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Question 1
The dissenting view is correct in that this should not simply be a residual standard and their points in AV2(a) – (c) are valid. The issue of the possibility of inappropriate financial reporting may not be likely as the standard does provide guidance on generally all possible matters. Holding a tangible natural resource for conservation may be to generate future economic benefits and by holding it for conservation purposes economic benefits may be derived. Valuation of such resources may be difficult and possibly distorted since these are unique assets, their total worth is subjective, there is no generally accepted basis for such valuations, assets may not always be visible when valuing, complexity of the asset or its parts. Valuation techniques need to assessed thoroughly and annual re-evaluation is required for this to be as accurate as possible.

Question 2
The definition is appropriate.

Question 3
The rebuttable presumption is necessary due to natural resources being subject to natural or man-induced occurrences. These resources should annually be impaired if the need arises.

Question 4
Limiting disclosure to protect natural resources, for the public good and for the perpetuation of such resources is necessary but must be justified objectively.

Question 5
Upon initial recognition the cost value may be applied but similar to the annual impairment assessments, annual valuation exercises must be initiated to ensure valuations remain relevant.

Question 6
Both approaches, we believe will not provide information that is very useful and necessary or relevant at that point in time since the information is far too historical. An effective date should be set for adoption and stakeholders must implement this.

Question 7
Valuation of such assets will always pose problems and it is debatable if they should be recognised as assets. We believe that without distorting the financial statements, disclosures may be made for all such assets. Our premise is that the temptation does exist and will always to overstate the valuation and such risk is high. Further no valuations carried out independently, no matter the

input variables being constant and uniform will reach the same valuation values. It is open to broad manipulation. Disclosure, other than within the face of the financial statements should suffice for such assets.

Question 8
The illustrative guidance and examples may be sufficient for the moment, yet novel scenarios will develop and these will require further guidance and examples. This list will have to be constantly updated due to the nature of this topic, subjectivity, complexity, inherent risk and estimation bias being potentially prevalent.