

From: Paul Bannister [mailto:paul@mrbeancounter.net]
Sent: Friday, 23 June 2006 8:42 AM
To: AASB Mailbox
Subject: Exposure Draft 148

Good Morning,

I would just like to say that the concept of Reporting Entity is about the smartest thing ever introduced into Australian Accounting Standards.

I am a small practitioner. I have no involvement at all with multinational companies. I don't even have any clients listed on the ASX. My clients are small businesses, mostly "Mum and Dad" companies. No one reads the financial statements other than the 2 directors / shareholders / operators of the business and maybe the Bank, who of course can ask the Directors to hand over their back teeth if they want to.

There is no conceivable benefit in forcing these companies, which I suspect make up the majority of companies in Australia, to comply with every Australian Accounting Standard. All it will do is either:
(a) impose a whole lot of unnecessary cost onto the businesses (who are already buckling under the pressure of Australian Tax Office regulation, Business Activity Statements, Workers Compensation, and the list goes on) or
(b) produce a whole lot of unchangeable work for us as accountants, or
(c) create a regime where a large proportion of company financial statements just don't comply because it is uneconomic to do so or the systems don't exist to capture the data - effectively an unregulated system.

Please do not abandon the Reporting Entity concept. It works well and provides a good compromise for the little guys in Australia.

Regards,

Paul Bannister
Chartered Accountant