

International Accounting Standards Board

25 April 2008

Dear Sirs,

**IFRIC Draft Interpretation D23.**

We are pleased to provide our comments on IFRIC Draft Interpretation D23 *Distributions of Non-cash Assets to Owners* ("**D23**") as issued by the International Accounting Standards Board in January 2008.

In principle, we welcome the proposals contained in D23. In particular, we feel it is a positive move to provide guidance on how an entity should account for non-cash dividends in the absence of any existing guidance.

We support the IASB's proposal to measure a liability to distribute non-cash assets as dividends to its owners in accordance with IAS 37. We further agree with the proposal to account for any differences, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable through profit and loss when the entity settles that dividend.

We are unclear as to why no guidance is proposed in respect of intra-group distributions of non-cash assets as such transactions regularly occur. It may be appropriate to extend D23 to cover such intra-group transactions.

Please find enclosed with this letter answers to the Invitation to Comment questions in D23 itself.

Please do not hesitate to contact either of us if you require clarification on any of our comments.

Yours faithfully,

Lesley Duncan  
Group Financial Accountant

Nicola Salmond  
Group Financial Controller

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## **Responses to the Invitation to Comment questions raised in IFRIC D23**

### ***Distributions of Non-cash Assets to Owners***

#### Question 1

We agree with the proposal stated in paragraph 9 of the draft interpretation, that an entity should measure a liability to distribute non-cash assets to its owners in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

#### Question 2

We support the proposal in paragraph 12 of the draft interpretation, that when the dividend payable is settled, any difference between the carrying amount of the asset and the dividend payable should be recognised in profit or loss.

#### Question 3

We would agree that an entity should apply IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* to both non-current assets held for distribution to owners as well as to non-current assets held for sale.