



# Grant Thornton

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Dear Kevin

## **AASB ED 205 EXTENDING RELIEF FROM CONSOLIDATION, THE EQUITY METHOD AND PROPORTIONATE CONSOLIDATION**

Grant Thornton Australia Limited (Grant Thornton) is pleased to provide the Australian Accounting Standards Board (AASB) with its comments on ED 205 (the ED) and the accompanying Basis for Conclusions.

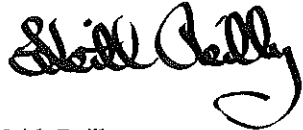
Grant Thornton's response reflects our position as auditors and business advisers both to listed companies and privately held companies, and public and private businesses, and this submission has benefited with some initial input from our clients, Grant Thornton International, and discussions with key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

We support the proposals given that for Consolidations, the IASB has in its IFRS for SMEs accounting standard allowed relief where there has been compliance with either full IFRS or IFRS for SMEs. For equity accounting the IFRS for SMEs accounting standard allows entities the choice of the cost model so no exemption is needed. We are surprised that the Basis for Conclusions does not mention the IFRS for SMEs authority, and on that basis we see no reason to add any further comment on the AASB's specific matters listed in the ED.

Grant Thornton also believes that the AASB should allow the IFRS for SMEs accounting standard as an option for non-publicly accountable entities in addition to full IFRS or the RDR.

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

Yours sincerely  
GRANT THORNTON AUSTRALIA LIMITED



Keith Reilly  
National Head of Professional Standards