

**Comment on Exposure Draft ED199**

**From:** Thiru Thiagarajah [mailto:angelthiru@hotmail.com]  
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**To:** AASB Mailbox  
**Subject:** Comment on Exposure Draft

Hi

The AASB would particularly value comments on whether:  
(a) there are any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals, particularly any issues relating to:  
(i) not-for-profit entities; and  
(ii) public sector entities;

Comment

The comment is relevant to public sector and not for-profit entities. I worked in a country hospital 220 kilometers away from Melbourne. I wish to comment on my observation during the preparation of annual financial statements. Medical equipment acquired were valued at historical costs and were disclosed at written down value. While some of the equipment were operationally useful, others were at the end of their useful life and the carrying amount of the asset was more than the recoverable amount. This was happening as a result of advancement in technology. When this problem was identified, a proposal for market valuation was recommended, we found cost of valuing the equipment will far exceed the recoverable amount of the equipment. As a result we abandoned the idea of re-valuation, instead applied AASB 136 to recognise asset impairment. A cost benefit analysis was useful.

Regards

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