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**Subject:** Comment on ED 148

I present my personal comments on an implication of ED 148 that has the effect of significantly broadening the requirements to prepare general purpose financial statements.

I do not hold a clear view on whether the proposal should be supported.

I am however in no doubt that the proposal would hasten the debate over the costs and benefit of complying with financial statements for the bulk of Australian companies.

I regard myself as having significant experience in preparing general purpose financial statements. If I was asked by a client to read and understand the general purpose financial statements of a typical company with a turnover of say \$20 million and a say 50 employees, I would guess that it would take me a minimum of 4 hours, probably a day and quite possibly two days. At my modest charge rate, this suggests costs of between \$1,000 and \$4,000 just to read and understand a set of general purpose financial statements of a relatively small company. I seriously doubt whether anyone without technical training in the area could fully understand a set of general purpose financial statements. I have been told it is implicit in accounting standards that the standards are not designed to produce financial statements that are to be read by people with only normal commercial understanding. The effect is that the information disclosed in general purpose financial statements remains largely inaccessible.

I suggest the Board consider whether the proposed change may well lead to accounting standards becoming irrelevant for a large part of the Australian business community.

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