

International Accounting Standards Board  
30 Cannon Street  
London  
EC4M 6XH

7 December 2009

Dear IFRIC member

**Tentative Agenda Decision - Combined financial statements and redefining the reporting entity**

The global organisation of Ernst & Young is pleased to respond to the above tentative agenda decision as published in the IFRIC Update of November 2009.

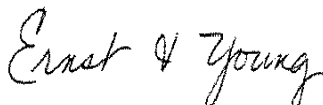
The IFRIC was asked whether an entity could 'present financial statements that include a selection of entities that are under common control, rather than being restricted to a parent/subsidiary relationship defined by IAS 27.'

We are disappointed with, but acknowledge, the IFRIC's decision not to take this item onto the agenda, given the reporting entity project currently underway at the Board. However, we believe that some clarity can be provided by IFRIC as follows:

1. Specifying that the interrelationship between IAS 27 and the reporting entity can be interpreted in more than one way.
2. Answering the remaining question that was included in the original submission as to whether once the entities are selected to be included in the reporting entity, IAS 27 must then be applied to include all subsidiaries of those entities.
3. Specifying whether IFRS 5 must also still be applied.

Should you wish to discuss the contents of this letter with us, please contact Lynda Tomkins at the above address or on +44 (0)20 7951 0461.

Yours faithfully

A handwritten signature in cursive script that reads 'Ernst & Young'.