

4 April 2011

SME Implementation Group (SMEIG)
30 Cannon Street
LONDON EC4M 6XH
United Kingdom

Email: CommentLetters@ifrs.org

Dear Sir/Madam

SAICA SUBMISSION ON DRAFT Q&A 2011/01 – IFRS FOR SMES SECTION 1, ISSUE 1 – USE OF THE IFRS FOR SMES IN PARENT’S SEPARATE FINANCIAL STATEMENTS

In response to your request for comments on the SMEIG’s Draft Q&A 2011/01 – *IFRS for SMEs* Section 1, Issue 1 – Use of the *IFRS for SMEs* in Parent’s Separate Financial Statements, attached is the comment letter prepared by The South African Institute of Chartered Accountants (SAICA). Please note that SAICA is not only a professional body, but also secretariat for the Accounting Practices Board (APB), the official standard-setting body in South Africa. The SAICA comment letter results from deliberations of the Accounting Practices Committee (APC), which is the technical advisory body to the APB.

We thank you for the opportunity to provide comments on this document.

Please do not hesitate to contact us should you wish to discuss any of our comments.

Yours sincerely

Sue Ludolph
Project Director – Accounting

cc: Moses Kgosana (Chairman of the Accounting Practices Board)
Prof Alex Watson (Chairman of the Accounting Practices Committee)

**SAICA SUBMISSION ON DRAFT Q&A 2011/01 – IFRS FOR SMES SECTION 1,
ISSUE 1 – USE OF THE IFRS FOR SMES IN PARENT’S SEPARATE FINANCIAL
STATEMENTS**

ISSUE

1. *In some jurisdictions parent entities are required, or choose, to prepare separate financial statements in addition to consolidated financial statements. Separate financial statements are sometimes presented together with the consolidated financial statements and sometimes as a separate document.*
2. *If a group is required to present consolidated financial statements in accordance with full IFRSs, can the parent entity present its separate financial statements in accordance with the IFRS for SMEs?*

COMMENT

We concur with the response of the SMEIG that if a parent entity itself does not have public accountability, it may present its separate financial statements in accordance with the IFRS for SMEs. The Q & A provides useful and sufficient guidance on the matter.

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