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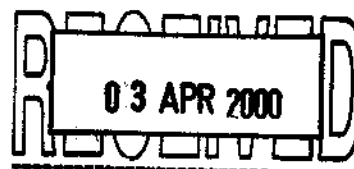
**Our Ref.** NBAA/CF/IASC.1/1

**Date** 31<sup>st</sup> March, 2000

The Secretary General,  
International Accounting Standards Committee,  
166 Fleet Street,  
London EC4 A2 DY,  
United Kingdom.

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**CL 64**



Dear Sir,

**REF: COMMENTS ON THE EXPOSURE DRAFT 65 - ON AGRICULTURE**

The profession in the country has examined the above exposure draft and the following are our comments based on the leading questions in the document.

- Question 1:** We strongly feel that the final standard should not deal with further processing of biological assets.
- Question 2:** We strongly believe that all biological assets should be measured at cost or fair value whichever is lower.

This is a modification of (a) and (b) for the following reasons:-

- (i) Determining fair value of biological assets can only be done with accuracy where the biological assets have an assured market value.
- (ii) Where biological assets will have no assured market value as it is in the developing countries, it will not be easy to determine the fair value of such assets.

In determining cost for the biological assets, consideration should be taken of all the input costs incurred on the biological assets to have.

- Question 3:** We think (c) is applicable. Where the biological assets lack an assured market, the cost basis should be used.



Member, International  
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All Communication to be addressed to the Executive Director

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**CL 64**

- Question 4: (c) If biological assets are measured at fair value, the change in fair value should be reported entirely in equity until harvest at which time it should be removed from equity and reported in net profit or loss for the period as the case may be.
- Question 5: (a)
- Question 6: (a)
- Question 7: (a) as per the matching principle
- Question 8: (a)
- Question 9: (b)
- Question 10: (a)
- Question 11: (c) We believe that each enterprise should be allowed to decide whether to classify expenses by nature or function unless.
- Question 12: (a)
- Question 13: (b)
- Question 14: (a)
- Question 15: In coming up with the final standard, consideration should be taken that biological assets in most developing countries have no assured market values.

We hope you find our comments useful in coming up with the final standard.

Yours faithfully,



L.S.L. Utouh

**EXECUTIVE DIRECTOR**

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