pwc

Kevin Stevenson
Chairman
Australian Accounting Standards Board
PO Box 204
Collins Street West VIC 8007

via email: standard@aasb.gov.au

8 April 2013

Dear Kevin

Re: Submissions on AASB ED 228, ED 230, ED 231, ED 235 and ED 236

I am enclosing a copy of PricewaterhouseCooopers' responses to the following International Accounting Standards Board's Exposure Drafts:

- ED 228 (IASB ED/2012/3) *Equity Method: Share of Other Net Asset Changes (proposed amendments to AASB 128)*
- ED 230 (IASB ED/2012/4) *Classification and Measurement: Limited Amendments to AASB 9 (proposed amendments to AASB 9 (2010))*
- ED 231 (IASB ED/2012/5) *Clarification of Acceptable Methods of Depreciation and Amortisation (proposed amendments to AASB 116 and AASB 138)*
- ED 235 (IASB ED/2013/1) *Recoverable Amount Disclosures for Non-Financial Assets (proposed amendments to AASB 136)*
- ED 236 (IASB ED/2013/2) *Novation of Derivatives and Continuation of Hedge Accounting (proposed amendments to AASB 139 and AASB 9)*

The letters reflect the views of the PricewaterhouseCoopers (PwC) network of firms and as such include our own comments on the matters raised in the requests for comment. PwC refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

I would welcome the opportunity to discuss our firm's views at your convenience. Please contact me on (02) 8266 7104 if you would like to discuss our comments further.

Yours sincerely,

Paul Shepherd
Partner, PricewaterhouseCoopers

Private & Confidential
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Tuesday 19 March

Dear Sir/Madam

Exposure Draft ED/2013/1 – Recoverable Amount Disclosures for Non-Financial Assets Proposed amendments to IAS 36 ('the Exposure Draft')

We are responding to your invitation to comment on the Exposure Draft on behalf of PricewaterhouseCoopers.

Following consultation with members of the PricewaterhouseCoopers network of firms, this response summarises the views of member firms who commented on the Exposure Draft. "PricewaterhouseCoopers" refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

We agree in principle with the proposed amendments. Our responses to the specific questions posed in the invitation to comment are attached as Appendix 1 to this letter.

If you have any questions in relation to this letter please do not hesitate to contact John Hitchins, PwC Global Chief Accountant (020 7804 2497), or Mary Dolson (020 7804 2930).

Yours faithfully

PricewaterhouseCoopers

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Appendix 1

Detailed responses to the specific questions in the Exposure Draft

Question 1 – Disclosures of recoverable amount

The IASB proposes to remove the requirement in paragraph 134(c) to disclose the recoverable amount of each cash-generating unit (group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (group of units) is significant when compared to the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. In addition, the IASB proposes to amend paragraph 130 to require an entity to disclose the recoverable amount of an individual asset (including goodwill) or a cash-generating unit for which the entity has recognised or reversed an impairment loss during the reporting period.

Do you agree with the proposed amendments? If not, why and what alternative do you propose?

We support the proposed amendments.

Question 2 – Disclosures of the measurement of fair value less costs of disposal

The IASB also proposes to include in paragraph 130 the requirement to disclose the following information about the fair value less costs of disposal of an individual asset (including goodwill) or a cash-generating unit for which the entity has recognised or reversed an impairment loss during the reporting period:

(a) the valuation technique(s) used to measure fair value less costs of disposal and, if there has been a change in the valuation technique, that change and the reason(s) for making it;

(b) the level of the fair value hierarchy within which the fair value measurement of the asset is categorised in its entirety (without taking into account whether the 'costs of disposal' are observable); and

(c) for fair value measurements that are categorised within Levels 2 and 3 of the fair value hierarchy, the key assumptions used in the measurement.

Do you agree with the proposed amendments? If not, why and what alternative do you propose?

We support the proposed amendments but would prefer to see the disclosure of assumptions used (point (c) above) also required for value in use measurements. This is consistent with the Board's approach of harmonising the disclosures required in impairment testing for fair value less costs of disposal and value in use, where relevant.

Question 3 – Transition provisions

The IASB proposes that the amendments should be applied retrospectively for annual periods beginning on or after 1 January 2014. The IASB also proposes to permit earlier application, but will not require an entity to apply those amendments in periods (including comparative periods) in which the entity does not also apply IFRS 13.

Do you agree with the proposed transition method and effective date? If not, why and what alternative do you propose?

We support the proposed transition provisions but suggest that the amendments are immediately available to an entity that has early adopted IFRS 13.

Question 4 – Other comments

Do you have any other comments on the proposals?

We note that the Illustrative example included in the Exposure draft only illustrates a few of the disclosure requirements of IAS 36 paragraph 130. We suggest that the example is either redrafted to include all the required disclosures or removed altogether.