

From: Deryl McConaghy [mailto:drmchrtd@austarnet.com.au]  
Sent: Sunday, 25 June 2006 10:18 AM  
To: AASB Mailbox  
Subject: The Reporting Entity Concept--ED 148

Sir,

As a practising chartered accountant in a small firm I strongly support the continuation of differential reporting on financial information within Australia. We try to prepare financial information which is meaningful for people operating small and medium enterprises. If we are to prepare this information in accordance with International Accounting Standards it would add greatly to the time involved and it is unlikely that our clients would want to pay for this. Their question would be "where is the value for me in this?" One to which I could not give a positive answer.

As a firm 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."

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 small and medium businesses in the Australian economy.

Deryl McConaghy  
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Chartered Accountants