

International Financial Reporting
Interpretations Committee
First Floor
30 Cannon Street
London
EC4M 6XH

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Direct Line: 020 7980 0106
e-mail: david.lindsell@uk.ey.com

Dear Sir

Re: Tentative agenda decision – IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations – Disclosures

The July 2007 IFRIC Update reported that the IFRIC tentatively decided that it should not take the above matter on to its agenda as it believed the matter could be resolved efficiently through an amendment to IFRS 5. The IFRIC also believed that the amendment should generally reflect the view that:

“IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, together with the requirement of IAS 33 *Earnings per Share* paragraph 68 to disclose the amount per share for discontinued operations. Disclosures required by other standards do not apply to such assets (or disposal groups).”

We support the decision of IFRIC to propose that the Board amend IFRS 5 to reflect the above view. IFRIC also indicated that they “...believed that other disclosures about such assets (or disposal groups) may also be necessary to comply with the general requirements of IAS 1 *Presentation of Financial Statements*.”

While the IFRIC have not expanded on what other disclosures they believe are necessary, we caution that such additional disclosure should not be too extensive. The assets and liabilities involved will be derecognised in the short term and therefore users do not need to understand their uncertainties and risks associated with these items in order to understand the risks and uncertainties of the continuing business.

We note, however, that the reasons for not taking this matter onto the agenda, imply, but do not clearly state what IFRIC believes the current standard actually requires. We recommend that IFRICs view is explicitly stated to remove the possibility of misinterpretation.

Yours faithfully

