

17 December 2017

Ms Kris Peach

Chair Australian Accounting Standards Board

Online submission via [aasb.gov.au](http://www.aasb.gov.au)

<http://www.aasb.gov.au/Work-In-Progress/Submit-Comment-Letter.aspx?id=2117>

Dear Kris

AASB ITC 37 The AASB's Standard Setting Frameworks For-Profit-Entities & Not-for-Profit Entities

I am pleased to provide the Australian Accounting Standards Board (AASB) with my comments on Invitation to Comment (ITC 37) The AASB's Standard Setting Frameworks For-Profit-Entities & Not-for-Profit Entities

This submission reflects my position as a consultant to business including both For Profit Entities and Not-for-Profit Entities (NFPs), and their own advisers including auditors.

AASB Specific Matters for Comment

1. Is the term "not-for-profit" helpful to understand the nature of the entities in that sector? If not, what other term do you consider is more appropriate?

Yes.

2. Irrespective of your response to question one, is there enough guidance about which entities are, for-profit entities and not-for-profit entities? The NZASB is commencing a project to improve its guidance. Should the AASB work with NZASB on this?

Perhaps, however given that the NZASB is commencing a project to improve its guidance on NFPs, it may be useful for the AASB to monitor or become involved in this project, subject to resource priorities.

3. Do you have any other comments on the AASB's draft Standard-Setting Frameworks?

Yes. I disagree that the AASB does not set standards for special purpose financial statements (SPSFs) - refer P2 of the For-Profit Framework, and P1 of the NFP Framework. The AASB disclosure accounting standards (AASBs 101 Presentation, 107 Cash Flows, and AASB 108 Accounting Policies specifically apply to SPSF's. Whilst the AASB may wish to no longer be involved in SPSF, it currently is:

AASB 1057 - 2 "This Standard applies to: (a) each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act;"

Please contact me if you require any further information.

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