

Mr Hans Hoogervorst
Chairman
International Accounting Standards Board
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London
United Kingdom
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Email: commentletters@ifrs.org

19 March 2013

Dear Mr Hoogervorst

Exposure Draft ED 2013/1 – Recoverable Amount Disclosures for Non-Financial Assets

Deloitte Touche Tohmatsu Limited is pleased to respond to the International Accounting Standards Board's (the IASB's) Exposure Draft *Recoverable Amount Disclosures for Non-Financial Assets* ('the exposure draft').

We support the amendments to IAS 36 *Impairment of Assets* proposed in the exposure draft, albeit with some recommendations for drafting changes to add clarity.

Our detailed responses to the questions in the invitation to comment are included in the Appendix to this letter.

If you have any questions concerning our comments, please contact Veronica Poole in London at +44 20 7007 0884.

Yours sincerely



Veronica Poole
Global IFRS Leader
Technical

Appendix

Question 1 – Disclosures of recoverable amount

We agree with the proposal to remove the requirement in paragraph 134(c) of IAS 36 to disclose the recoverable amount of each cash-generating unit (CGU) or 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 in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives because requiring such a disclosure as a matter of course is neither necessary nor a natural consequence of applying the requirements of IFRS 13.

We also agree that the recoverable amount of an impaired asset should be disclosed in the event of an impairment or reversal, but suggest that further clarification is needed on the application of this requirement to impairments and reversals of assets, including goodwill, arising from an assessment of the recoverable amount of a cash-generating unit or group of cash-generating units rather than of an individual asset.

The example disclosure included in the exposure draft appears to indicate that the proposed addition to paragraph 130(e) requires disclosure in these circumstances of the 'implied fair value' (or, when appropriate, the 'implied value in use') of goodwill rather than the fair value or value in use of the CGU or group of CGUs to which that goodwill is allocated. We recommend that it be made clear which value is required to be disclosed and that, if it is to be used, that the term 'implied fair value' be defined (presumably as the fair value of the cash-generating unit or group of cash-generating units to which the goodwill is allocated, less the carrying amount of other assets and liabilities of the unit or group of units).

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

We agree that the proposed disclosures on the measurement of fair value less costs of disposal should be provided in the event of an impairment or reversal as they are a proportionate means of incorporating the principal disclosure requirements of IFRS 13 for non-recurring fair value measurement into the disclosure of impairments and reversals.

As a point of detail, we recommend that paragraph 130(f)(ii) and the related text of paragraph IE90 could be made clearer by referring to 'the asset (cash-generating unit)' rather than simply 'the asset'.

Question 3 – Transition provisions

We agree that the proposed disclosure requirements should apply only in periods in which IFRS 13 is applied.

Question 4 – Other comments

We have no other comments on the proposals.