



Mr Kevin Stevenson  
Chairman  
Australian Accounting Standards Board  
PO Box 204,  
Collins Street  
WEST VICTORIA 8007  
By Email: standard@asb.gov.au

23 December 2009

Dear Kevin

**ED 183/ED/2009/6: Management Commentary**

Grant Thornton Australia Limited (Grant Thornton) is pleased to provide the Australian Accounting Standards Board with its comments on ED 183 which is a re-badged copy of the International Accounting Standards Board's Exposure Draft ED/2009/6 (the ED). We have considered the ED and set out our comments below.

Grant Thornton's response reflects our position as auditors and business advisers both to listed companies and privately held companies and businesses, and this submission has benefited with some initial input from our clients, Grant Thornton International which is working on a global submission to the IASB, and discussions with key constituents.

The views expressed here are preliminary in nature, and a more detailed Grant Thornton's global submission will be finalised by the IASB's due date of 1 March 2010.

*In principle support*

We broadly support the provision of management commentary guidance as proposed in ED 183, and note that such guidance in part is already provided within the Australian reporting framework via the Directors Report in the Corporations Act, the ASX's Corporate Governance Principles and Recommendations, the AICD's various publications including Underlying Profits, and the Group of 100 publications. Grant Thornton believes that in some areas the Australian guidance goes further or provides clarification on some of the ED 183 proposals, and therefore recommends that the AASB in responding to the IASB's ED, provides some background on current Australian guidance.

*Specific Questions*

- 1) Do you agree with the Board's decision to develop a guidance document for the preparation and presentation of management commentary instead of an IFRS? If not, why?**

Yes, we support the decision to provide guidance rather than an IFRS as it is consistent with Australian experience.

- (2) **Do you agree that the content elements described in paragraphs 24-39 are necessary for the preparation of a decision-useful management commentary? If not, how should those content elements be changed to provide decision-useful information to users of financial reports?**

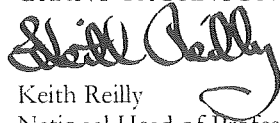
Yes, although we note that there are many similarities with existing Australian guidance.

- (3) **Do you agree with the Board's decision not to include detailed application guidance and illustrative examples in the final management commentary guidance document? If not, what specific guidance would you include and why?**

Yes, as details will depend upon the particular circumstances of the individual entity.

If you require any further information or comment, please contact me.

Yours sincerely  
GRANT THORNTON AUSTRALIA LIMITED



Keith Reilly  
National Head of Professional Standards