

From: Bradley Smith [mailto:Bradley@brilliantbusiness.com]
Sent: Friday, 30 June 2006 2:19 PM
To: AASB Mailbox
Subject: Exposure Draft 148

Hello

I wish to 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."

I 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.

I put to you the following questions that you should consider and answer before implementing this unnecessary change in the current standards.

1. Who is going to pay for the substantial costs of complying with this proposed change from the following perspectives
 - o Software and accounting implementation
 - o Preparation of statutory financial statements

The client doesn't want these more detailed financial statements.

The client doesn't even want to pay for the financial statements and compliance matters they currently have to get.

Conservatively I consider that these proposals will add as a minimum at least another \$1,000 to \$2,000 **per entity per set** of financial statements produced, and this does not include the costs of gathering and recording this information each year or the systems changes involved. This is purely for me as a practitioner to put together the financial statements and it does not cater for the extra time lost in preparing these new financials.

2. What benefit do you perceive is going to be gained by these changes for the following groups
 - o The client entity
 - o The general public
 - o The community at large
 - o Financial institutions

The client doesn't want these more detailed financial statements.

The general public currently don't understand the financials of reporting entities as it is now and the general public will not even see these financials.

The community couldn't care nor will they ever see these financials.

Financial Institutions currently get all the information they want now and even more than they will get from reporting entity financials.

These proposed reforms do not bring anything to the table or add any benefits to currently non reporting entities'. All they do is add considerable levels of unnecessary costs, compliance, systems implementation and information generation that nobody wants other than you.

So if you carefully consider and then answer the above questions you will reach the conclusion that there is no benefit to the implementation of this change.

Thank you

Regards

Build a Brilliant Business
Bradley Smith
Director
Suite 201
781 Pacific Highway
Chatswood NSW 2067
Sydney Australia

Build a Brilliant Business Pty Ltd
ABN 61 077 370 499

PO Box 749
Chatswood NSW 2057

Telephone: +61 2 9419 0600

Facsimile: +61 2 9419 0606

E-mail: bradley@brilliantbusiness.com

Web: www.brilliantbusiness.com