



International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH

10 January 2008

Our Ref: TECH-CDR-730

Dear Sirs

Improvements to IFRS

The Association of Chartered Certified Accountants (ACCA) is pleased to have this opportunity to comment on the exposure draft of the first annual improvements to International Financial Reporting Standards. The exposure draft of improvements was considered by ACCA's Financial Reporting Committee and I am writing to give you their views.

We agree with the proposed improvements except as noted below.

Q10. We do not consider that this change should be made. The amendment would require entities holding assets for rental under operating leases to include the gross disposal proceeds and not simply the net profit or loss. It seems to us that there might be other cases where disposal proceeds could be material and a more principle-based approach should be used rather than develop exceptions to a general rule. The IASB has a project on revenue recognition and this should determine a general definition of income circumstances, if any, where this should be shown net figures.

Q22. We consider the usefulness of the disclosure of the principal associates to be just as great where held by a venture capital organisation as in other cases. All the disclosure requirements of IAS31 should apply to them, including the holdings and identities of associated companies.

Q35. The valuation problems of partially completed properties are greater than those of completed properties; market values are much less likely to be available and so the existing position should be maintained.

As a general observation, whereas most of these improvements are in the nature of clarification of the existing intentions of the standards, this last matter represents a clear amendment to the intention of the standard by the extension of fair value accounting to investment properties under construction. It is hard to see the rationale for why significant amendments to other standards being dealt with as separate consultations while this one is included among forty other minor improvements.

We also note that many of these improvements are relatively minor, some even simply clarifying explanatory material. There is a basis for conclusions for each of these amendments which looks unnecessary as they often add little, and serve only to lengthen the IFRS book.

If there are any matters arising from the above please be in touch with me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Martin', is positioned below the text 'Yours sincerely'.

Richard Martin
Head of Financial Reporting