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| To: | AASB members | Date: | 23 August 2011 |
| From: | Ahmad Hamidi | Agenda Item: | 19.1 |
| Subject: | Progress report on the Differential Reporting Research Project | File: | P 52 |

Action

Note a progress report on the differential reporting research project from project consultants.

Background

ED 192 *Revised Differential Reporting Framework* included proposals for:

- (a) establishing a second tier for general purpose financial statements (GPFs); and
- (b) changing the focus of application of Standards from reporting entity to GPFs and clarifying the meaning of GPFs in an Australian context.

The proposals in (a) gave rise to AASB 1053 *Application of Tiers of Australian Accounting Standards*.

The comments from constituents on proposals in (b) led to the Board's decision to defer a decision on those proposals pending further research into the incidence and nature of special purpose financial reporting.

A research project was actioned utilising the services of independent research contractors. The thrust of the research is to profile the characteristics of lodging entities and their accounting policies with a view to shedding some light on (i) whether there is a consistency in the population of entities currently being treated as non-reporting entities; and (ii) the nature of the accounting policy choices being made by those entities.

At the June 2011 meeting, the research contractors informed members about the progress of the project. The update focused on how the manner in which the research work is being carried out.

Further update

At this meeting, the research contractors will provide a verbal update on the progress of the project. The update is of an indicative nature and will include a preliminary report on some initial findings.