

Ms Anne McGeachin
Project Manager
International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH

5 July 2004

Dear Ms McGeachin

Exposure draft of proposed amendments to IAS 19: Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

We are replying to the invitation to comment on the above exposure draft dated 29 April 2004.

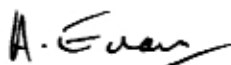
We welcome and agree with the principles outlined in the exposure draft of proposed amendments to IAS 19. As such we do not have any specific, or additional, comments to make on the questions detailed in the invitation to comment, however, we would like to take this opportunity to bring to the IASB's attention a minor point regarding the effective date of the proposed amendment.

Under FRS 17 the recognition of pension scheme assets and liabilities is not mandatory for entities preparing financial statements under UK GAAP until 2005, although there is an option to early adopt. For those entities that have early adopted the provisions of FRS 17, and will be first time adopting IFRS's in 2005, there will have to be a change in the treatment of actuarial gains and losses. However, once this proposed amendment is effective in 2006 these entities will be able to revert to the principles of FRS 17 by being able to recognise actuarial gains and losses in full in the year.

We would encourage the IASB to conclude this project and issue the amendment to IAS 19 in advance of the first time adoption of IFRSs for UK listed companies. This will allow them to adopt this amendment early and enable them to consistently account for actuarial gains and losses.

Should you have any questions regarding this response then please contact Howard Evans on the above number.

Yours sincerely



Howard Evans
Finance Director