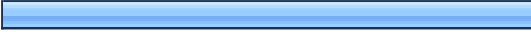
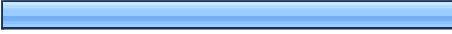








1. Please rate the following IFRSs and aspects of IFRSs in terms of how complex you find them.

	Not complex	Somewhat complex	Complex	Very complex	Rating Average	Response Count
IFRS 7 - Financial Instruments Disclosures (for non-financial companies)	5.6% (1)	22.2% (4)	33.3% (6)	<b>38.9% (7)</b>	3.06	18
IFRS 2 - Share-based Payment (accounting)	14.3% (3)	28.6% (6)	<b>47.6% (10)</b>	9.5% (2)	2.52	21
IFRS 2 - Share-based Payment (disclosure)	14.3% (3)	<b>42.9% (9)</b>	23.8% (5)	19.0% (4)	2.48	21
Disclosures regarding policies to be enacted	36.8% (7)	<b>42.1% (8)</b>	10.5% (2)	10.5% (2)	1.95	19
Segmental reporting	<b>52.4% (11)</b>	19.0% (4)	14.3% (3)	14.3% (3)	1.90	21
Acquisitions (comparative detailed information)	29.4% (5)	<b>35.3% (6)</b>	29.4% (5)	5.9% (1)	2.12	17
Comparative movement tables (fixed assets and provisions)	<b>57.9% (11)</b>	36.8% (7)	5.3% (1)	0.0% (0)	1.47	19
IAS 36 - Impairment (disclosure)	23.8% (5)	<b>42.9% (9)</b>	28.6% (6)	4.8% (1)	2.14	21
Please add any additional comments you may have about the above standards:						5
<b>answered question</b>						<b>21</b>
<b>skipped question</b>						<b>0</b>

2. Please let us know briefly what you find most complex about the above standards.			
		Response Percent	Response Count
IFRS 7 - Financial Instruments Disclosures (for non-financial companies)		86.7%	13
IFRS 2 - Share-based Payment (accounting)		73.3%	11
IFRS 2 - Share-based Payment (disclosure)		73.3%	11
Disclosures regarding policies to be enacted		60.0%	9
Segmental reporting		60.0%	9
Acquisitions (comparative detailed information)		60.0%	9
Comparative movement tables (fixed assets and provisions)		40.0%	6
IAS 36 - Impairment (disclosure)		60.0%	9
		<b>answered question</b>	<b>15</b>
		<b>skipped question</b>	<b>6</b>

3. Please use this box to add any additional comments in relation to Question 2.	
	Response Count
	3
	<b>answered question</b>
	<b>3</b>
	<b>skipped question</b>
	<b>18</b>

**4. Please rate the following IFRSs and aspects of IFRSs in terms of how much value you believe they add to your accounts.**

	No value added	Some value added	Value added	A great deal of value added	Rating Average	Response Count
IFRS 7 - Financial Instruments Disclosures (for non-financial companies)	<b>50.0% (9)</b>	38.9% (7)	11.1% (2)	0.0% (0)	1.61	18
IFRS 2 - Share-based Payment (accounting)	33.3% (7)	<b>52.4% (11)</b>	14.3% (3)	0.0% (0)	1.81	21
IFRS 2 - Share-based Payment (disclosure)	30.0% (6)	<b>60.0% (12)</b>	10.0% (2)	0.0% (0)	1.80	20
Disclosures regarding policies to be enacted	35.0% (7)	<b>55.0% (11)</b>	10.0% (2)	0.0% (0)	1.75	20
Segmental reporting	5.0% (1)	<b>35.0% (7)</b>	<b>35.0% (7)</b>	25.0% (5)	2.80	20
Acquisitions (comparative detailed information)	11.8% (2)	<b>47.1% (8)</b>	35.3% (6)	5.9% (1)	2.35	17
Comparative movement tables (fixed assets and provisions)	10.0% (2)	<b>70.0% (14)</b>	15.0% (3)	5.0% (1)	2.15	20
IAS 36 - Impairment (disclosure)	5.0% (1)	40.0% (8)	<b>50.0% (10)</b>	5.0% (1)	2.55	20
Please add any additional comments you may have about the above standards:						7
<b>answered question</b>						<b>21</b>
<b>skipped question</b>						<b>0</b>

**5. Our initial research identified seven standards which were most onerous while adding the least value so we have asked specific questions about these first. Please comment on any other standards that you find overly complex.**

	Response Count
	8
<b>answered question</b>	<b>8</b>
<b>skipped question</b>	<b>13</b>

## 1. Please rate the following IFRSs and aspects of IFRSs in terms of how

Please add any additional comments you may have about the above standards:

1	It's not such much that standards are complex rather than long-winded in preparation. The value of the output is often fairly meaningless and can be heavily dependent on judgement.	Jan 5, 2011 12:34 PM
2	We have very much simplified the IAS36 disclosures	Jan 5, 2011 5:36 PM
3	It is not the complexity it is simply the volume of rubbish!	Jan 7, 2011 1:44 AM
4	Pensions accounting is the most complex and least useful standard. We have a DB scheme and no readers of the accounts understand the entries that go through the accounts other than the team of people that prepare the document.	Jan 7, 2011 11:40 AM
5	As a bank, we will not comment on the IFRS 7 topic. Segmental reporting is unhelpful in a new company because there is a strong likelihood that the segments will change in the first few years. The changes create prior year adjustments which are very difficult to understand. Segmental reporting can complicate relationships with HMRC particularly for VAT special methods which financial institutions negotiate for partial exemption; hence distortion of reporting is probable.	Jan 10, 2011 10:01 AM

## 2. Please let us know briefly what you find most complex about the above

IFRS 7 - Financial Instruments Disclosures (for non-financial companies)

1	Level of disclosures and their ever changing nature. Calculations.	Jan 5, 2011 11:18 AM
2	Shear volume of the standard. The mark to market calculations are often complex and open to interpretation.	Jan 5, 2011 12:03 PM
3	Trying to ensure that the hedge meets the hedging requirements of the standard	Jan 5, 2011 12:34 PM
4	Initially complex but we have now disclosed for 3 years	Jan 5, 2011 5:36 PM
5		Jan 7, 2011 1:44 AM
6	separating normal assets and liabilities into financial instruments, calculating fair values	Jan 7, 2011 11:40 AM
7	n/a	Jan 10, 2011 10:01 AM
8	Classification of financial instruments and hedging accounting. There are numerous jargons that non-financial experts (such as accountants, auditors and public users of financial statements) find difficult to understand.	Jan 10, 2011 10:16 AM
9	Too much data which simply detracts from the traditional and understood asset and liability presentation	Jan 12, 2011 4:41 PM
10		Jan 18, 2011 3:07 PM
11	We make a large amount of disclosure for a balance sheet which is subject to very few complex financial instruments. The disclosure is pointless as much as it is complex.	Feb 10, 2011 4:45 PM
12	Currency risk sensitivity	Feb 10, 2011 4:55 PM
13	Detailed disclosures about even the most simple instruments. Disclosure of information that requires valuation of hypothetical items which requires specialist skills not available in smaller listed company finance teams.	Feb 10, 2011 5:45 PM
14	Mind numbing calculation of the fair values of simple forward exchange contracts (because derivatives). Meaningless classifications of different classes of financial instrument. Close to unintelligible terminology used in the accounting policies.	Feb 10, 2011 6:43 PM
15	N/A	Feb 11, 2011 4:33 PM

## 2. Please let us know briefly what you find most complex about the above

IFRS 2 - Share-based Payment (accounting)		
1		Jan 5, 2011 11:18 AM
2	Decision on which financial model to use. The assessment of the assumptions underlying the model. The calculation of the charge using the model.	Jan 5, 2011 12:03 PM
3		Jan 5, 2011 12:34 PM
4	Conceptually complex. There is a fallacy in that no credits to P&L are allowed	Jan 5, 2011 5:36 PM
5	Meaningless	Jan 7, 2011 1:44 AM
6	illogical rules about leavers advancing charges	Jan 7, 2011 11:40 AM
7	Getting more complex as each scheme may have different attributes. The FSA requires more deferral with complex valuation likely.	Jan 10, 2011 10:01 AM
8	Measure the value of the option	Jan 10, 2011 10:16 AM
9	Amounts charged do not necessarily relate simply to amounts paid. Non finance staff find it difficult to understand the application of a notional non-cash charge	Jan 12, 2011 4:41 PM
10		Jan 18, 2011 3:07 PM
11		Feb 10, 2011 4:45 PM
12	Achieving a meaningful measure of volatility which is consistent in its relative impact from one year to the next	Feb 10, 2011 4:55 PM
13	Application of rules re the various standard UK schemes - different results for each.	Feb 10, 2011 5:45 PM
14	I find the statistical models used to generate the fair value of share options incomprehensible	Feb 10, 2011 6:43 PM
15	Easy enough in principle until you get into the huge argument with auditors about volatility rates to be used.	Feb 11, 2011 4:33 PM

## 2. Please let us know briefly what you find most complex about the above

IFRS 2 - Share-based Payment (disclosure)		
1		Jan 5, 2011 11:18 AM
2	Straight forward once the accounting has been sorted.	Jan 5, 2011 12:03 PM
3		Jan 5, 2011 12:34 PM
4	Long-winded as opposed to complex	Jan 5, 2011 5:36 PM
5	As above	Jan 7, 2011 1:44 AM
6	debits and credits washing through reserves	Jan 7, 2011 11:40 AM
7	Increasing complexity to meet FSA rules on deferral etc.	Jan 10, 2011 10:01 AM
8		Jan 10, 2011 10:16 AM
9	Extension of above comment re accounting	Jan 12, 2011 4:41 PM
10	Can only be disclosed by a specialist because of the jargon used in describing the option	Jan 18, 2011 3:07 PM
11		Feb 10, 2011 4:45 PM
12	Aggregation of options with performance shares ends up with some meaningless numbers for data items like average exercise price	Feb 10, 2011 4:55 PM
13	Volume of disclosure required about relatively simple grants makes the note incomprehensible to most.	Feb 10, 2011 5:45 PM
14	Not particularly complex just not particularly meaningful	Feb 10, 2011 6:43 PM
15	One often feels that the scope for the disclosure and especially the "presumed benefit" aspect is quite pointless.	Feb 11, 2011 4:33 PM

## 2. Please let us know briefly what you find most complex about the above

Disclosures regarding policies to be enacted		
1		Jan 5, 2011 11:18 AM
2	Volume of info that needs to be reviewed in order to assess what is relevant.	Jan 5, 2011 12:03 PM
3		Jan 5, 2011 12:34 PM
4	Not particularly onerous	Jan 5, 2011 5:36 PM
5		Jan 7, 2011 1:44 AM
6	not a useful disclosure, but not complex until you approve accounts close to a date something changes	Jan 7, 2011 11:40 AM
7	no comment	Jan 10, 2011 10:01 AM
8	Find out new accounting standards or changes to standards coming into effects since last period end and determine whether they have any impact on the business.	Jan 10, 2011 10:16 AM
9	N/a	Jan 12, 2011 4:41 PM
10	How can one be aware of all legislation. again a job for the boys.	Jan 18, 2011 3:07 PM
11		Feb 10, 2011 4:45 PM
12		Feb 10, 2011 4:55 PM
13		Feb 10, 2011 5:45 PM
14	Not complex, in most instances meaningless	Feb 10, 2011 6:43 PM
15	more a pain than a problem!	Feb 11, 2011 4:33 PM

## 2. Please let us know briefly what you find most complex about the above

Segmental reporting		
1		Jan 5, 2011 11:18 AM
2	Not a problem	Jan 5, 2011 12:03 PM
3	Allocation of costs can be very arbitrary	Jan 5, 2011 12:34 PM
4	Long-winded but not onerous	Jan 5, 2011 5:36 PM
5		Jan 7, 2011 1:44 AM
6	not complex, but forces external reporting to be done in an unhelpful way - reporting externally should be different from how the business is viewed internally and the internal metrics used	Jan 7, 2011 11:40 AM
7	irritating in an evolving new business. Better covered in the CEO statement. May be distorted given HMRC interactions particularly for VAT.	Jan 10, 2011 10:01 AM
8	The format of segmental reporting might be different with the format of management information, so this is extra information that accounting department needs to collect just for the purpose of financial reporting.	Jan 10, 2011 10:16 AM
9	N/a	Jan 12, 2011 4:41 PM
10		Jan 18, 2011 3:07 PM
11		Feb 10, 2011 4:45 PM
12	The idea that you should report your statutory accounts on the same basis as the management accounts is just too theoretical and would require an army of accountants to produce monthly information on the same basis as the annual accounts. It is simply not possible for small companies to run their monthly maaagement accounts on this basis. It is therefore unreasonable to expect statutory accounts to be produced on same basis as monthly accounts	Feb 10, 2011 4:55 PM
13		Feb 10, 2011 5:45 PM
14		Feb 10, 2011 6:43 PM
15	Not an issue for us	Feb 11, 2011 4:33 PM

## 2. Please let us know briefly what you find most complex about the above

Acquisitions (comparative detailed information)		
1		Jan 5, 2011 11:18 AM
2	Not a problem to date.	Jan 5, 2011 12:03 PM
3	not done very often - so just understanding requirements difficult	Jan 5, 2011 12:34 PM
4	Cumbersome and of little use	Jan 5, 2011 5:36 PM
5		Jan 7, 2011 1:44 AM
6	most of this you need to review the business anyway, difficulty is converting it to IFRS from local information	Jan 7, 2011 11:40 AM
7	no comment	Jan 10, 2011 10:01 AM
8		Jan 10, 2011 10:16 AM
9	N/a	Jan 12, 2011 4:41 PM
10		Jan 18, 2011 3:07 PM
11		Feb 10, 2011 4:45 PM
12	Depending on the timing of an acquisition relative to the financial year end it can be too time pressured to get all the disclosure information prepared and audited in the time available, for small companies that are not geared up to provide this information.	Feb 10, 2011 4:55 PM
13		Feb 10, 2011 5:45 PM
14	n/a	Feb 10, 2011 6:43 PM
15	Overly complicates what should be simple commercial arrangements	Feb 11, 2011 4:33 PM

## 2. Please let us know briefly what you find most complex about the above

Comparative movement tables (fixed assets and provisions)		
1		Jan 5, 2011 11:18 AM
2	Fine.	Jan 5, 2011 12:03 PM
3		Jan 5, 2011 12:34 PM
4	Cumbersome and useless (can always look at last year's statements)	Jan 5, 2011 5:36 PM
5		Jan 7, 2011 1:44 AM
6	not complex except currency movements	Jan 7, 2011 11:40 AM
7	no comment	Jan 10, 2011 10:01 AM
8		Jan 10, 2011 10:16 AM
9	N/a	Jan 12, 2011 4:41 PM
10		Jan 18, 2011 3:07 PM
11		Feb 10, 2011 4:45 PM
12		Feb 10, 2011 4:55 PM
13		Feb 10, 2011 5:45 PM
14		Feb 10, 2011 6:43 PM
15	Thank God I have an external adviser	Feb 11, 2011 4:33 PM

## 2. Please let us know briefly what you find most complex about the above

IAS 36 - Impairment (disclosure)		
1		Jan 5, 2011 11:18 AM
2	Setting the assumptions	Jan 5, 2011 12:03 PM
3		Jan 5, 2011 12:34 PM

## 2. Please let us know briefly what you find most complex about the above

IAS 36 - Impairment (disclosure)		
4	We give very brief data	Jan 5, 2011 5:36 PM
5		Jan 7, 2011 1:44 AM
6	not that complex - the information required is what you need to make the impairment decision anyway	Jan 7, 2011 11:40 AM
7	necessary for a bank.	Jan 10, 2011 10:01 AM
8	The measurement of NPV of future cash flow is highly judgemental, not only cash flow is a forecast, but also the cost of capital is subject to management's estimation.	Jan 10, 2011 10:16 AM
9	N/a	Jan 12, 2011 4:41 PM
10		Jan 18, 2011 3:07 PM
11		Feb 10, 2011 4:45 PM
12	The calculatiuons and justification of WACC can be very complex and time consuming to prepare and have reviewed by auditors. This therefore adds considerable expense.	Feb 10, 2011 4:55 PM
13	Disclosure required of method used and exact inputs, whereas in reality a range of values is usually assessed as part of the impairment review process.	Feb 10, 2011 5:45 PM
14		Feb 10, 2011 6:43 PM
15	Another good idea in prinicple that gives the "thought police" more power than they should have!	Feb 11, 2011 4:33 PM

## 3. Please use this box to add any additional comments in relation to Question

Response Text		
1	We find the inability to credit to P&L any lapsed or permanently-impaired values incongruous	Jan 5, 2011 5:36 PM
2	See note above, most complex standard is pensions accounting for a defined benefit pension scheme	Jan 7, 2011 11:40 AM
3	I am afraid that this may not be very helpful but I fail to see what value shareholders or indeed other stakeholders derive from fair value accounting in the context of smaller companies	Feb 10, 2011 6:43 PM

## 4. Please rate the following IFRSs and aspects of IFRSs in terms of how much

Please add any additional comments you may have about the above standards:		
1	In most cases there is some value if only comparing one year to the next but I think they are generally misleading. Very subjective. One company's results can't be compared with another. Also a value is put on something that isn't real. Analysts often add back share based payments and deferred taxation in valuing businesses which just creates further confusion.	Jan 5, 2011 12:34 PM
2	The segmental reporting requirements are useful for showing where and how the business makes money and what information the key decision makers use to drive the business.	Jan 7, 2011 8:53 AM

I think many of the disclosures from most standards are useful - but the measurement (fair value) requirements are excessively complex and of arguable value.



## 4. Please rate the following IFRSs and aspects of IFRSs in terms of how much

Please add any additional comments you may have about the above standards:

- |   |   |                       |
|---|---|-----------------------|
| 3 | Value is given by the standards that encourage a better description of why the numbers are what they are or why actions have been taken - not just data for data's sake.  | Jan 7, 2011 11:40 AM  |
| 4 | <p>Financial instruments: as the accounting standards are difficult to understand, it is fair to say that this part is less audited and not very meaningful to public users if they cannot understand. Also, the sensitivity analysis regarding interest rate risk, price risk, foreign currency risk and liquidity risk makes the note very lengthy.</p> <p>Share-based payment: IFRS 2 was set up to address the problem that share-based payments are now charged to income statement. But currently the lengthy share-based payment note does not provide a lot of information about how much expense is charged to income statement (eg, what assumptions are used and how the expense is calculated). While I think it is important to list all outstanding share options, other information (such as weighted average number of share options or exercise price in the year) is not as meaningful as expense charged.</p> <p>Disclosures regarding policies to be enacted: It's better for the users of financial statements to evaluate what impact future policies will have.</p>  | Jan 10, 2011 10:16 AM |
| 5 | IFRS 7 does not add much value relative to the time taken to prepare all the disclosures. It took up six pages in our 2010 annual report and I really question how many of our shareholders would read a Note to the accounts that lasted that long.  | Feb 10, 2011 4:55 PM  |
| 6 | <p>In respect of my company:<br/>           Fair value accounting adds nothing (IFRS 7 and 2)<br/>           Financial instrument classification adds nothing (IFRS 7)<br/>           IFRS 7 accounting policies are couched in terms that no lay reader of accounts would understand</p> <p>I am not opposed to disclosure I just think it should be matter of fact and concise</p>  | Feb 10, 2011 6:43 PM  |
| 7 | <p>This whole bag of accounting tricks is supposed to help the ordinary shareholder to better understand the financial status of the company in which they have invested, and (quite properly) force management to make levels of disclosure that powerfully mitigate against the rotten practices and accounting abuses that were the Enrons of the world. All very well and good, but Smaller Quoted Companies can never be Enrons and the wholesale application on us of the full impact of these generally conceptually sensible measures is actually a costly pain most of the time.</p> <p>When Small Cap auditors and financial professionals are struggling to keep up what chance the ordinary guy in the street? While professional investors are perfectly well able - and indeed must - be up to speed on all this "stuff" I absolutely believe that the man on the top of the number 39 Clapham omnibus throws in the towel after Page 2 often preferring to engage in Bulletin Board activities since the financial statements of his investee companies are, more often than not pretty incomprehensible to him! Curiously, in my view, taking Alm to quarterly reporting but easing the burden of disclosure might go some way to solving this dilemma.</p> | Feb 11, 2011 4:33 PM  |

## 5. Our initial research identified seven standards which were most onerous

Response Text

- |   |   |                      |
|---|---|----------------------|
| 1 | IAS41 - in respect of bearer biological assets. A minority sport, but very complex and negative value added to users. | Jan 5, 2011 10:56 AM |
|---|---|----------------------|

## 5. Our initial research identified seven standards which were most onerous

Response Text		
2	Pension disclosures are very onerous and add little value as most readers do not understand the basis on which they are calculated.	Jan 5, 2011 12:03 PM
3	Deferred taxation. Extremely subjective	Jan 5, 2011 12:34 PM
4	IFRS3 on Business Combinations is complex and particularly ill-judged as regards treating deferred payments to employee-vendors through P&L as opposed to capitalising	Jan 5, 2011 5:36 PM
5	Accounting for defined benefit pension schemes - deficit is part of net assets impacting DB credit rating score, entries through income statement in the interest/finance lines are completely illogical - investors just want to know what the cash committed to the scheme is and over what period	Jan 7, 2011 11:40 AM
6	Not involved in acquisition recently, but have gone through a class 1 disposal on main list. IFRS5 can be quite tricky.	Jan 18, 2011 3:07 PM
7	IAS 39 is the ridiculous standard in its current form. There needs to be some form of carve out for simple trading companies seeking to protect their balance sheet to foreign exchange and interest rate risk from volatility with simple contracts	Feb 10, 2011 4:45 PM
8	IAS 39 hedge accounting where don't have 100% critical terms match.	Feb 10, 2011 5:45 PM