

7 December 2018

Ms Kris Peach
Chair and CEO
Australian Accounting Standards Board

Via website : <http://www.aasb.gov.au/Work-In-Progress/Comments-to-AASB.aspx>

Dear Ms Peach

ED286

Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

Our comments and recommendations regarding ED286 are provided in this submission.

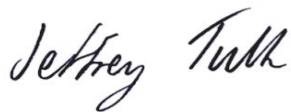
Saward Dawson operates in Melbourne, Australia. Our clients come from a range of industries and include large private businesses, small to medium enterprises, and a significant number of private sector not-for-profit entities. We are focused on enhancing the relevance, reliability and understand ability of financial reporting for users.

In summary we hold the following views:

1. We strongly believe that a private sector not-for-profits be permitted to measure right-of-use assets at initial recognition at either fair value or cost for peppercorn leases entered into prior to the initial application of AASB 16.
2. We believe this should be available under the transitional provisions.
3. We have consulted with significant number of not-for-profit clients and all believe this should be a permanent 'grandfathering' of existing peppercorn leases.
4. We do not believe the issues many private sector not-for-profit clients have with the application of this standard will be addressed by additional guidance within AASB13. We also do not believe the significant cost in valuation fees, audit fees and internal time which will result in less funds for the organisations purposes is in any way justified by retrospective application of the fair value of peppercorn lease requirements.

Please do not hesitate to contact us should you wish to discuss further any matters arising from this submission.

Yours Sincerely



J Tulk

Partner