



28 August 2013

Our ref: ICAEW Rep 117/13

Your ref: ED/2013/6

Hans Hoogervorst  
Chairman  
International Accounting Standards Board  
30 Cannon Street  
London  
EC4M 6XH

Dear Hans

**ED/2013/6 Leases**

ICAEW is pleased to respond to your request for comments on ED/2013/6 *Leases*.

Please contact me should you wish to discuss any of the points raised in the attached response.

Yours sincerely

Eddy James FCA  
Technical Manager  
Financial Reporting Faculty

**T** +44 (0)20 7920 8701  
**E** eddy.james@icaew.com



ICAEW REPRESENTATION

**ED/2013/6 LEASES**

**Memorandum of comment submitted in August 2013 by ICAEW, in response to IASB's exposure draft ED/2013/6 *Leases* published in May 2013.**

<b>Contents</b>	<b>Paragraph</b>
Introduction	1
Who we are	2-4
Major points	5-19
Responses to specific questions	20-52

## INTRODUCTION

1. ICAEW welcomes the opportunity to comment on the exposure draft ED/2013/6 Leases published by the IASB on 16 May 2013, a copy of which is available from this [link](#).

## WHO WE ARE

2. ICAEW is a world-leading professional accountancy body. We operate under a Royal Charter which obliges us to work in the public interest. ICAEW's regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the UK Financial Reporting Council. We provide leadership and practical support to over 140,000 member chartered accountants in more than 160 countries, working with governments, regulators and industry in order to ensure that the highest standards are maintained.
3. ICAEW members operate across a wide range of areas in business, practice and the public sector. They provide financial expertise and guidance based on the highest professional, technical and ethical standards. They are trained to provide clarity and apply rigour, and so help create long-term sustainable economic value.
4. The Financial Reporting Faculty is recognised internationally as a leading authority on financial reporting. The Faculty's Financial Reporting Committee is responsible for formulating ICAEW policy on financial reporting issues, and makes submissions to standard setters and other external bodies. The faculty also provides an extensive range of services to its members, providing practical assistance in dealing with common financial reporting problems.

## MAJOR POINTS

### Significant progress has been made

5. In our response to the 2010 exposure draft, we agreed that there was a need to develop a new approach to lessee accounting. We went on to explain that while we agreed with the proposal's underlying principles, we nonetheless felt that further work was needed in order for them to be operational in practice. We are therefore pleased to note that the boards have, after extensive redeliberations and consultation, addressed many of the concerns raised not only by ICAEW but also by many other commentators.
6. Our concerns about the original proposal's approach to optional renewal periods, variable lease payments, short-term leases and lessor accounting have largely been addressed. We therefore regard the latest exposure draft as a significant improvement on its predecessor. However, some entities may seek to structure contracts as short-term leases in order to keep lease assets and liabilities off-balance sheet.

### The proposed dual approach to income statement presentation and measurement is a compromise solution but further work is still needed

7. We – like the boards – have in the past advocated the introduction of a single accounting model for all leases. However, having considered the arguments on both sides of the debate, we now accept that not all leases are the same. It therefore follows that different types of lease should be accounted for differently. However, the proposed dual approach to the recognition of lease expenses by lessees and income by lessors is not something to which we can offer our unqualified support. See our response to questions 2 and 4 below for more details.

### Applying the consumption principle is overly complex

8. The logic behind the consumption principle is not without its merits. Indeed, it reflects how many leases are priced. But it is a difficult concept to apply in practice as it is hard to draw a clear dividing line between those leases that do and do not involve consumption of a more than insignificant part of the underlying asset. While it is true that most leases of equipment or vehicles involve a more than insignificant degree of consumption of the underlying asset, while most property leases do not, this is not always the case. In truth, the economic characteristics

of leases lie along a continuum. However, we accept that a model accommodating different degrees of consumption would be difficult to define and highly complex in practice. Some sort of dividing line would seem to be necessary. We therefore appreciate what the boards are trying to achieve but feel that their proposals introduce too much complexity.

9. While we accept that the current dividing line between finance leases and operating leases is not perfect, it does at least have the benefit of being well established and well understood. Accordingly we recommend that the boards simply carry forward the criteria from IAS 17, with leases that qualified as finance leases under the old standard being classified as Type A and those that qualified as operating leases being classified as Type B.

#### Some structuring opportunities remain

10. We are pleased to note the boards have listened to the feedback they received in response to their earlier exposure draft and that the new proposals no longer simply carry forward the requirements of IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. Overall we believe the new guidance for distinguishing a lease from a service contract addresses many of IFRIC 4's known application issues. We also believe that the greater alignment of the concept of the right to control the use of the identified asset with IFRS 10 *Consolidated Financial Statements* and the revenue recognition proposals improves the guidance. However, we have identified a few remaining areas of concern regarding some of the proposed guidance and examples. In particular, we are concerned about references to the supplier's substantive right to substitute an asset and believe that it may create structuring opportunities. See our response to question 1 below for more details.
11. We are also pleased to note that the boards have amended their approach to short-term leases to allow entities to elect to apply the existing requirements of IAS 17 relating to operating leases to leases with a maximum possible term of twelve months or less.

#### Type A and Type B are not meaningful names

12. We appreciate that the boards do not want to retain the terms 'finance lease' and 'operating lease' as they are attempting to draw a line under the old model and start afresh. However, we do not think that referring to Type A leases and Type B leases is a satisfactory conclusion as it will only serve to confuse both preparers and users alike. Moreover, if the boards do not provide a more meaningful name for the two types of leases, preparers may be inclined to make up their own, which may result in different entities adopting different terminology for the same type of arrangement. We suggest instead using 'financing lease' and 'rental lease' or something similar.

#### Transitional provisions

13. We agree that mandatory full retrospective application would be too onerous in many cases and therefore agree that some simplified transitional arrangements are necessary. However, we are not convinced that the modified retrospective approach set out in the exposure draft is clearly articulated. Our response to question 7 below therefore proposes a simpler solution.

#### Costs and benefits

14. When commenting on the 2010 exposure draft, we raised a number of concerns about the cost of the proposals contained therein. While some of these concerns have diminished as a consequence of changes that have been made when drafting the new exposure draft, others remain. These are therefore reiterated below.
15. The requirement for lessees and lessors to reassess the lease payments whenever there is a change in relevant factors will continue to present many businesses with a significant operational challenge. While the changes to the requirements relating to optional renewal periods and variable lease payments mean that this requirement is not as onerous as was the case under the original proposals, the burden should not be underestimated. We therefore

suggest that a higher threshold should be introduced with reassessment required only where there is a **significant** change in relevant factors. In addition, we urge the boards to consider allowing reassessments to be undertaken on a portfolio basis.

16. Many leases are sold and priced with the knowledge that a particular tax treatment will apply. The removal of the distinction between finance leases and operating leases means that, in certain territories such as the UK, tax legislation will need to be changed. This can only be done on a particular legislative timetable. The timing of the application of the standard, and any permitted early adoption, may cause significant transitional difficulties if the tax treatment operates on any existing lease in a different way to previously, with consequent difficulties for tax accounting. This is likely to lead to confusion in the industry, or unexpected losses for one party or another. Lessors will have significant problems in writing and pricing new leases until tax legislation is in place.
17. The potential impact for regulated institutions also needs to be considered. For example, consideration needs to be given to how the lessee's right-of-use asset will be treated for regulatory capital purposes. While we appreciate that this is primarily a regulatory matter, it would be useful if the standard clearly stated that the right-of-use asset is a tangible asset rather than an intangible one. Removing the current ambiguity would also reduce scope for confusion when assessing debt covenants.
18. The effective date of the new standard should be set with these issues in mind and a sufficiently lengthy lead time provided.

#### **The conceptual framework**

19. The IASB's work on its conceptual framework is clearly relevant to a number of aspects of the leasing project, not least the definitions of assets and liabilities. The boards may therefore wish to return to the subject of leasing once the conceptual framework has been finalised.

## RESPONSES TO SPECIFIC QUESTIONS

### Question 1 – identifying a lease

**Do you agree with the definition of a lease and the proposed requirements in paragraphs 6–19 for how an entity would determine whether a contract contains a lease? Why or why not? If not, how would you define a lease? Please supply specific fact patterns, if any, to which you think the proposed definition of a lease is difficult to apply or leads to a conclusion that does not reflect the economics of the transaction.**

20. We are pleased to note the boards have listened to the feedback they received in response to their earlier exposure draft and that the new proposals no longer simply carry forward the requirements of IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. Overall we believe the new guidance for distinguishing a lease from a service contract addresses many of IFRIC 4's known application issues. We also believe that the greater alignment of the concept of the right to control the use of the identified asset with IFRS 10 *Consolidated Financial Statements* and the revenue recognition proposals improves the guidance. However, we do have some detailed concerns which are set out below.
21. We agree that if the supplier has a genuine right of substitution then a contract should be treated as a service contract. However, we are concerned about references to the supplier's substantive right to substitute an asset and how this may be interpreted in practice. We are particularly concerned this may create structuring opportunities and may lead to inconsistencies as a lessee may be willing to accept the insertion of a substitution clause into a contract in the knowledge that is unlikely to ever be exercised in order to avoid recognising the underlying asset on-balance sheet. This may lead to some contracts that in substance are leasing transactions being treated as service contracts. Moreover, it may lead to identical contracts being treated differently by different entities. Failure to provide more clarity in this area will lead to inconsistencies as some entities may structure contracts – or agree to separate side agreements – in order to achieve a particular accounting outcome. We recommend that the boards make it clear that any other agreements related to the contract must be considered when determining whether a contract should be treated as a lease or a service contract.
22. We appreciate that paragraph 9 of the exposure draft seeks to clarify exactly when a supplier has a substantive right to substitute an asset. We agree that the ability to substitute without customer consent is important, as is the requirement that there are no economic or operational barriers that prevent the supplier from doing so. However, we feel that this definition of a substantive right needs to be tightened.
23. We therefore recommend that a third clause is added to paragraph 9 that explains that a supplier does not have a substantive right of substitution if doing so would damage their relationship with their customer. Further examples or application guidance to clarify what is meant by operational barriers to substitution would also be helpful.
24. We agree that a contract does not include a lease when the underlying asset is only a means for the delivery of services provided only by the supplier. However, the current drafting suggests that in some instances a change in market conditions could lead to a change in how a contract is accounted for eg, the contract for coffee services outlined in illustrative example 2 would presumably cease to be treated as a service contract if another supplier started producing compatible consumables as the customer would now control the use of the machines. We would be grateful if the boards could clarify if this is their intention. In our opinion, a change in the marketplace should not change how a contract is classified.

## Question 2 – lessee accounting

**Do you agree that the recognition, measurement and presentation of expenses and cash flows arising from a lease should differ for different leases, depending on whether the lessee is expected to consume more than an insignificant portion of the economic benefits embedded in the underlying asset? Why or why not? If not, what alternative approach would you propose and why?**

25. We – like the boards – have in the past advocated the introduction of a single accounting model for all leases. Having considered the arguments on both sides of the debate, we now accept that not all leases are the same. It therefore follows that different types of lease should be accounted for differently. However, the proposed dual approach to the recognition of lease expenses by lessees and income by lessors is not something to which we can offer our unqualified support. Our concerns are described in our response to question 4 below.
26. We are also concerned that the proposed accounting model for Type B leases is not underpinned by sound principles. For Type B leases there is a clear mismatch between what is recognised on the balance sheet and what is recognised in profit or loss and the statement of cash flows ie, it makes little sense to recognise a debt-like liability while not recognising any interest cost or financing cash flows elsewhere in the financial statements. This could be resolved by requiring separate disclosure of the interest element and we would encourage the boards to reconsider this element of their proposals. However, even if this was resolved, conceptual flaws would remain as there is little justification for having the amortisation of the right of use asset as a balancing figure other than to force a straight-line charge in profit or loss. Nonetheless, it offers a pragmatic solution and for this reason we are willing to accept it. However, we believe that further work is needed to make the proposals operational. We explain some of our concerns and matters the boards need to consider in our response to question 4 below.
27. Whilst the boards have not requested feedback on the proposed requirements for sale and leaseback transactions, we are concerned that the requirement for a seller/lessee to recognise its selling profit in full does not reflect the economics of the transactions. We believe that the seller in a sale and leaseback transaction only relinquishes its right to the residual and that it has merely financed the portion of the asset it retains. We observe that in many cases, the seller retains the rights to utilise the property for a substantial portion of its life, and that this retained period represents a substantial portion of the asset's value. We therefore believe profit should be recognised only on the residual that has been sold and not on the whole asset.

## Question 3 – lessor accounting

**Do you agree that a lessor should apply a different accounting approach to different leases, depending on whether the lessee is expected to consume more than an insignificant portion of the economic benefits embedded in the underlying asset? Why or why not? If not, what alternative approach would you propose and why?**

28. Yes. We are pleased to note the approach proposed for lessors is consistent with that proposed for lessees and that the dividing line between Type A and Type B leases is consistent under both models. We do, however, have some concerns about the proposed model for distinguishing the different types of lease, as we explain further in our response to question 4 below.
29. The separation of the residual asset and the receivable adds complexity to impairment testing and would not be consistent with the way that lessors consider impairment in practice. Lessors will need to determine which expected cash flows relate to the receivable and which relate to the residual value asset, which is likely to be a fairly arbitrary split, in order to assess impairment. This will be different from other secured loans where all the cash flows arising from the security are taken into account in determining impairment for the financial instrument.

Although the residual value asset is not a financial instrument, it seems more practical and operationally simpler to assess both assets together against the expected cash flows from the underlying asset in calculating impairment. In addition, in the absence of impairment, it is not clear how changes in the expected residual value should be accounted for.

- 30.** We note that where sale and leaseback transactions fail to be deemed as sales, lessees and lessors are required to treat such arrangements as financing rather than leases. Where the lessor books a residual value in these transactions, which would be an integral part of how the transaction is priced, the lessor's income will be distorted and the residual not recognised consistently with other residual assets. We recommend that lessors treat all sale and leasebacks as leases.

#### **Question 4 – classification of leases**

**Do you agree that the principle on the lessee's expected consumption of the economic benefits embedded in the underlying asset should be applied using the requirements set out in paragraphs 28–34, which differ depending on whether the underlying asset is property? Why or why not? If not, what alternative approach would you propose and why?**

- 31.** The logic behind the consumption principle is not without its merits. Indeed, it reflects how many leases are priced. But it is a difficult concept to apply in practice as it is hard to draw a clear dividing line between those leases that do and do not involve consumption of a more than insignificant part of the underlying asset. While it is true that most leases of equipment or vehicles involve some degree of consumption of the underlying asset, while most property leases do not, this is not always the case. There are many other assets subject to leases where location is a key determinant of price, but which may not meet a strict definition of property, such as telecommunications towers, advertising hoardings and pipelines. We also are aware that many 'big ticket' equipment leases are priced in a similar way to property leases, such as ships and aircraft. It therefore not easy to demarcate between the two types of leases. In truth, the economic characteristics of leases lie along a continuum. However, we accept that a model accommodating different degrees of consumption would be difficult to define and highly complex in practice. Some sort of dividing line would seem to be necessary. We therefore appreciate what the boards are trying to achieve but feel that their proposals introduce too much complexity.
- 32.** While we accept that the current dividing line between finance leases and operating leases is not perfect, it does at least have the benefit of being well established and well understood. Accordingly we recommend that the boards simply carry forward the criteria from IAS 17, with leases that qualified as finance leases under the old standard being classified as Type A and those that qualified as operating leases being classified as Type B.
- 33.** We appreciate that the boards did not want to retain the terms 'finance lease' and 'operating lease' as they are attempting to draw a line under the old model and start afresh. However, we do not think that referring to Type A leases and Type B leases is a satisfactory conclusion as it will only serve to confuse both preparers and users alike. Moreover, if the boards do not provide a more meaningful name for the two types of leases, preparers may be inclined to make up their own, which may result in different entities adopting different terminology for the same type of arrangement. We suggest instead using 'financing lease' and 'rental lease' or something similar.

### Question 5 – lease term

**Do you agree with the proposals on lease term, including the reassessment of the lease term if there is a change in relevant factors? Why or why not? If not, how do you propose that a lessee and a lessor should determine the lease term and why?**

34. We agree that lease payments due in optional renewal periods should be included in the measurement of lease assets and liabilities if – and only if – the lessee has a significant economic incentive to exercise that option. This is consistent with what we suggested when responding to the 2010 exposure draft and we are pleased that the boards have listened to our concerns about the cost and complexity of their original proposals.
35. However, we remain concerned that this requirement will present many businesses with a significant operational challenge. This will be particularly true for lessors who are unlikely to be aware of the individual circumstances of the entities to which they lease assets. We accept that the move away from the ‘more likely than not’ basis included in the 2010 exposure draft means that this requirement is not as onerous as previously envisaged but the burden should nonetheless not be underestimated. We therefore suggest that a higher threshold should be introduced with reassessment being required only where there is a **significant** change in relevant factors.
36. A reassessment may involve a considerable amount of work, especially if a large number of leases are affected by similar factors. In such circumstances, we suggest that the reassessment can be undertaken on a portfolio basis. In some cases this may be the only feasible way of implementing the proposed requirements.

### Question 6 – variable lease payments

**Do you agree with the proposals on the measurement of variable lease payments, including reassessment if there is a change in an index or a rate used to determine lease payments? Why or why not? If not, how do you propose that a lessee and a lessor should account for variable lease payments and why?**

37. We agree that variable lease payments should be included in the measurement of lease assets and liabilities if – and only if – those payments are in-substance fixed payments or linked to an index or rate. This is consistent with what we suggested when responding to the 2010 exposure draft and again we are pleased that the boards have listened to our concerns about the cost and complexity of their original proposals.
38. We also agree that the variable lease payments should be reassessed when there is a change in the index or rate used to determine such payments. Consistent with our response to question 5 above, we believe that it would be operationally simpler if a reassessment was only required when there was a **significant** change and if it was possible for the reassessment to be undertaken on a portfolio basis.
39. We note that there is asymmetry in the proposed treatment of residual value guarantees by lessees and lessors. Lessees include in the lease liability only those payments that they expect to make whereas lessors include lease payments ‘structured as residual value guarantees’. The proposed guidance characterises such payments as similar to fixed lease payments, and these are included in the lease receivable. However, a consequence is that lessors may include amounts that they do not expect to receive from the lessee but instead realise through a market sale of the underlying asset at the end of the lease term. We do not believe that it is appropriate to include such amounts in the lease receivable, and thereby revenue, at lease commencement. We suggest that both lessors and lessees should apply a symmetrical approach for residual value guarantees, such that they include only amounts that they expect to pay/receive.

## Question 7 – transition

**Paragraphs C2–C22 state that a lessee and a lessor would recognise and measure leases at the beginning of the earliest period presented using either a modified retrospective approach or a full retrospective approach. Do you agree with those proposals? Why or why not? If not, what transition requirements do you propose and why? Are there any additional transition issues the boards should consider? If yes, what are they and why?**

40. We agree that mandatory full retrospective application would be too onerous in many cases and therefore agree that some simplified transitional arrangements are necessary. However, we are not convinced that the modified retrospective approach set out in the exposure draft is clearly articulated.
41. Under the modified retrospective approach, we agree with the method used to calculate the lease liability. However, we believe that the method for calculating the right-of-use asset for Type A leases is somewhat convoluted and unduly complex. We have a concern around the use of the average of the remaining lease payments to determine the right-of-use asset. This assumes that all lease payments are made evenly over the lease term, which may not be the case.
42. Given the changes the boards have made to their proposals for lease term and variable rents, thus reducing the impact of front-loading, we believe that the modified retrospective approach should be as proposed for Type B leases in all cases where leases were not previously recognised on-balance sheet (that is, the lease liability and right-of-use asset should be measured at equal amounts at transition).
43. The modified retrospective approach also does not appear to envisage a situation where an operating lease was previously considered onerous. For such existing lease contracts, a provision would already be recorded on the balance sheet by the lessee. However, the proposed standard would suggest that a lessee would record a right-of-use asset at an amount equal to the lease liability on transition. Applying the proposed impairment guidance subsequently would result in a loss being recognised for a second time. We consider that the modified retrospective approach should allow for the fact that the right-of-use asset's value might be impaired at the date of transition.
44. For lessors, we note that where a lease is today classified as a finance lease but will in future be classified as a Type A lease, the carrying amount of the lease receivable is set at an amount equal to the net investment in the lease under IAS 17. However, net investment in the lease comprises the present value of both the minimum lease payments and the unguaranteed residual. We do not believe the latter should be included in the transitional measurement of the lease receivable, but should be measured separately, consistent with other Type A leases. In our view, the transition guidance should allow for the separation of the net investment in a finance lease into its receivable and residual components.
45. It is not clear whether an entity can elect to apply the modified retrospective approach on a lease by lease basis or whether it needs to adopt a consistent approach for each class of lease or, indeed, for all leases. We would prefer the choice to be available on a lease by lease basis so that entities are able to apply the fully retrospective approach to individual leases where doing so would be meaningful while applying the modified approach to other leases.

**Question 8 – disclosure**

**Paragraphs 58–67 and 98–109 set out the disclosure requirements for a lessee and a lessor. Those proposals include maturity analyses of undiscounted lease payments; reconciliations of amounts recognised in the statement of financial position; and narrative disclosures about leases (including information about variable lease payments and options). Do you agree with those proposals? Why or why not? If not, what changes do you propose and why?**

46. We welcome the overall objective of disclosing relevant quantitative and qualitative information as this will provide useful information to users of the financial statements and enhance their understanding of the amount, timing and uncertainty of cash flows arising from leases.
47. Individually each proposed disclosure has some merit but if entities were to comply with all of the proposed requirements it would add up to a very onerous task and increase the level of so-called 'clutter' in the financial statements. Therefore, we welcome the comment in paragraphs 59 and 99 (for lessees and lessors respectively) that an entity 'shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of these disclosures' as this allows some flexibility and will ease the reporting burden in many cases. We would recommend that the boards clearly state that all of the disclosures listed should not be regarded as mandatory in all situations. We welcome the comments of the IASB chairman to the recent IFRS conference in Amsterdam in this regard: 'We should clarify that if a standard is relevant to the financial statements of an entity, it does not automatically follow that every disclosure requirement in that standard will provide material information. Instead, each disclosure will have to be judged individually for materiality'.
48. We also note that the proposals allow entities to 'aggregate or disaggregate disclosures'. We welcome this too, as presumably this allows entities to apply a portfolio approach where appropriate. Perhaps this option should be explicitly stated to remove any doubt or confusion as to whether it is acceptable.
49. We do, however, worry that many of the narrative disclosure requirements proposed will, in practice, end up containing little more than boilerplate wording that varies little from entity to entity and provides little information of true value to users of the financial statements. Unfortunately, anything more than this will not be practical where an entity has hundreds or, indeed, thousands of leases.
50. The proposals in paragraphs 61 whereby a lessee is required to disclose a reconciliation of opening and closing balances of right-of-use assets and liabilities to make lease payments are particularly welcome and will be of great interest to users of the financial statements and analysts alike. Similar disclosures for other types of long-term debt, other than just lease liabilities, would also be welcomed.
51. We are pleased to note that the boards have amended their approach to short-term leases to allow entities to elect to apply the existing requirements of IAS 17 relating to operating leases to leases with a maximum possible term of twelve months or less. However, as this will result in such leases being off-balance sheet, additional disclosures – for example of the annual expense relating to short-term leases – would be useful to give users information about the magnitude of such leases.

## Question 12 – Consequential amendments to IAS 40

The IASB is proposing amendments to other IFRSs as a result of the proposals in this revised Exposure Draft, including amendments to IAS 40 Investment Property. The amendments to IAS 40 propose that a right-of-use asset arising from a lease of property would be within the scope of IAS 40 if the leased property meets the definition of investment property. This would represent a change from the current scope of IAS 40, which permits, but does not require, property held under an operating lease to be accounted for as investment property using the fair value model in IAS 40 if it meets the definition of investment property. Do you agree that a right-of-use asset should be within the scope of IAS 40 if the leased property meets the definition of investment property? If not, what alternative would you propose and why?

52. Yes, we agree with the proposed consequential amendments to IAS 40 as we believe that they will result in greater consistency in accounting for investment properties and, thus, will provide better information to users of financial statements.

E [eddy.james@icaew.com](mailto:eddy.james@icaew.com)

Copyright © ICAEW 2013  
All rights reserved.

This document may be reproduced without specific permission, in whole or part, free of charge and in any format or medium, subject to the conditions that:

- it is appropriately attributed, replicated accurately and is not used in a misleading context;
- the source of the extract or document is acknowledged and the title and ICAEW reference number are quoted.

Where third-party copyright material has been identified application for permission must be made to the copyright holder.

[icaew.com](http://icaew.com)