## SOCIEDAD UNIPERSONAL - Registro Mercantil de Madrid, tomo 455 general, del Libro de Sociedades, folio 58, hoja número M-8754, inscripción 1ª - C.I.F. A-79520656

## Toys "R" Us Iberia, S. A.

Poligono Industrial Alcalá Oeste Ctra. M-300, Km. 29,800 28802 ALCALÁ DE HENARES - MADRID Tel. 91 887 82 00 Fax 91 887 82 73

International Accounting Standards Board 30 Cannon Street London 3C4M 6XH United Kingdom 10 December, 2010

Re: Comments on Exposure Draft Leases

Dear Sir/Madam

TOYS R US Iberia, S.A.U. would like to sincerely thank the International Accounting Standards Board (the "IASB" or "Board") for the opportunity to share our comments on Exposure Draft ED/2010/9, *Leases* (the "ED") published by you in August 2010.

We are writing on behalf of ourselves, which operates in the retail sector, as toys specialists.

Further information about ANGED and its activities is available on our web site www.anged.es.

Our organization strongly supports the efforts of the IASB to improve International Financial Reporting Standards, in order to provide users of financial statements with information which is of better quality and of greater relevance, thereby aiding comparability.

We acknowledge that the current accounting model for leases has long been criticised for failing to meet the needs of users of financial statements. Therefore, we support the Board's objective to report relevant and representational faithful information to users of financial statements about the amounts, timing, and uncertainty cash flows arising from leases.

We do not believe that the current proposed ED fully meet this objective in a number of areas, which should be reconsider by the Board members. These key areas include the measurement of more complex leases, scope exceptions, options to extend and contingent rentals, an indepth study of the implications of the ED on the statement of comprehensive income, lessor accounting and transition. Moreover, its implementation would entail a substantial increase in costs and complexity for preparers. As a consequence of all these factors, the purpose of this letter is to express our disagreement with the aforementioned ED.

Nevertheless, in order to cooperate in improving the aforementioned standard prior to its definitive issue by the Board, we propose in this letter a number of solutions in each of these key areas, which we believe will enhance the benefits for users of the financial information, reduce income statement volatility (unjustified from our standpoint) that could arise as a result of the current wording of the ED and, in many cases, also reduce the cost and complexity for preparers.

The IASB has received many comment letters on ED Leases and arranged meetings with companies due to concerns regarding the new standard. We believe that further development is required and that field tests should be performed on all the concerns and suggestions and

## SOCIEDAD UNIPERSONAL - Registro Marcantil de Madrid, tomo 455 general, del Libro de Sociedades, folio 58, hoja número M-8754, inscripción 1ª - C.1.F. A-79520656

## Toys "R" Us Iberia, S. A.

Poligono Industrial Alcalá Oeste Ctra. M-300, Km. 29,800 28802 ALCALÁ DE HENARES - MADRID

Tel. 91 887 82 00 Fax 91 887 82 73

on the Board's own considerations and, therefore, more time is required to make the final standard robust and ensure that it is supported by all users of financial statements.

We would be pleased to discuss our comments further with the Board members or their respective staff at your convenience. Please contact our Secretary General, Fernando Olascoaga or myself (+34 915223004; <a href="mailto:anged@anged.es">anged@anged.es</a>) regarding our submission.

Yours faithfully,

Yours faithfully

Mr. Enrique González Hernán,

Finance Director Spain, France and Portugal.