



Grant Thornton

Mr Kevin Stevenson  
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 Australian Accounting Standards Board  
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11 October 2010

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Dear Kevin

**AASB EXPOSURE DRAFT ED 200A - PROPOSALS TO HARMONISE  
 AUSTRALIAN AND NEW ZEALAND STANDARDS IN RELATION TO ENTITIES  
 APPLYING IFRSs AS ADOPTED IN AUSTRALIA AND NEW ZEALAND**

Grant Thornton Australia Limited (Grant Thornton) is pleased to provide the Australian Accounting Standards Board (AASB) with its comments on ED 200A. 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 input from our clients, Grant Thornton International, Grant Thornton New Zealand, and discussions with key constituents.

**General Comments**

Grant Thornton broadly supports the 2 Boards harmonising their Accounting Standards and our specific comments are set out in the Appendix to this letter.

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

Yours sincerely

GRANT THORNTON AUSTRALIA LIMITED

Keith Reilly  
 National Head of Professional Standards

## Appendix : Response to the invitation to comment questions

### **AASB request for comments**

#### **Questions Applicable to All Proposals**

- A Do you agree with the concept of harmonising the reporting requirements in Australia and New Zealand in relation to for-profit entities applying IFRSs as adopted in Australia and New Zealand?**

Yes - we agree with the concept of harmonising however we believe that the Boards should go further and actually work together so that any documents including EDs and Accounting Standards are issued as joint Accounting Standards.

- B Should the retained additional disclosures be contained in a separate disclosure standard (as proposed) or contained with each Standard relevant to the topic of the disclosures (which is the current practice)?**

No - we support having the additional or amended Accounting Standards being contained in the existing specific relevant Accounting Standards rather than as a separate Accounting Standard as this adds to the look and feel of being consistent with the individual Accounting Standards issued by the IASB.

- C Do you agree with the specific proposals in this Exposure Draft regarding alignments, deletions, relocations and relocation and harmonisations? Please provide reasons supporting your response.**

Yes - we broadly agree with the specific proposals, however we are not clear on whether the various proposals impact with the RDR Accounting Standard (for example Audit Fees which are not required by the RDR).

- D Which of the disclosures proposed to be included in separate disclosure standards AASB ED 200B / FRSB ED 122 should be required of entities applying differential reporting requirements, namely:**

- i in Australia, the proposed Reduced Disclosure Requirements for general purpose financial statements; and**

- ii in New Zealand, qualifying entities. Please provide reasons for your response.**

Australia - as detailed in (C) above, we do not believe it is clear what the impact is on the RDR disclosures. As a general principle we would not support adding any new requirements to the RDR Accounting Standard at this time, or requiring application to non-reporting entities. We offer no comment on the New Zealand environment as we believe that is an issue for New Zealand constituents.

- E Are there any regulatory issues or other issues arising in the Australian or New Zealand environment that may affect the implementation of the proposals? Please provide reasons for your response.**

Other than our other comments, we are not aware of any regulatory concerns.

- F Do you consider that the proposed amendments are in the best interests of users of general purpose financial statements of entities in Australia and New Zealand? Please provide reasons for your response.**

We believe that the issue of differential reporting is not being considered in this ED. As such we see no particular issues that impact users. However we note that this ED does not impact non-reporting entities and therefore reserve our opinion on the likely impact of AASB 1053 when and if it becomes applicable, and again provide our support for the adoption of the global IFRS for SMEs Accounting Standard for non-publicly accountable reporting entities.

**Questions Applicable to Specific Proposals**

A The Boards note that the proposed auditor remuneration disclosure requirements in AASB ED 200B / FRSB ED 122 are simplified and do not include the existing requirement in AASB 101 *Presentation of Financial Statements* in respect of 'related practice'. Do you agree with the Boards' proposals?

Yes - in principle we agree with the revised auditor remuneration disclosures but not for the RDR Accounting Standard.

B In relation to the proposed deletion of paragraph Aus7.1 of Interpretation 113 *Jointly Controlled Entities – Non-monetary Contributions by Venturers*, if this causes an entity to change its accounting policy, do you agree that it should be applied retrospectively?

No - we do not agree with retrospectivity due to cost issues. As a general principle we believe that any amended or new Accounting Standards should only apply prospectively.

**Other Questions**

Although not dealt with in this Exposure Draft, the AASB is taking the opportunity to seek constituent views on whether it should retain disclosure requirements (AASB 124 *Related Party Disclosures* paragraphs Aus25.2 to Aus25.6, Aus25.7.1 and Aus25.7.2) related to the compensation of individual key management personnel of managed investment schemes that are disclosing entities.

No - we do not support retaining political disclosures for Managed Investment Schemes that are disclosing entities. It is an issue for the Government and not the AASB.