

From: Neville Thorley [mailto:neville.thorley@apyservices.com.au]

Sent: Saturday, 18 August 2007 3:34 PM

To: AASB Mailbox

Cc: John Stuart

Subject: Response to Invitation to Comment on IFRs for SMEs

Dear Sir,

Attached, please find, a submission and response to the above
Yours faithfully

N.P.Thorley
Local Government Consultant
55 John Robb Way
Cudgen NSW 2487

Re RESPONSE TO INVITATION TO COMMENT ON IFRS FOR SMEs

I am writing to express my concern with the proposal to require all small entities which are not publicly accountable and who lodge reports with a regulator, to apply A-IFRS for SMEs.

For many years I have been associated with Finance and Administration in NSW Local Government Councils . Since 1993 I have been preparing annual financial statements for councils in accordance with AAS27 and other relevant accounting standards. In addition – for the past five years – I have been preparing annual financial returns for Aboriginal Communities whilst based in Alice Springs. So I have had considerable experience in working both within and without the strict guidelines of Australian and International Financial Standards.

The primary revenues of these aboriginal corporations are government grants. The various government departments administering these grants have stringent reporting requirements that must be complied with by the recipients of these grants. Apart from these government departments it is difficult to identify any other person or institution requiring access to the communities' annual financial statements.

I realize that the AASB would find benefit in being able to include small and medium sized entities under the one reporting umbrella. However, any decision regarding Aboriginal Corporations must not see logic being bypassed or ignored.

I find it ridiculous and absurd that these tiny aboriginal communities dotted around the fringe of the central Australian deserts should be compelled to comply with International Financial Reporting Standards. I can not possibly envisage their being able to provide the human and financial resources that such a decision would require.

If the board adopts standards for small and medium sized entities then the incorporated aboriginal communities should be exempted from having to adopt such standards.