

fasttrack

Financial Accounting-Standards & Technical

Grant Thornton 

Additional month for first financial reports under AIFRS

On Friday 8 July 2005 the Australian Securities and Investments Commission (ASIC) gave exemptions to assist unlisted entities complete their first financial reports under the new accounting standards.

Entities required to prepare financial reports under the Corporations Act 2001 (the Act) are required to comply with Australian equivalents to International Financial Reporting Standards (AIFRS) for reporting periods beginning on or after 1 January 2005.

In response to the significant additional work required by companies and their auditors on first time adoption of AIFRS, ASIC has provided unlisted entities with an additional month to distribute financial reports to members and to lodge financial reports with ASIC. For example, large proprietary and unlisted public companies that prepare AIFRS financial reports for the year ending 31 December 2005 will now have until 31 May 2006 to distribute and lodge those financial reports. Unlisted companies with a June year end will have until 30 November 2006 to lodge their 30 June 2006 financial reports.

'ASIC considers this additional time to report is a balanced response to the burdens on non-disclosing entities that are adopting the new standards for the first time. The additional time doesn't compromise the objective of adopting the international accounting standards and has proper regard to the information needs of users of financial reports', ASIC's Deputy Chief Accountant, Mr Doug Niven said.

'The additional time will enable entities to deal with unforeseen problems. Entities should continue to properly plan for the transition to the new standards and adhere to those plans to ensure that they meet their reporting obligations', he said.

The relief is available to all unlisted entities, other than small proprietary companies reporting pursuant to a shareholder direction.

The relief, which is given under Class Order CO 05/0637: Additional month for first financial reports under AIFRS, applies for half-years and financial years commencing from 1 January 2005 to 31 December 2005 inclusive and applies to:

- unlisted entities that distribute financial reports to members and lodge them with ASIC under Chapter 2M of the Act; and
- unlisted Australian financial services licensees (including individuals) that lodge AIFRS financial reports under Chapter 7 of the Act.

Class order CO 05/0637 can be downloaded from the ASIC website, or by clicking on the following link:

<http://www.asic.gov.au>

For further information or advice on reporting deadlines, contact your local Grant Thornton office.

DISCLAIMER

This is not advice. Clients should not act solely on the basis of the material contained in this publication. Items herein are general comments only and do not constitute advice per se. Also changes in pronouncements may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. This publication is issued as a helpful guide to clients and for their private information.

Each office listed is a business operated independently of other firms and entities who use the trademark Grant Thornton. Grant Thornton is a trademark owned by Grant Thornton International and used under licence by independent firms and entities throughout the world. Liability limited by a scheme approved under Professional Standards Legislation.

www.grantthornton.com.au

Adelaide
67 Greenhill Road
Wayville SA 5034
T 08 8372 6666
F 08 8372 6677
E info@gtsa.com.au

Brisbane
Grant Thornton House
102 Adelaide Street
Brisbane QLD 4000
T 07 3222 0200
F 07 3222 0444
E info@gtqld.com.au

Melbourne
Rialto Towers
525 Collins Street
Melbourne VIC 3000
T 03 9611 6611
F 03 9611 6666
E info@gtvic.com.au

Sydney
383 Kent Street
Sydney NSW 2000
T 02 8297 2400
F 02 9299 4445
E info@gtnew.com.au

Perth
256 St George's Terrace
Perth WA 6000
T 08 9481 1448
F 08 9481 0152
E info@gtwa.com.au