

Britannia Building Society
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Sir David Tweedie
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Dear Sir

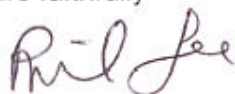
Exposure Draft of Proposed Amendments to IAS19 — Actuarial Gains and Losses, Group Plans and Disclosures

Britannia Building Society is the second largest mutually owned building society with total assets of £22bn. It has both defined benefit and defined contribution pension schemes for its staff. I therefore welcome the opportunity to comment on the exposure draft.

- I agree with the proposal that entities should be allowed to recognise actuarial gains and losses as they occur, outside profit or loss, in a statement of recognised income and expense.
- Britannia has a group defined benefit pension scheme with 1892 active members. This includes 31 members in 3 wholly owned subsidiary companies. The cost and effort of apportioning actuarial gains and losses between these companies is out of proportion to the benefit gained by the reader of the accounts. I would prefer in such cases an exemption as long as the subsidiary gave a summary of the information contained in the holding company accounts. In such cases the subsidiary would only account for the cost of its contributions.

I trust that my views will be taken into account before the finalised statutory instrument is issued.

Yours faithfully



Phil Lee
Group Finance Director