

# **Explanatory Statement**

**Accounting Standard AASB 2007-10**  
*Further Amendments to Australian*  
*Accounting Standards arising from*  
*AASB 101*

**December 2007**



**Australian Government**

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**Australian Accounting  
Standards Board**

## **EXPLANATORY STATEMENT**

### **Reasons for Issuing AASB 2007-10**

This Standard amends Australian Accounting Standards (including Interpretations) and the *Framework for the Preparation and Presentation of Financial Statements*.

These amendments arise from the issuance in September 2007 of a revised AASB 101 *Presentation of Financial Statements*, as a result of the issuance by the IASB of a revised IAS 1 *Presentation of Financial Statements*.

### **Main Features of AASB 2007-10**

#### **Application Date**

This Standard is applicable to annual reporting periods beginning on or after 1 January 2009. Early adoption is permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 January 2009, provided that the revised AASB 101 is also adopted for the same period. This Standard is applied when the revised AASB 101 is applied.

#### **Main Requirements**

This Amending Standard changes the term 'general purpose financial report' to 'general purpose financial statements' and the term 'financial report' to 'financial statements', where appropriate, in Australian Accounting Standards (including Interpretations) and the *Framework* to better align with IFRS terminology.

This Standard builds on the changes made by AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*, which changed the terms in the application paragraphs of Australian Accounting Standards (including Interpretations) and the *Framework*.

### **Consultation Prior to Issuing AASB 2007-10**

The AASB issued ED 148 Proposed Amendments to AASB 101 *Presentation of Financial Statements: A Revised Presentation* in April 2006. ED 148 contained the IASB's Exposure Draft of Proposed Amendments to IAS 1 *Presentation of Financial Statements: A Revised Presentation*, as well as the AASB's own proposals to amend AASB 101 to remove differences from IAS 1.

As part of this process, the AASB has decided to undo its previous practice of substituting 'financial report(s)' for the IASB term 'financial statements' within AASB 101. AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* changes the term 'financial report(s)' to 'financial statements' in the application paragraphs of Australian Accounting Standards (including Interpretations). AASB 2007-10 changes the remaining instances of 'financial report(s)' to 'financial statements' in Australian Accounting Standards (including Interpretations), where appropriate.

A Regulatory Impact Statement has not been prepared in connection with the issue of this Standard as the amendments made do not have a substantial direct or indirect impact on business or competition, are of a minor or machinery nature or clarify existing requirements.