

10 January 2008

International Accounting Standards Board
30 Cannon Street
LONDON
EC4M 6XH

Dear Sir/Madam,

Re: Exposure Draft of Proposed Improvements to IFRSs

We welcome the invitation to comment on the Exposure Draft of Proposed Improvements to IFRSs and write on behalf of Cobham plc.

We are supportive of the IASBs annual improvements project to provide a streamlined process for dealing efficiently with miscellaneous, non-urgent but necessary minor amendments to IFRSs. Overall we agree with the proposed amendments and have therefore only commented on the questions raised in the Exposure Draft where we have comments to make.

In response to the specific questions as laid out in the exposure draft we would respond as follows:

Question 21: Do you agree with the proposal to require investments in subsidiaries that are accounted for in accordance with IAS 39 in the parent's separate financial statements to continue to be accounted for on that basis when classified as held for sale (or included in a disposal group that is classified as held for sale)? If not, why?

We agree with the aim of the amendment but believe that the wording of the amendment is not clear enough. It could be made clearer by additionally stating that 'investments that are accounted for in accordance with IAS 39 that are classified as held for sale (or included in a disposal group classified as held for sale) shall continue to be accounted for in accordance with IAS 39.'

Question 28 (b): Do you agree that paragraph 70 of IAS 38 should be amended to allow an entity to recognise a prepayment only until it has access to the related goods or has received the related services? If not, why?

We do not agree with this amendment. We note that a business might have access to the related goods or services but might not have made them available for use. Where the use of these goods or services is being retained for a specific future event we would consider it appropriate to recognise the cost of these goods and services as a prepayment until that event. For example, representation at a trade show sometimes requires a significant payment for catalogues and other written material in advance of the event. Despite the fact that this material will be delivered prior to the event and therefore the company would have access to them, we believe it is still appropriate to recognise this as an expense at the time of the trade show.

Question 30: Do you agree with the proposal to amend IAS 39 by removing from the definition of a derivative the exclusion relating to contracts linked to non-financial variables that are specific to a party to the contract? If not, why?

We do not believe that this constitutes a minor amendment and therefore this proposal should be subject to a more detailed discussion process.

Please contact Paul Kemp at paul.kemp@cobham.com or Stephen Morris at stephen.morris@cobham.com if you need any further clarification in respect of these comments.

Yours faithfully,

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