

TREASURY ANALYSIS - AASB 101

AASB 101 *Presentation of Financial Statements* (October 2006) replaces AASB 101 *Presentation of Financial Statements* (compiled September 2005)

Major impact of changes for 2007/08

- Disclosure requirements are reduced by deleting several Aus paragraphs.
- Illustrative Financial Report and Australian Guidance deleted.

Key features of Standard

- A summary of IAS 1 on which AASB 101 is based is available from the IASB website: <http://www.iasb.org/NR/rdonlyres/80B373BF-BB16-45AB-B3F7-8385CD4979EA/0/IAS1.pdf>
- AASB 101 (October 2006) applies to annual reporting periods beginning on or after 1 January 2007 (i.e. years ending on or after 30 June 2008, for 30 June year-end entities).
- AASB 101 (October 2006) substantially replicates the requirements of AASB 101 (compiled September 2005), except as discussed under 'main differences' below.

Main differences applicable for 2007/08 compared to 2006/07

Amendments to align more closely with IFRS requirements

- Disclosure requirements reduced by deleting several Aus paragraphs to reduce the differences between Australian Accounting Standards and IFRS.
- Illustrative Financial Report and Australian Guidance (with the exception of information on dividends) deleted.

Consequential amendments arising from the issue of AASB 7

- For-profit entities must disclose additional information on capital management (paras 124A-124C).

Impact on the public sector

- Not-for-profit entities no longer need to make an explicit and unreserved statement of compliance with IFRS. However, because of the additional not-for-profit paragraphs inserted by the AASB, there is no impact since a not-for-profit entity would normally not have been able to claim compliance with IFRS.
- Not-for-profit entities are not subject to the capital management disclosures (paras 124A-124C).

Policy and Implementation issues

- The revised AASB 101 applies retrospectively and therefore must also be reflected in the comparative period (2006/07).

This summary has been written in general terms and is intended for reference only. Agencies should review the contents of the AASB Standard to determine its application in particular circumstances.