



**The Quoted  
Companies Alliance**

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London, EC4M 6XH  
Email: [CommentLetters@iasb.org](mailto:CommentLetters@iasb.org)

14 April 2009

Dear Sirs,

**IASB DISCUSSION PAPER – PRELIMINARY VIEWS ON FINANCIAL STATEMENT PRESENTATION**

***INTRODUCTION***

The Quoted Companies Alliance (QCA) is a not-for-profit membership organisation dedicated to promoting the cause of smaller quoted companies (SQC), which we define as those 2,000+ quoted companies outside the FTSE 350 (including those on AIM and PLUS) representing 85% of the UK quoted companies by number. Their individual market capitalisations tend to be below £500m.

The QCA is a founder member of European**Issuers**, which represents over 9,000 quoted companies in thirteen European countries.

***RESPONSE***

Thank you for the opportunity to respond to your paper. As we represent SQCs, who have less staff and in-house resources than large companies to cope with major accounting changes, we are primarily concerned with the cost/benefit analysis that has gone into the financial statement presentation changes. We believe that some of the changes will incur a disproportionate amount of cost for SQCs, especially with regard to the proposal on using a single statement of comprehensive income (Paragraphs 3.24 - 3.33), the direct method of presenting cash flows (Paragraph 3.75), and the proposed reconciliation schedule (Paragraph 4.19).

Please find below further discussion on these proposals:

**Single statement of comprehensive income**

The proposed presentation model represents an alternative available to financial statement preparers that is rarely used currently and consequently the change could result in potentially significant implementation cost for our members. This is especially relevant for SQCs that currently classify expenses on the basis of their function. In our opinion this proposal will not enhance the usefulness sufficiently to justify the additional cost.

Direct method of presenting operating cash flows

Most of our members present the statement of cash flows using the indirect method and we do not support the proposal that an entity should adopt the direct method. In addition, we believe that obtaining the necessary information to prepare the statement on this basis could prove impracticable for our members with overseas operations.

Proposed reconciliation schedule

We are particularly opposed to the significant incremental disclosures proposed by preparation of the above schedule. In our opinion this level of detail is not required by users and will require significant effort for our members to produce with the limited resources they have available.

If you wish to discuss these issues with us, we will be pleased to attend a meeting.

Yours faithfully,

A handwritten signature in black ink that reads "John Pierce". The signature is written in a cursive style and is underlined with a single horizontal line.

John Pierce  
Chief Executive