



Mr Kevin Stevenson
 Chairman
 Australian Accounting Standards Board
 PO Box 204
 Collins Street
 WEST VICTORIA 8007
 By Email: standard@asb.gov.au

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Grant Thornton Australia Limited
 ABN 41 127 556 389

Level 17, 383 Kent Street
 Sydney NSW 2000
 PO Locked Bag Q800
 QVB Post Office
 Sydney NSW 1230

T +61 2 8297 2400
 F +61 2 9299 4445
 E info.nsw@grantthornton.com.au
 W www.grantthornton.com.au

Dear Kevin

INVITATION TO COMMENT ON ED 197/IASB ED 2010/05 PRESENTATION OF OTHER COMPREHENSIVE INCOME (IAS 1)

Grant Thornton Australia Limited (Grant Thornton) is pleased to provide the Australian Accounting Standards Board with its comments on ED 197 which is a re-badged copy of the International Accounting Standards Board's (the Board) ED/2010/05 (the ED). We have considered the ED and set out our comments below.

Grant Thornton's response reflects our position as auditors and business advisers both to listed companies and privately held companies, and public and private businesses, and this submission has benefited with some initial input from our clients, Grant Thornton International which is working on a global submission to the IASB, and discussions with key constituents.

The views expressed here are very preliminary in nature, given that the IASB's deadline is 30 September 2010, some 8 weeks after the AASB's deadline. We suggest that the AASB would benefit in allowing Australian constituents the opportunity of debating the proposals with their local and global constituents with a more realistic deadline of say 4 weeks before the IASB's deadline which has generally been the practice of the AASB to date. We note that the AASB is seeking comments on three IASB EDs over the next 2 weeks (ED 195 Defined Benefit Plans due 9 August AASB and 6 September IASB; ED 197 OCI due 2 August AASB and 30 September IASB; and ED 199 due 16 August AASB and 7 September IASB). Grant Thornton's global submission will be finalised by the IASB's due date of 30 September 2010.

Our main comments and suggestions on the issues raised in the ED are summarised below.

General Comments **Support for the proposed amendments**

We have yet to consider all the implications of the proposed amendments, however from a broad perspective we support the proposals as they should make it easier for users to

understand the relationship between the profit or loss as opposed to the other generally more comprehensive volatile and valuation adjustments. In particular allowing the title change to reflect the term 'profit or loss' does reflect what users are looking for, and allowing a combined statement with two distinct sections for 'profit/loss' and then other times makes sense.

The proposal that non recycled items are segregated along with non-owner changes in equity does simplify the structure of the all important profit/loss number which users take as a key component of the entity's performance.

Non-Publicly Accountable Entities

We note that the IASB has not indicated whether it will amend the existing requirements for non-publicly accountable entities.

Grant Thornton does not believe that at this time AASB 101/LAS 1 should apply to non-publicly accountable entities and hence the proposals contained in the ED are not ones that we believe should be relevant. Adoption of IFRS recognition and measurement principles which the AASB believes necessitates an increase in disclosures compared to IFRS for SMEs, does add significant complexity and costs that would not be borne by similar structured overseas entities.

If you require any further information or comment, please contact me.

Yours sincerely
GRANT THORNTON AUSTRALIA LIMITED



Keith Reilly
National Head of Professional Standards