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BAP/PMH:cdc

27th June 2006

Australian Accounting Standards Board
PO Box 204
Collins Street West
MELBOURNE VIC 8007

Dear Sirs,

Re: **EXPOSURE DRAFT 148**

We are a small suburban accounting practice attending to the compliance and other needs of individuals and micro to small business. The application of the reporting entity concept to those clients has provided us with the means of providing reporting our clients understand and which more easily converts into other compliance areas.

It has also helped in controlling the business costs of compliance which have become a significant factor in this sector.

Accordingly, we support the Institute of Chartered Accountants in Australia in their submission, and specifically, strongly object to the proposed amendment as set out in paragraph 7 which states: "General purpose financial statements include those that are presented separately or within other public documents such as a regulatory filing or reporting to shareholders."

We believe that the existing application requirement of only 'reporting entities' needing to apply all of the AASB Standards, should remain applicable. The Reporting Entity Concept is a superior differential system that appropriately reflects the costs and benefits of financial reporting in Australia, and any change to the Reporting Entity Concept would not be in the best interest of the Australian economy.

We look forward to good sense prevailing in this matter.

Yours faithfully,
HERZIG PROSSER & CO.

