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Subject: Exposure Draft 148 'Presentation of Financial Statements'

ED 148

I 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."

I 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 interests of the Australian economy.

The vast majority of businesses in Australia are small and derive none of the benefits of harmonised international accounting standards that are intended for application to mainly listed companies. What small business sees is the costs of complying with more and more elaborate standards which are of dubious relevance to them. To extend the reporting entity definition to cover any entity that files with a regulator, for example, large proprietary non-reporting entity companies, or even a small proprietary company that provides financial statements to its shareholders, adds unnecessarily to the burden of regulation, and increases inefficiency.

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