

20 April 2009

International Accounting Standards Board 1st Floor 30 Cannon Street London EC4M 6XH LETTER OF COMMENT NO. ZIO

Dear Sir

Discussion Paper: Preliminary Views on Financial Statement Presentation

With a membership in excess of 30,000, the London Society of Chartered Accountants (LSCA) is the largest of the regional bodies which form the Institute of Chartered Accountants in England & Wales (ICAEW). London members, like those of the Institute as a whole, work in practice or in business. The London Society operates a wide range of specialist committees including Technical (accounting and auditing), Tax, Regulation and Ethics Review and Financial Services and Insolvency, which scrutinise and make representations to bodies such as yourselves.

We support the objectives, set out in chapter 2, of cohesiveness, disaggregation, and liquidity and financial flexibility to the extent that the information provided is useful to users in making decisions. We fully agree with the sentiment in paragraph 2.10 that it is important that application of the disaggregation objective should lead to sufficient but not excessive disaggregation.

We are concerned that the level of aggregation proposed and illustrated in the appendices to the discussion paper coupled with the detailed reconciliation will lead to an excessive level of information in financial statements that are already over lengthy and in many cases will lead to users having too much information and being less able to readily identify the key matters.

It may be that some users (i.e. some analysts) may require this level of detail in some entities (i.e. the largest listed companies). We would suggest that this might be better addressed under the XBRL project such that the detailed information could then be obtained rather than imposing a reporting burden on all companies, the cost of which outweighs the benefits.

We do not agree with the prohibition on the use of an indirect cashflow. We are not aware of there being a great demand for provision of a direct cashflow statement, and given that the costs of such a change are likely to be considerable for many entities (requiring substantial changes to information systems, etc), we are not convinced that the benefits from such a change will outweigh those costs. We believe that the "high" level reconciliation of profit to operating cashflow can provide a useful reconciliation at a summary level identifying accruals, value changes etc.

More generally, we believe that any further proposals will need to be subjected to extensive field testing by entities of various sizes and complexity and by an assortment of users in order to establish that the cost of producing the additional information is commensurate with the benefit.

We trust you find our comments helpful in the consultation process and please do not hesitate to contact our Chairman, Brian Creighton on +44 (0) 207 893 3415 if you wish to discuss any of our comments further.

Yours sincerely

Brian Creighton

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LSCA Technical Committee Chair