

From: Fred Himstedt [mailto:fredhimstedt@queen.com.au]
Sent: Friday, 23 June 2006 8:21 AM
To: AASB Mailbox
Subject: Reporting Entity

Attention: Standards Development

RE: Exposure Draft 148

Dear Sir / Madam

We strongly object to the proposed amendment as set out in paragraph 7 which states:
"General purpose financial statements include those that are presented separately or within other public documents such as a regulatory filing or reporting to shareholders."

The concept of defining a Report Entity was appropriately defined to burden only public interest companies with the full accounting standards compliance. It is a well understood term and as an accountant in small business an important concept which differentiates us from those entities with clearly defined purposes to report or disclose.

We believe that the existing application requirement of only 'reporting entities' needing to apply all of the AASB Standards, should remain applicable. The Reporting Entity Concept is a superior differential system that appropriately reflects the costs and benefits of financial reporting in Australia, and any change to the Reporting Entity Concept would not be in the best interests of the Australian economy.

The cost of financial reporting to small and medium business is large and the recent IAS adoption have made the process even more difficult. Please retain the Reporting Entity concept so that we continue to require only companies with interested parties to comply with full AASB standards.

Yours sincerely,

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