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The Technical Director  
IPSASB  
New York

14<sup>th</sup> December, 2015

Dear Sir.

## Comments on Exposure Draft: Impairment of Revalued Assets

Thank you for giving us the opportunity to comment on your Exposure draft: **Impairment of Revalued Assets**. We submit herewith our comments and proposals for your perusal.

**Question.** The IPSASB proposes to include revalued property, plant and equipment and intangible assets within IPSAS 21 and IPSAS 26 in order to (a) provide information to users on impairment losses and reversals to property, plant and equipment and intangible assets carried at revalued amounts and (b) clarify that when a revalued asset is impaired and an impairment loss is recognized, an entity is not required to revalue the entire class of assets to which that item belongs.

Do you agree with the changes to IPSAS 21 and IPSAS 26 proposed in the ED and the consequential amendments to IPSAS 17, *Property, Plant and Equipment*, and IPSAS 31, *Intangible Assets*? If not provide your reasons.

**Response:** Yes we agree. It seems appropriate to include revalued property, plant and equipment and intangibles within the scope of IPSAS 21 (impairment on cash generating assets) and IPSAS 26 (impairment on non-cash generating assets) to give a holistic picture of impairment. Thus, impairment on assets would be covered under these two standards which deal solely with impairment.

From this, at each reporting date, an entity would be required to assess the recoverable amount of cash generating assets and non-cash generating assets and recognize an impairment loss if the recoverable amount of the asset is less than the carrying amount.

Where the asset has been revalued before, as is the topic of discussion, an impairment loss will first be recognized in the revaluation reserve to the value of the loss; any excess on the loss will be recognized in surplus or deficit. In addition, when a revalued asset is impaired and an impairment loss is recognized, an entity is not required to revalue the entire class of assets to which that item belongs.

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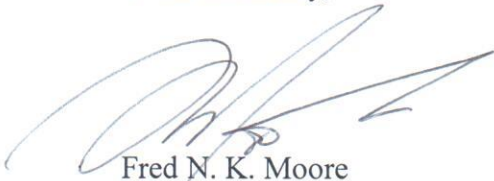
Address all correspondences to: The Chief Executive Officer

***Conclusion***

We hope the IPSASB find this letter helpful in further developing the Exposure draft. We are committed to helping the Board in whatever way we can to build upon the results of this Exposure draft document. Please do not hesitate to contact us should you wish to discuss any matters raised in this submission.

Thank you.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Fred N. K. Moore', written in a cursive style.

Fred N. K. Moore

Chief Executive Officer