

Ref.: RC/JOC/0812

12 August 2011

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Dear Sirs,

Comments on IASB Exposure Draft on Proposed Improvements to IFRSs (Fourth Set)

We are pleased to have the opportunity to respond to your request for comments on the IASB Exposure Draft on Proposed Improvements to IFRSs (Fourth Set) issued by the HKICPA in June 2011.

Out of the seven proposed amendments, we have comments on three amendments as follows:

IAS 1 Presentation of Financial Statements - Clarification of requirements for comparative information

1. We suggest adding a definition for the term "previous period" in paragraph 10.

For example, Company X adopts 31 December as its year end date and prepares its financial statements as follows:

Current period:	year ended 31 December 2011
Last period:	7 months ended 31 July 2010

For some reasons, Company X has not prepared its financial statements for the year ended 31 December 2010.

Should the previous period be "year ended 31 December 2010" or "7 months ended 31 July 2010"? We suggest that the previous period should be defined e.g. the period ended on the date immediately before the first day of the current period.

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2. We suggest combining paragraphs 38 and 38A into one paragraph so as to improve the linkage between the requirements of these 2 paragraphs. We suggest stating that an entity shall present comparative information in respect of the required comparative period for all amounts reported in the current period's financial statements in the form of a statement of financial position, a statement of comprehensive income, a statement of cash flows and a statement of changes in equity, and related notes.

There could be an interpretation of paragraph 38 that comparative information is presented but not in the form of a statement of financial position, a statement of comprehensive income, a statement of cash flows and a statement of changes in equity. In addition, the two statements required under paragraph 38A are presented for the current period and a period other than the required comparative period.

3. The requirement of paragraph 38B that additional comparative information can only be provided for periods **before** the required comparative period is too restrictive.

For example, Company X previously adopts 31 December as its year end date and now changes its year end date to September in 2011. Its reporting periods will be:

Current period:	9 months ended 30 September 2011
Required comparative period:	year ended 31 December 2010

Under the requirement of paragraph 38B, Company X cannot present statements of comprehensive income, cash flows and changes in equity for the 9 months ended 30 September 2010.

An interesting point is that, if Company X does not change its year end date but elects to publish an interim accounts for 9 months ended 30 September 2011 in the form of a complete set of financial statements, under the requirements of paragraphs 1, 9 and 20 of IAS 34, it must present statements of comprehensive income, cash flows and changes in equity for the 9 months ended 30 September 2010.

4. We have no objection to the requirement in paragraph 38B that related notes are required for any additional comparative statement presented. However, paragraph BC2 states that "the Board also proposes to change the current requirements so as no longer to require related notes to this opening statement of financial position to be presented. The Board believes that this change ensures useful information is provided to users, without the need for full reproduction of the notes relating to the opening statement of financial position."

If an entity presents an additional statement of financial position under paragraph 38B, related notes are required. However, related notes are not required if the opening statement of financial position is presented under paragraph 40A. Is there any reason to support the different treatments for these 2 cases?

5. We consider that paragraph 40B is redundant and should be deleted. The requirements as shown in paragraph 40B are already reflected in paragraphs 10, 38A and 40A.

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IAS 16 Property, Plant and Equipment - Classification of servicing equipment

Our understanding of paragraph 8 is that the word “major” only applies to spare parts and not to stand-by equipment and servicing equipment. Therefore, only major spare parts (and not all spare parts) qualify as property, plant and equipment when an entity expects to use them during more than one period. However, all stand-by equipment and servicing equipment qualify as property, plant and equipment when an entity expects to use them during more than one period. We do not agree that spare parts and equipment should be treated differently as such.

The use of the word “major” seems implying that spare parts are less expensive than equipment which is not necessarily the case. We therefore suggest deleting the word “major”. If the word “major” is retained, we suggest adding a definition or guidance for it in order to narrow any possible interpretation diversity.

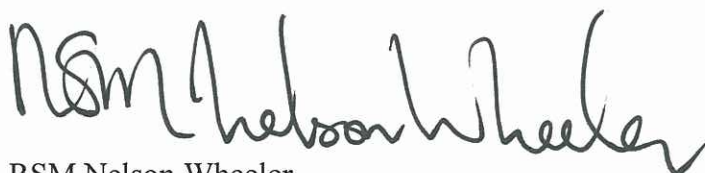
IAS 34 Interim Financial Reporting - Interim financial reporting and segment information for total assets

We agree with the amendment that total assets for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets for that segment from the amount disclosed in the last annual financial statements.

However, there might be a case that the total assets amounts are regularly provided to the chief operating decision maker but such amounts are not disclosed in the last annual financial statements e.g. the amounts are not material at the end of the reporting period of the last annual financial statements. If such amounts become material at the end of the current interim period, does this constitute a material change from the amount disclosed in the last annual financial statements given that no such amount is disclosed in the last annual financial statements? We therefore suggest clarification be added to cater for such a situation.

We would be pleased to discuss our comments further with you. If you wish to do so, please contact our Technical Partner, Ricky Chu (tel: 2508 2838; email: rickychu@rsmnelsonwheeler.com).

Yours faithfully,



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