



LONDON SOCIETY  
OF CHARTERED  
ACCOUNTANTS

5 December 2008

International Accounting Standards Board  
1<sup>st</sup> Floor  
30 Cannon Street  
London  
EC4M 6XH

Dear Sir

**Exposure Draft: Simplifying earnings per share – Proposed amendments to IAS 33**

With a membership in excess of 30,000, the London Society of Chartered Accountants (LSCA) is the largest of the regional bodies which form the Institute of Chartered Accountants in England & Wales (ICAEW). London members, like those of the Institute as a whole, work in practice or in business. The London Society operates a wide range of specialist committees including Technical (accounting and auditing), Tax, Regulation and Ethics Review and Financial Services and Insolvency, which scrutinise and make representations to bodies such as yourselves.

We are writing in support of the ICAEW response on the above Exposure Draft (ICAEW Rep 133/08).

We do not believe that the Board should proceed with this project. Board resources are limited and in the current economic climate there are more pressing problems. At the conceptual level, we do not believe that the new standard is either significantly simpler or is significantly converged with US GAAP.

The exposure draft may well converge the denominator of the EPS calculation but this ignores the rather bigger issues of the calculation of the numerator and the differences between the two GAAPs as regards debt and equity classification. We do not believe that users of both US GAAP and IFRS will be able to more easily directly compare the EPS numbers of two entities.

For these reasons, we do not believe that the Board should proceed with this project. Instead, our view is that the Board should undertake a project in the future that adopts a 'clean sheet' for earnings per share. This should focus on what information users need as inputs to their own analytical tools and how best entities can disclose that information. There should be clearer principles, focusing on changes between periods, and the Board might consider requiring disclosure of actual and potential shares rather than requiring a complex calculation.

We have not responded to the individual questions in the exposure draft

We trust you find our comments helpful in the consultation process and please do not hesitate to contact our Chairman, Brian Creighton on +44 (0) 207 893 3415 if you wish to discuss any of our comments further.

Yours sincerely

*Brian Creighton*

Brian Creighton  
**LSCA Technical Committee Chair**