

From: Kym Adams [mailto:kyma@adelaidemotors.com.au]
Sent: Monday, 19 June 2006 10:03 AM
To: AASB Mailbox
Subject: ED148 Submission

Adelaide Motors Pty Ltd strongly objects to the proposed amendment as set out in paragraph 7 of ED148 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 interpret this to mean that the Reporting Entity Concept would effectively be abolished and financial statements prepared for our shareholder and which are also lodged with ASIC would need to adopt all the measurement, recognition and disclosure provisions of the International Accounting Standards.

Our company has one natural shareholder who works daily in the business. However we are by definition a large proprietary company which must lodge its financial statements with ASIC. We derive none of the benefits of harmonised international accounting standards that are intended for application to mainly listed companies. All we see is the cost of complying with more and more elaborate standards which are of dubious relevance to us. To extend the reporting entity definition to cover our company would add unnecessarily to the burden of regulation.

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 interests of our company or the Australian economy.

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