of institutions 17
 pressures and revisions 17–18
 terminology 16
 IFRS Interpretations Committee 165–7
IFRS for SMEs 13–14, 173
 background 127–8
 content 131–4
 development of standard 128–31
 support for 134–5
 IFRS-US GAAP comparisons
 background 137–40
 conceptual framework 140–2
 consolidation 142–3
 financial instruments 143–6
 impairment 149–50
 insurance contracts 152
 LIFO 150–1
 miscellaneous 150–3
 non-financial assets 147–9
 offsetting 146–7
 rate-regulated industries 152
 taxation 151–2
 terminology 153
 impairment 95–9
 IFRS-US GAAP comparison
 149–50
 income tax 79–80
 Institute of Chartered Accountants of
 England and Wales (ICAEW)
 10, 176, 177
 insurance 106, 110, 124–6
 intangible assets 92–4
 interest expense 80–2
 interim statements 34–6

- International Accounting Standards
 - Board (IASB) 6, 9, 13, 17, 31, 36, 52, 93, 101, 102, 111–12, 113, 122, 124–6, 128–34
 - anti-abuse measures 213–16
 - Constitution 201–5
 - executory contracts 211–12
 - fair value controversies 209–11
 - financial crisis 195–7
 - funding 170–1
 - global convergence 189–91
 - history of 175–97
 - lobbying 171–3
 - members of 201–5
 - monitoring 173
 - observer notes 199–216
 - relations with Europe 192–4
 - relations with US 191–2
 - standard-setting process 200–1
 - true and fair view 213
 - underlying notions 205–9
- International Accounting Standards Committee (IASC) 17, 102, 129, 138–9
 - creation of 175–6
 - enhancement phase 180–5
 - global convergence 189–91
 - progress and development 177–80
 - start-up phase 176–7
 - transition 185–9
- International Accounting Standards (IAS) 2, 16, 138, 177–8
- International Association of Securities Commissions 182
- International Federation of Accountants (IFAC) 179–80, 187
- International Financial Reporting Interpretations Committee (IFRIC) 6, 12, 16, 32, 36, 115, 122, 165
- International Organization of Securities Commissions (IOSCO) 2–3, 5, 8, 12, 13, 138, 169, 182–5, 187, 189, 190–1, 194, 197, 207
- Interpretations Committee *see* International Financial Reporting Interpretations Committee (IFRIC)
- inventories 78–9
- investment 45–6
 - assets held for disposal 55
 - in associates 54–5
 - business combinations 51–3
 - consolidation 46–8
 - equity 57–8
 - fair value measurement 59–64
 - joint ventures 55–6
 - property 89–90
 - translation of foreign subsidiaries 48–51
- IOSCO *see* International Organization of Securities Commissions
- ISAR *see* UN Intergovernmental Group of Accounting Experts on International Standards of Accounting and Reporting
- Japan 3, 10, 13, 51, 58, 140, 177, 197
- joint ventures 55–6
- Jones, Tom 129, 189, 202
- KPMG 189
- Lagarde, Christine 9
- Last in First Out (LIFO) 78, 150–1
- leased assets 90–2
 - financial 90
 - operating 90
- Leisenring, Jim 119, 130, 181, 189
- liabilities 41–4, 103, 152, 208–9, 212

- constructive obligation 110
- contingent 112–13
- cookie jar provisions 109–10
- fair value 63–4, 109, 111–12
- hamburger restaurant problem 110
- litigation 111
- measurement 111–12
- onerous contracts 111
- plain vanilla 109
- litigation 111
- Lybrand, Ross Bross and Montgomery 176

- McGregor, Warren 203
- Master Netting Agreement (MNA) 147
- Memorandum of Understanding (MoU) 108
- mergers 51–3
- mineral rights 94
- minority interest 48
- Morpeth, Douglas 176–7

- National Standard-Setters 94
- Nestlé 51
- net investment method 50
- New York Stock Exchange (NYSE) 6, 8
- New Zealand farm cooperatives 106–7, 108
- newly industrialized companies 8
- non-adjusting events 124
- non-controlling interest 48
- non-current items 23–5, 88, 99–100
- non-financial assets 147–9
- Norwalk Agreement (2002) 139, 191

- OECD *see* Organisation for Economic Cooperation and Development
- offsetting 146–7
- offshore companies 151–2
- OICV *see* Organisation Internationale de Commissions de Valeurs

- O'Malley, Tricia 189
- operating cycle 23–4
- Organisation for Economic Cooperation and Development (OECD) 177, 178
- Organisation Internationale de Commissions de Valeurs (OICV) 182
- Other Comprehensive Income (OCI) 82, 103–4

- Pacter, Dr Paul 128, 130, 134
- pensions 72–5
 - defined benefit scheme 72–4
 - defined contribution scheme 74–5
 - multi-employer scheme 75
- presentation currency 51
- PricewaterhouseCoopers 176
- primary listings 3–5
- profit and loss *see* comprehensive income
- property, plant and equipment 86–8

- qualitative characteristics
 - constraints 41
 - enhancing 40–1
 - fundamental 39–40

- related party transactions 118–20
- research and development 92–3
- revenue recognition 66–70
- risks and rewards approach 143
- roll forward 30

- sales transactions 67–8
- Sarbanes Oxley Act 190
- Schmid, Harry 51
- Scott, Darrell 203
- SEC *see* US Securities and Exchange Commission
- secondary listings 5–6

- segment reporting 120–2
- SFAS 8 49
- SFAS 13 90, 91
- SFAS 141 51, 52
- Sharpe, Michael 185
- Shiratori, Eiichi 184
- SIC 12 (*Consolidation - Special Purpose Entities*) 16, 46–7, 143
- SIC 31 (*Revenue - Barter Transactions Involving Advertising*) 68
- small and medium-sized (SME)
 - business 13–14
 - IFRS standard 127–34
- SMEs Implementation Group (SMEIG) 128, 135
- Smyth, Peggy 6
- special purpose entities (SPEs) 46–7
- Standard Interpretations Committee (SIC) 16, 165
- standard-setting process
 - background 155–7
 - discussion paper 159–60
 - due process 157–8
 - exposure draft 160–3
 - finance 170–1
 - financial crisis 195–7
 - interpretations 165–7
 - lobbying IASB 171–3
 - monitoring IACB 173
 - new standard 163–5
 - people involved in 200–1
 - structure 168–70
- standards
 - Interpretations 16
 - terminology 15–16
 - writing and revising 17–18
- stock options 75–8
- tax
 - deferred 151
 - income tax 79–80
 - offshore companies 151–2
 - temporal method 49–50
- Touche Ross 176
- Tweedie, Sir David 102, 111, 142, 162n, 189, 192, 213
- UK Accounting Standards Board 213
- UK GAAP 11
- UN Center for Transnational Corporations (CTC) 178, 179
- UN Intergovernmental Group of Accounting Experts on International Standards of Accounting and Reporting (ISAR) 129
- United Technologies 6
- US Accounting Standards Codification Topic 820 60
- US Federal Reserve 194
- US GAAP 3, 5, 8, 9, 10–11, 31, 34, 51, 52, 80, 81, 89, 92, 95, 120, 125, 131, 180, 184, 188, 191, 192, 195
 - see also* IFRS-US GAAP comparisons
- US Securities and Exchange Commission (SEC) 2–3, 5, 10, 31, 72, 139–40, 151, 156, 169, 170–1, 182, 183, 186, 187, 191–2, 194
- Vivendi 143
- Volker, Paul 194
- Volvo 182
- Whittington, Geoff 211
- World Accounting Report* 173
- World Bank 8
- Yamada, Tatsumi 51
- Zeff, S.A. 182 and note, 184