

Steven Leonard
Financial Reporting Council
Aldwych House
71-91 Aldwych
London WC2B 4HN

25 August 2009

Dear Mr Leonard

Going concern and liquidity risk

ACCA (Association of Chartered Certified Accountants) is pleased to have this opportunity to comment on the above exposure draft which was considered by ACCA's Financial Reporting Committee and I am writing to give you our views.

We welcome this exposure draft and consider FRC should proceed to publication of the guidance in final form as the issue is clearly an important one in the current economic environment. We particularly welcome the fact that this guidance is addressed to directors of all, and not just listed, companies.

We support the guidance as drafted with the following suggestions for improvement

- No mention is made of the application of the going concern concept to entities which have been structured with a limited life – for instance some investment trusts
- It is not specified where in the annual report the various disclosures about the entity as a going concern should be located
- The document refers to annual accounts and "to interim financial statements that give a true and fair view". It would perhaps help users if the explanation as to whether interim accounts are intended to give a true and fair view could be dealt with in section One of the document rather leave it until paragraph 54.

We would answer yes to all the specific questions raised for comment in the exposure draft except for Question 2. In Principle 3 first paragraph we think that 'all information' should be modified to 'all relevant information'. The second paragraph of this principle should be placed in the following section under

Principle 4, as it is not a principle but a disclosure requirement, albeit an important one.

If there are any matters arising from the above please be in touch with me.

Yours sincerely



Richard Martin
Head of financial reporting