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Chère Mme Flores

***IASB ED Presentation of Items of Other Comprehensive Income: Proposed Amendments to IAS 1***

The ICAEW welcomes the opportunity to comment on EFRAG's draft comment letter, published in June 2010, on the International Accounting Standards Board Exposure Draft ED/2010/5 *Presentation of Items of Other Comprehensive Income: Proposed Amendments to IAS 1*. Our responses to the main issues highlighted by EFRAG are set out below. A draft of our response to the IASB, which has not yet been finalised, is attached to this letter. This provides further explanation of our views and also considers some additional points not brought-up in the EFRAG response.

We second EFRAG's support for the efforts of the IASB and FASB to improve presentation in the financial statements. Like EFRAG we are concerned at the lack of a conceptual basis to support where different items should be presented in the performance statements. We believe that this fundamental issue should be the focus of the current project.

We agree with EFRAG that the exposure draft has little value in its current format. We do not believe that an adequate case is made in the exposure draft as to why the presentation of a single performance statement should be desirable. We agree that such a case cannot be made in the absence of a broader conceptual discussion of the purpose of the performance statements. Similarly we do not believe that such a requirement would have a significant impact in practice. We therefore question the purpose of the change.

We agree that the proposal to present separately those items of other comprehensive income that can be reclassified to profit or loss from those items that cannot be so reclassified has some merit. We therefore support EFRAG's suggestion that this element could be detached and addressed as an annual improvement.

We do not agree in principle that a change in the title of the performance statements is necessary. This is a cosmetic change that does not address the fundamental issue of the purpose of the performance statements. In practice we are ambivalent to the change as, because it is voluntary, we do not believe it will have much effect on financial reporting. However, we do note that it is important that the current provision in IAS 1 allowing alternative titles to be adopted is maintained. Without such a provision we would strongly object to the proposed title change as such an alteration to terminology that is widely established and understood is likely to cause frustration and confusion among constituents.

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

Yours sincerely

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