

Accounting Standard

**AASB 1043**  
December 2000

# **Changes to the Application of AASB and AAS Standards and Other Amendments**



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## CONTENTS

MAIN FEATURE OF THE STANDARD ... page 5

*Section and page number*

- 1 Application ... 6**
- 2 Operative Date ... 6**
- 3 Purpose of Standard ... 7**
- 4 Extending the Application of Certain AASB Standards ... 7**
- 5 Relief from the Annual Reporting Presentation and Disclosure Requirements of Certain AASB Standards and Certain Requirements of AASB 1031 in Preparing Interim Financial Reports ... 9**
  - Relief from the Annual Reporting Presentation and Disclosure Requirements of Certain AASB Standards ... 9
  - Relief from Certain Requirements of AASB 1031 ... 12
- 6 Relief from the Annual Reporting Presentation and Disclosure Requirements of AAS Standards and Certain Requirements of AAS 5 in Preparing Interim Financial Reports ... 13**
  - Relief from the Annual Reporting Presentation and Disclosure Requirements of AAS Standards ... 13
  - Relief from Certain Requirements of AAS 5 ... 15
- 7 Definitions ... 16**

Annual Reporting Period ... 17  
Interim Reporting Period ... 17  
Corporations Law Definitions ... 17  
Registered Schemes ... 18

SCHEDULES

Schedule A ... page 19

Schedule B ... page 20

CONFORMITY WITH INTERNATIONAL AND NEW  
ZEALAND ACCOUNTING STANDARDS ... page 21

DEVELOPMENT OF THE STANDARD ... page 22

Defined words are *italicised* each time they appear. The definitions are in Section 7. Standards are printed in **bold** type and commentary in light type.

## **MAIN FEATURE OF THE STANDARD**

The main feature of this Standard is to stipulate that, when preparing interim financial reports in accordance with either Accounting Standard AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 or Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000, entities need not comply with the annual reporting presentation and disclosure requirements of certain Accounting Standards (AASB Standards) and Australian Accounting Standards (AAS Standards).

## ACCOUNTING STANDARD AASB 1043

The Australian Accounting Standards Board makes Accounting Standard AASB 1043 “Changes to the Application of AASB and AAS Standards and Other Amendments” under section 334 of the Corporations Law.

Dated 15 December 2000

F. K. Alfredson  
Chair – AASB

## ACCOUNTING STANDARD

### AASB 1043 “CHANGES TO THE APPLICATION OF AASB AND AAS STANDARDS AND OTHER AMENDMENTS”

#### 1 Application

##### 1.1 This Standard applies to

- (a) each *entity* that is required to prepare financial reports in accordance with Chapter 2M of the Corporations Law, whether or not it is a *reporting entity*;
- (b) *general purpose financial reports* of each other *reporting entity*; and
- (c) financial reports that are, or are held out to be, *general purpose financial reports*.

#### 2 Operative Date

##### 2.1 This Standard applies to *annual reporting periods* and *interim reporting periods* ending on or after 31 December 2000.

**2.2** This Standard may be applied to *annual reporting periods* and *interim reporting periods* ending before 31 December 2000. An *entity* that is required to prepare financial reports in accordance with Chapter 2M of the Corporations Law may apply this Standard to *annual reporting periods* and *interim reporting periods* ending before 31 December 2000, where an election has been made in accordance with subsection 334(5) of the Corporations Law.

2.2.1 Notice of this Standard was published in the *Commonwealth of Australia Gazette* on 18 December 2000.

### **3 Purpose of Standard**

**3.1** The purpose of this Standard is to:

- (a) extend the application of certain Accounting Standards (AASB Standards) from *companies* and *disclosing entities* to *entities* to which AASB Standards apply; and
- (b) stipulate that *entities* need not comply with the annual reporting presentation and disclosure requirements of certain AASB Standards and Australian Accounting Standards (AAS Standards) when preparing *interim financial reports* in accordance with either Accounting Standard AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 or Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000.

### **4 Extending the Application of Certain AASB Standards**

**4.1** The following Standard is inserted as an application clause or paragraph carrying the number listed in column 2 of Schedule A in Accounting Standards listed in column 1 of that Schedule, where relevant, as amended by Accounting Standard AASB 1025 “Application of the Reporting Entity Concept and Other Amendments”, as issued in July 1991:

“Any reference in this Standard to a company as the entity to which this Standard applies is to be read as a reference to an entity that is required to prepare

**financial reports in accordance with Part 2M.3 of the Corporations Law and that:**

- (a) is a reporting entity; or**
- (b) holds those financial reports out to be, or form part of, a general purpose financial report;**

**with effect from the operative date of Accounting Standard AASB 1043 ‘Changes to the Application of AASB and AAS Standards and Other Amendments’.**

- 4.2 The following Standard is inserted as an application paragraph in Accounting Standard AASB 1024 “Consolidated Accounts”, as issued in May 1992:**

**“6A Any reference in this Standard to a company as the entity to which this Standard applies is to be read as a reference to an entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Law, with effect from the operative date of Accounting Standard AASB 1043 ‘Changes to the Application of AASB and AAS Standards and Other Amendments’.**”

- 4.2.1 Accounting Standards AASB 1005 “Financial Reporting by Segments”, as issued in April 1986, AASB 1011 “Accounting for Research and Development Costs”, as issued in May 1987, AASB 1012 “Foreign Currency Translation”, as issued in July 1988, AASB 1020 “Accounting for Income Tax (Tax-effect Accounting)”, as issued in October 1989 and AASB 1022 “Accounting for the Extractive Industries”, as issued in October 1989, initially applied only to *companies*. Accounting Standard AASB 1025 “Application of the Reporting Entity Concept and Other Amendments”, as issued in July 1991, amended the application clauses or paragraphs of many of the then existing Standards to make them applicable only to *companies* and *economic entities* that were *reporting entities*. Subsequently, Accounting Standard AASB 1030 “Application of Accounting Standards to Financial Year Accounts and Consolidated Accounts of Disclosing Entities other than Companies”, as issued in December 1994, extended, with some exceptions, the scope of Accounting Standards to include *disclosing entities* other than *companies*. Accounting Standard AASB 1031 “Materiality”, as issued in September 1995 also refers to *company* and *disclosing entity* in its application paragraphs. Unlike many other AASB Standards, AASB 1011, AASB 1022, AASB 1024 and AASB 1028

have not been reissued recently and, therefore, their application clauses or paragraphs have not been updated to refer to *entity*. AASB 1031 also needs a similar updating of its application paragraphs. AASB 1005 was revised in August 2000 and the revised Standard is operative for *annual reporting periods* beginning on or after 1 July 2001, however, the previous AASB 1005 continues to be operative for *financial years* ending before that date. AASB 1012 was revised in November 2000 and the revised Standard is operative for *annual reporting periods* beginning on or after 1 January 2002, however, the previous AASB 1012 continues to be operative for *financial years* ending before that date. AASB 1020 was revised in December 1999 and the revised Standard is operative for *financial years* ending on or after 30 June 2003 and *half-years* ending on or after 31 December 2002, however, the previous AASB 1020 continues to be operative for *financial years* ending before 30 June 2003.

- 4.2.2 Paragraphs 4.1 and 4.2 extend the application of certain AASB Standards to *entities* consistent with other AASB Standards. Consequently, those AASB Standards are relevant to *disclosing entities, companies* that are *reporting entities* and *registered schemes* that are *reporting entities*, subject to the particular application paragraphs in each Standard. AASB 1024, however, continues to apply to an *entity* that is not a *reporting entity* but is a *parent entity* in an *economic entity* where that *economic entity* is either a *reporting entity*, or, a non-reporting *entity* for which a *general purpose financial report* is purported to be prepared.

## **5 Relief from the Annual Reporting Presentation and Disclosure Requirements of Certain AASB Standards and Certain Requirements of AASB 1031 in Preparing Interim Financial Reports**

### ***Relief from the Annual Reporting Presentation and Disclosure Requirements of Certain AASB Standards***

- 5.1 The following Standard is inserted as an application paragraph carrying the number listed in column 3 of Schedule A in AASB Standards listed in column 1 of that Schedule:

**“Notwithstanding anything in paragraphs 2.1 and 2.2, where an entity to which this Standard applies prepares**

interim financial reports in accordance with either Accounting Standard AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 or Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000, the presentation and disclosure requirements of this Standard need not be complied with in the preparation of those reports.”.

- 5.2 The following Standard is inserted as an application paragraph carrying the number listed in column 4 of Schedule A in AASB Standards listed in column 1 of that Schedule:

“Notwithstanding anything in paragraph 3.1 and 3.2, where an entity to which this Standard applies prepares interim financial reports in accordance with either Accounting Standard AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 or Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000, the presentation and disclosure requirements of this Standard need not be complied with in the preparation of those reports.”.

- 5.3 The following Standard is inserted as an application paragraph in Accounting Standards AASB 1037 “Self-Generating and Regenerating Assets”, as issued in August 1998 (and as amended by AASB 1037A “Amendments to Accounting Standard AASB 1037”, as issued in July 1999) and AASB 1038 “Life Insurance Business”, as issued in November 1998:

“1.2A Notwithstanding anything in paragraph 1.2, where an entity to which this Standard applies prepares interim financial reports in accordance with either Accounting Standard AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 or Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000, the presentation and disclosure requirements of this Standard need not be complied with in the preparation of those reports.”.

- 5.3.1 Accounting Standard AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 specifies the amounts and other disclosures included in the *half-year* accounts or

consolidated accounts and requires that such amounts and other disclosures be determined in accordance with other AASB Standards. Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000 prescribes the form and content of *general purpose interim financial reports* including *half-year* financial reports prepared by *disclosing entities*. Broadly, it requires the *recognition* and measurement requirements in other AASB Standards to be applied in *interim financial reports*, and has special provisions in relation to presentation and disclosure in *interim financial reports*. For example, it allows *interim financial reports* to comprise condensed financial statements and specific disclosures rather than the financial statements and disclosures that would otherwise be required if the *entity* were to apply other AASB Standards.

5.3.2 The Standards amended by virtue of paragraphs 5.1 and 5.2 of this Standard had given rise to concerns as to the applicability of their annual reporting presentation and disclosure requirements to *interim financial reports*. This is because the operative date paragraphs of those Standards include reference to *half years* or, “reporting periods” which could be *annual reporting periods* or *interim reporting periods*. AASB 1037 and AASB 1038 amended by paragraph 5.3 of this Standard, contain a requirement that, in the event of a conflict with the requirements of any other Standards, makes them prevail over other Standards without limitation. The effect of paragraphs 5.1 to 5.3 of this Standard is to require compliance with:

- (a) the requirements of Accounting Standard AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 in respect of amounts and other disclosures to be included in *half-year* accounts and consolidated accounts and the requirements of other AASB Standards in respect of the determination of such amounts, or
- (b) the presentation and disclosure requirements specified in Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000 and the *recognition* and measurement requirements specified in other AASB Standards in the preparation and presentation of *interim financial reports*.

**5.4 The following Standard is inserted as an application paragraph in Accounting Standard AASB 1001 “Accounting Policies”, as issued in March 1999:**

**“ 1.1A where an entity to which this Standard applies prepares interim financial reports in accordance with either Accounting Standard AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 or Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000, the presentation and disclosure requirements of this Standard, other than those required by paragraphs 8.2 and 8.3, need not be complied with in the preparation of those reports.”.**

- 5.4.1 Generally, entities need not comply with the annual reporting presentation and disclosure requirements of other AASB Standards in preparing *interim financial reports* because those Standards apply to *financial years* or *annual reporting periods*. However, certain presentation and disclosure requirements of AASB 1001 relating to cases where material uncertainties exist about the ability of the *entity* to continue on a going concern basis or where the *entity's* financial reports are prepared on bases other than the going concern basis, are equally applicable to *interim financial reports*. The effect of paragraph 5.4 is to require compliance with such requirements in preparing *interim financial reports*.

#### ***Relief from Certain Requirements of AASB 1031***

- 5.5 The following Standard is inserted after paragraph 4.1.10 in Accounting Standard AASB 1031 “Materiality”, as issued in September 1995:

**“4.2 In recognising, measuring, classifying or disclosing an item for interim financial reporting purposes, materiality is assessed in relation to the interim period financial information.”**

- 5.6 The following commentary is inserted after the new paragraph 4.2 in Accounting Standard AASB 1031 “Materiality”, as issued in September 1995:

“4.2.1 Interim financial reports are prepared in accordance with either AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 or Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000. Paragraph 4.2 ensures

that the recognition, measurement, classification and disclosure decisions for interim financial reporting purposes are based on interim period information rather than information relating to the whole financial year. However, the guidance provided in this Standard on the role of materiality in making judgements in the preparation and presentation of annual financial reports is also followed in an interim financial reporting context.”.

## **6 Relief from the Annual Reporting Presentation and Disclosure Requirements of AAS Standards and Certain Requirements of AAS 5 in Preparing Interim Financial Reports**

### *Relief from the Annual Reporting Presentation and Disclosure Requirements of AAS Standards*

- 6.1** The following Standard is inserted as an application paragraph carrying the number listed in column 2 of Schedule B in AAS Standards listed in column 1 of that Schedule:

**“Where an entity to which this Standard applies prepares interim financial reports in accordance with Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000, the presentation and disclosure requirements of this Standard need not be complied with in the preparation of those reports.”.**

- 6.2** The following Standard is inserted as an application paragraph in Accounting Standard AAS 35 “Self-Generating and Regenerating Assets”, as issued in August 1998:

**“1.2A Notwithstanding anything in paragraph 1.2, where an entity to which this Standard applies prepares interim financial reports in accordance with Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000, the presentation and disclosure requirements of this Standard need**

**not be complied with in the preparation of those reports.”.**

- 6.2.1 Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000, prescribes the form and content of *interim financial reports*. Broadly, it requires the *recognition* and measurement requirements in other AASB Standards or AAS Standards to be applied in *interim financial reports*, and has special provisions in relation to presentation and disclosure in *interim financial reports*. For example, it allows *interim financial reports* to comprise condensed financial statements and specific disclosures rather than the financial statements and disclosures that would otherwise be required if the *entity* were to apply other AASB and AAS Standards.
- 6.2.2 The Standards amended by virtue of paragraph 6.1 of this Standard had given rise to concerns as to the applicability of their annual reporting presentation and disclosure requirements to *interim financial reports*. This is because those Standards apply to “reporting periods” which could be *annual reporting periods* or *interim reporting periods*. AAS 35 amended by paragraph 6.2 of this Standard, contains a requirement that, in the event of a conflict with the requirements of any other Standards, makes it prevail over other Standards without limitation. The effect of paragraphs 6.1 and 6.2 of this Standard is to require compliance with the presentation and disclosure requirements specified in Accounting Standard AASB 1029 “Interim Financial Reporting” and the *recognition* and measurement requirements specified in other AAS Standards or AASB Standards in the preparation and presentation of *interim financial reports*. For example, in the absence of paragraph 6.1 of this Standard, Australian Accounting Standards AAS 25 “Financial Reporting by Superannuation Plans”, AAS 27 “Financial Reporting by Local Governments”, AAS 29 “Financial Reporting by Government Departments” and AAS 31 “Financial Reporting by Governments” would entail the preparation and presentation of *interim financial reports* under the more onerous requirements of these Standards.
- 6.3 **The following Standard is inserted as an application paragraph in Australian Accounting Standard AAS 6 “Accounting Policies”, as issued in March 1999:**

**“1.1A Where an entity to which this Standard applies prepares interim financial reports in accordance with Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000, the presentation and**

**disclosure requirements of this Standard, other than those required by paragraphs 8.2 and 8.3, need not be complied with in the preparation of those reports.”.**

- 6.3.1 The effect of paragraph 6.3 is to require compliance with the presentation and disclosure requirements specified in Accounting Standard AASB 1029 “Interim Financial Reporting”, the *recognition* and measurement requirements specified in AAS 6 and the disclosure requirements of paragraphs 8.2 and 8.3 of AAS 6 in the preparation and presentation of *interim financial reports*. Paragraphs 8.2 and 8.3 of AAS 6 require disclosure in cases where uncertainties exist about the *entity’s* ability to continue on a going concern basis or where the *entity’s* financial reports are prepared on bases other than the going concern basis.

***Relief from Certain Requirements of AAS 5***

- 6.4 The following Standard is inserted after paragraph 4.1.10 in Accounting Standard AAS 5 “Materiality”, as issued in September 1995:

**“4.2 In recognising, measuring, classifying or disclosing an item for interim financial reporting purposes, materiality is assessed in relation to the interim period financial information.”.**

- 6.5 The following commentary is inserted after the new paragraph 4.2 in Accounting Standard AAS 5 “Materiality”, as issued in September 1995:

“4.2.1 Interim financial reports are prepared in accordance with Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000. Paragraph 4.2 ensures that the recognition, measurement, classification and disclosure decisions for interim financial reporting purposes are based on interim period information rather than information relating to the whole financial year. However, the guidance provided in this Standard on the role of materiality in making judgements in the preparation and presentation of annual financial reports is also followed in an interim financial reporting context.”.

## **7 Definitions**

### **7.1 In this Standard:**

*annual reporting period* means the *financial year* or similar period to which an annual financial report relates

*economic entity* means a group of *entities* comprising the *parent entity* and each of its *subsidiaries*

*entity* means any legal, administrative, or fiduciary arrangement, organisational structure or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives

*general purpose financial report* means a financial report intended to meet the information needs common to users who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs

*interim financial report* means a financial report for an *interim reporting period*

*interim reporting period (interim period)* means a reporting period within an *annual reporting period* that is shorter than that *annual reporting period*

*parent entity* means an *entity* which controls another *entity*

*recognised* means reported on, or incorporated in amounts reported on, the face of the statement of financial performance or the statement of financial position (whether or not further disclosure of the item is made in the notes)

*reporting date* means the end of the reporting period to which the financial report relates

*reporting entity* means an *entity* (including an *economic entity*) in respect of which it is reasonable to expect the existence of users dependent on *general purpose financial reports* for information which will be useful to them for making and evaluating decisions about the allocation of scarce resources, and includes but is not limited to the following:

- (a) a *disclosing entity*; and

- (b) **a company which is not a subsidiary of a holding company incorporated in Australia and which is a subsidiary of a foreign company where that foreign company has its securities listed for quotation on a stock market or those securities are traded on a stock market**

*subsidiary* means an *entity* which is controlled by a *parent entity*.

### **Annual Reporting Period**

- 7.1.1 The definition of *annual reporting period* refers to *financial year* or similar period and will normally be a twelve-month period. The *annual reporting period* will differ from twelve months in circumstances such as:
  - (a) the *entity* being established on a date other than a date exactly twelve months before the *reporting date*; and
  - (b) the *entity* changing its *reporting date*.

### **Interim Reporting Period**

- 7.1.2 An *interim reporting period* is a reporting period shorter than the *annual reporting period*. In certain circumstances such as when the *annual reporting period* differs from twelve months (see paragraph 7.1.1) , an *interim period*, whether current or annual reporting period-to-date, may differ in length from the equivalent period for the preceding *annual reporting period*.

### **Corporations Law Definitions**

- 7.2 **In this Standard, the following definitions apply to each *entity* that is required to prepare financial reports in accordance with Chapter 2M of the Corporations Law:**

***company* is defined in the Corporations Law**

***disclosing entity* is defined in the Corporations Law**

***financial year* is defined in the Corporations Law**

***holding company* is defined in the Corporations Law**

***half-year* is defined in the Corporations Law**

***managed investment scheme* is defined in the Corporations Law**

***registered scheme* means a *managed investment scheme* that meets the criteria for registration under Section 601ED of the Corporations Law and has been registered by the Australian Securities and Investments Commission under Section 601EB of that Law**

***stock market* is defined in the Corporations Law.**

## **Registered Schemes**

7.2.1 Registration under Chapter 5C of the Corporations Law of *managed investment schemes* that meet the criteria for registration is an investor protection mechanism, given that *registered schemes* are subject to certain structural and operational requirements under the Law. For example, proponents of a *registered scheme* need to appoint a public company as the responsible entity of the scheme, obtain a licence to operate the scheme, and develop and lodge with the Australian Securities and Investments Commission a compliance plan for the scheme which is required to be audited.

7.2.2 *Managed investment schemes* need to be registered under Section 601ED of the Corporations Law if any of the following occurs:

- (a) they have more than 20 members;
- (b) they were promoted by a person, or an associate of a person, who was, when the scheme was promoted, in the business of promoting *managed investment schemes*; and
- (c) the Australian Securities and Investments Commission has made a determination under Section 601ED(3) that a number of schemes are closely related and that each of them has to be registered because the total number of members of all the schemes exceeds 20.

In general, under Section 601ED(2) a *managed investment scheme* is not required to be registered if all the issues of interests in the scheme were excluded issues under Section 708 of the Corporations Law (that is, where units have been issued to persons or in circumstances that do not require a prospectus).

## Schedule A

(Columns 2 to 4 identify clauses or paragraphs that are to be inserted in AASB Standards listed in Column 1 by virtue of the requirements of paragraphs 4.1, 5.1 and 5.2 of this Standard).

Column 1	Column 2 (para.4.1)	Column 3 (para. 5.1)	Column 4 (para. 5.2)
AASB 1005 (04/86)	.02D	-	-
AASB 1010 (12/99)	-	-	1.1A
AASB 1011 (05/87)	.02D	-	-
AASB 1012 (07/88)	.02D	-	-
AASB 1015 (11/99)	-	-	1.1A
AASB 1018 (10/99)	-	1.2A	-
AASB 1020 (10/89)	.02D	-	-
AASB 1020 (12/99)	-	1.1A	-
AASB 1022 (10/89)	.02D	-	-
AASB 1028 (03/94)	6A	-	-
AASB 1031 (09/95)	1.2A	-	-
AASB 1033 (10/99)	-	1.2A	-
AASB 1034 (10/99)	-	1.3A	-
AASB 1040 (10/99)	-	1.2A	-
AASB 1041 (12/99)	-	-	1.1A

## Schedule B

(Column 2 identifies paragraphs that are to be inserted in AAS Standards listed in Column 1 by virtue of the requirements of paragraphs 6.1 of this Standard).

Column 1	Column 2 (para. 6.1)
AAS 1 (10/99)*	1.2A
AAS 2 (03/98)	1.1A
AAS 3 (11/89)	3A
AAS 3 (12/99)	1.1A
AAS 4 (08/97)	1.2A
AAS 5 (09/95)	1.2A
AAS 7 (11/89)	3A
AAS 8 (10/97)	1.2A
AAS10 (06/96)	1.5A
AAS 10 (12/99)	1.1A
AAS 11 (12/97)	1.2A
AAS 13 (03/83)	38A
AAS 14 (05/97)	1.2A
AAS 15 (06/98)	1.1A
AAS 16 (04/87)	35A
AAS 17 (10/98)	1.1A
AAS 18 (06/96)	1.2A
AAS 19 (12/98)	1.1A

Column 1	Column 2 (para. 6.1)
AAS 20 (12/87)	69A
AAS 21 (11/99)	1.1A
AAS 22 (05/93)	4A
AAS 23 (12/96)	1.2A
AAS 24 (05/92)	4A
AAS 25 (03/93)	4A
AAS 26 (11/96)	1.2A
AAS 27 (06/96)**	3A
AAS 28 (10/97)	1.2A
AAS 29 (06/98)ψ	1.2A
AAS 30 (03/94)	4A
AAS 31 (06/98)ψψ	1.1A
AAS 32 (12/96)	1.2A
AAS 33 (10/99)	1.2A
AAS 34 (12/97)	1.3A
AAS 36 (10/99)	1.2A
AAS 37 (10/99)	1.2A
AAS 38 (12/99)	1.1A

(\*) The brackets show each Standard's issue date.

(\*\*) As amended by AAS 27A, as issued in December 1999.

(ψ) As amended by AAS 29A, as issued in December 1999.

(ψψ) As amended by AAS 31A, as issued in December 1999.

## **CONFORMITY WITH INTERNATIONAL AND NEW ZEALAND ACCOUNTING STANDARDS**

The Standard has no corresponding International or New Zealand Accounting Standard. Its purpose is to amend some aspects of certain AASB Standards and AAS Standards within the context of financial reporting in Australia. Those amendments do not alter the conformity of those Standards with International or New Zealand Accounting Standards.

## DEVELOPMENT OF THE STANDARD

This section does not form part of the Standard. It is a summary of the development of the Standard.

- 1 Accounting Standard AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 prescribes the reporting requirements for disclosing entities preparing half-year accounts and consolidated accounts. These include a minimum level of disclosures.
- 2 Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000, operative for interim periods beginning on or after 1 July 2001, prescribes the form and content of general purpose interim financial reports, including half-year financial reports prepared by disclosing entities. Broadly, it requires the recognition and measurement requirements in other AASB Standards or AAS Standards to be applied in interim financial reports, and has special provisions in relation to presentation and disclosure in interim financial reports. For example, it allows interim financial reports to comprise condensed financial statements and specific disclosures rather than the financial statements and disclosures that would otherwise be required if the entity were to apply other AASB Standards or AAS Standards.
- 3 There have been concerns that the extensive presentation and disclosure requirements of certain AASB Standards or AAS Standards may be required for interim financial reports, including half-year financial reports of disclosing entities. To resolve this perceived conflict between interim period and annual reporting period reporting requirements, the Board has issued this Standard to stipulate that entities need not comply with the presentation and disclosure requirements of certain AASB Standards and AAS Standards when preparing interim financial reports in accordance with either AASB 1029 “Half-Year Accounts and Consolidated Accounts”, as issued in December 1994 or Accounting Standard AASB 1029 “Interim Financial Reporting”, as issued in October 2000.
- 4 The Board also took this opportunity to extend the application of certain AASB Standards from “companies” and “disclosing entities” to entities to which AASB Standards apply.
- 5 The amendments effected by the Standard do not affect the principles underlying AASB Standards or AAS Standards that are amended and the preparation of the Standard did not, therefore,

follow all the procedures set out in Policy Statement 1 “The Development of Statements of Accounting Concepts and Accounting Standards”. The draft Standard was exposed for public comment through the AASB’s web site. A message on the web site and a letter sent to each subscriber to the AARF subscription service, asked constituents to submit their comments on the draft Standard. Comments received were considered by the Board in the finalisation of the Standard.