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-----Original Message-----

From: Tim Hoad [mailto:intangability@cwcom.net]

Sent: Thursday, September 13, 2001 6:58 PM

To: Timothy Lucas - FASB

Cc: Pedrotti Tony (Mr AJ); Gillian Knight - ICAEW; Anthony Carey - ICAEW; Stathis Gould - CIMA; Mary Keegan - ASB; Gary Romain - ASB; Baruch Lev; Ronald Mackay - EU DG Enterprise; Oluf Nielsen - EU

Subject: FASB project on Information disclosure about Intangible Assets not recognized in Financial Statements

Dear Tim

I understand that the Financial Accounting Standards Board, has recently announced a proposed new agenda project on "Disclosure of Information About Intangible Assets Not Recognized In Financial Statements,"

I run my own consultancy IntangAbility Ltd which considers managing and reporting intangible assets and liabilities. I am the author of "Creating value from your intangible assets" a project that I managed for the DTI in the UK - http://www.innovation.gov.uk/projects/intangible_assets/index.html

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I believe that Intangible drivers of value creation (assets) and intangible drivers of value destruction (liabilities) should be one of the main subjects of management accounts, business plans and associated issues surrounding leadership and communication.

Because many of the intangible drivers are not necessarily "assets" in an accounting sense, and are not necessarily even things where legal ownership can be established. The main point is to consider where to draw a boundary around the organisation? For accounting purposes the boundary that you would draw for construction of financial accounts (values relating to things owned that have been acquired using money or the issue of shares) is very different from the boundary that you would draw for management of value drivers where you are, additionally, concerned with flows (of information for example) and context (relationships between things).

I believe that the internal management focus is the most important issue because it is this that enables the selective information to convey the messages necessary in order to have a good quality external dialogue through provision of both numbers and associated messages.

I would be interested to be kept advised of progress made in this important area.

Regards

Tim Hoad
Director