Please note that the comments expressed herein are solely my personal views.

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- File Reference No. EITF-12E  
- Entertainment - Films (Topic 926)  
- Accounting for Fair Value Information That Arises after the Measurement Date and Its Inclusion in the Impairment Analysis of Unamortized Film Costs

Dear Sir.

Thank you for giving us the opportunity to comment on your Exposure Draft: Entertainment - Films (Topic 926); Accounting for Fair Value Information That Arises after the Measurement Date and Its Inclusion in the Impairment Analysis of Unamortized Film Costs.

Proposal

The proposed amendments would eliminate the rebuttable presumption\(^1\) that the conditions leading to the write-down of unamortized film costs after the balance sheet date existed as of the balance sheet date. The proposed amendments also would eliminate the requirement that an entity incorporate into fair value measurements used in the impairment tests the effects of any changes in estimates resulting from the consideration of subsequent evidence if the information would not have been considered by market participants at the measurement date.

I support the proposals, which will ensure that only information that was available to market participants at the measurement date could be included in the fair value measurement. This would be more internally consistent with the fair value measurement guidance provided under Topic 820.

\(^1\) See FASB ASC Topic 926-20-35-18.
Please note that the comments expressed herein are solely my personal views.

Answers to other specific questions raised by the FASB

Question 1:
Do you agree that the fair value measurement of a film used in an impairment test of unamortized film costs should be consistent with the definition of fair value as defined by Topic 820; that is, it should be based on assumptions that market participants would make under current conditions at the measurement date, reflecting, when appropriate, that those assumptions were made under conditions of uncertainty because the cash flows used were estimates rather than known amounts?

I agree with this. This will improve internal reporting consistency.

Question 3:
Do you believe that the proposed amendments, specifically to eliminate paragraph 926-20-35-18, necessitate further amendments to (a) the examples of events or changes in circumstances that indicate that an entity must assess whether the fair value of a film is less than its unamortized film costs (paragraph 926-20-35-12) or (b) the guidance about how those indicators are considered, specifically with respect to when a test should be performed? Please explain why or why not.

The proposed amendments do not necessitate further amendments to the examples of events or changes in circumstances that indicate that an entity must assess whether the fair value of a film is less than its unamortized film costs, or the guidance about how those indicators are considered. The examples and guidance are consistent, sufficient and complete with respect to the required assessment.

Yours faithfully

C. R. B.

Chris Barnard