



19 May 2008

The Chairman
Australian Accounting Standards Board
PO Box 204
COLLINS STREET WEST VIC 8007

Dear Sir

EXPOSURE DRAFT ED 162 “PROPOSED AMENDMENTS TO KEY MANAGEMENT PERSONNEL DISCLOSURES BY DISCLOSING ENTITIES”

We welcome the opportunity to comment on the above exposure draft. We are supportive of the proposals to remove the requirement for key management personnel remuneration disclosures of disclosing entities that are companies to be duplicated in the notes to the financial statements when they are already being audited as part of the audited Remuneration Report required under section 300A of the Corporations Act.

However, we take this opportunity to identify a possible oversight in drafting paragraph 3 of the “Application” section, which states that “This Standard applies to annual reporting periods ending on or after 30 June 2008. Early adoption of this standard is not permitted.”

The Corporations Legislation Amendment (Simpler Regulatory System) Bill 2007 (“the Bill”), part 6 – Application and saving provisions – section 232, indicates that these changes apply to a financial year that begins on or after the day on which those items commence. The Bill also includes commencement information that stipulates that the sections dealing with changes to remuneration reports commence on the date on which the Act receives Royal Assent, which was 27th June 2007.

The Corporations Act, section 323D(2) envisages that the directors may determine that a financial year may be longer or shorter than 12 months, but not by more than 7 days (without actually officially changing the year end). This section is often utilised by entities in the retail sector who typically have a financial year lasting 52 weeks, ending as close as possible to 30 June, but some years may have a 53 week year (if the minus 7 day phenomenon causes the reporting date to be more than 7 days before 30 June).

We are concerned that entities such as retailers (that are disclosing entities that are companies), this year may have a 52 week period ending Saturday 28th June or Sunday 29th June 2008 and therefore be unable to utilise the dispensation to avoid duplicate key management personnel disclosures in the notes to the financial statements because paragraph 3 to ED 162 only permits the application of the changes to the scope paragraphs for years ending on or after 30 June 2008, and specifically prohibits early adoption.

In view of the fact that the audited remuneration report requirements apply for financial years commencing on or after 28 June 2007, and given the timing of this scope exclusion, we request that the application paragraph be amended to apply to financial years ending on or after 23 June 2008, so that any 30 June balancers opting for a full 12 month financial year less 7 days, under section 323D(2), are able to make apply the scope exclusion.

Should you wish to discuss any of the observations included in this letter please do not hesitate to contact us.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Wayne Basford', is written over a horizontal line.

WAYNE BASFORD

Director

BDO Kendalls