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Borrowing costs

The IASB has issued an amendment to IAS23 "Borrowing Costs", the main effect of which is to remove the option of expensing borrowing costs relating to the period of production of an asset.

The ASB have stated that they do not intend to amend the corresponding UK standard, FRS 15 "Tangible Fixed Assets" and hence the option will remain under UK GAAP. This will make UK GAAP more tax-advantageous for unlisted UK property developers than IFRS.

Removal of Disclosure of Directors' Interests in Shares in Directors' Report

The second Companies Act 2006 commencement order (SI 2007/1093) repeals paragraphs 2, 2A and 2B of Schedule 7 to the Companies Act 1985 for accounts approved after 6th April 2007.

Therefore, for directors' reports approved after this date there is no need to disclose directors' shareholdings within the directors' report.

This information can continue to be shown voluntarily.

It should be noted that the effective date refers to the date of approval of the accounts and not to an accounting period.

Computer Software Copyright

A recent Court of Appeal Judgment in *Nova Productions v Mazooma Games & Ors* will be of interest (and possibly concern) to software developers and owners of copyright in computer programs. The judgment confirmed that:

- it is not an infringement of copyright to make a computer program which emulates another program (including its look and feel) but which does not copy the other program's code or graphics;
 - ideas which underlie computer programs are not protected by copyright; and
 - no additional copyright protection, over and above protection as individual graphic works, is given to a series of images displayed in a computer program.
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Payment of Success Fee to a Deal Introducer Cannot Be Financial Assistance

Whilst the financial assistance rules will be repealed by October 2008, the *Corporate Developments Partners LLC v E-Relationship Marketing Limited* case is of interest.

Under previous case law it was held that financial assistance for the purpose of an acquisition is prohibited regardless of whether it is given to the person acquiring the shares or to any other person.

In this case it was found that a target company had not given financial assistance to a third party by agreeing to pay a success fee where the third party had introduced to the target company a trade buyer who subsequently acquired the target company.

As a consequence M&A fees of corporate financiers broking deals do not need to be whitewashed.

On-Line Filing for Annual Share Scheme Returns

HMRC have announced that 2006/7 returns for approved CSOP, SAYE and SIP schemes can be filed electronically. EMI Returns and Form 42 for non-approved schemes will still have to be submitted in paper form.

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