Economic entities is group comprising a controlling entity and use or none controlled entition) (or businesses) may be structured as a: Sole trader, Partnership; Company; Other — e.g. Managed investment Schemes, Tants, Cooperatives, Nobel-poperful entities, Public sector (Gov) catilities, and unincroporated associations 12. CA2001 (Corporations Act, administered by the Australian Securities and Investment Commission) 12.0. Types of communics.

- 2.2. A Specific Corporation
 Parallel Conference of Market (includes not for profit)
 Parallel Company that is not a proprietary company (e.g. BHP-Billion, ANZ Bank, Woolworths)

 Minimum one shareholder (for maximum) [141]

 Mostly applies to fimited companies that have share capital (and have "LAD" in their name)
 - Notly applies to limited companies that have share capital (and have "Ltd" in their name)

 'Advantages:

 Ability to nivite the public to subscribe for shares (must be accompanied by a disclosure document e.g. a prospectus)

 Fewer restrictions on raising funds from public

 Fewer restrictions on raising funds from public

 May be listed on the starsfalm Securities Exchange (ASX) if it meets listing criteria

 Proprietary:

 a company that is registered as a proprietary company (deliberate docision to be one) [s45A(1)]

 51 non-employee shareholders [s11X[1)]

 Thy' in its name (Py Ltd, P1).

 Cannot raise funds from the public

 Classified as item small or large according to three threshold tests [s45A(2)]:

 Gross assets of \$12.5m at end of FY

 50 Gaves assets of \$12.5m at end of FY

 50 Gaves according revenue of \$25m for the FY

 50 Gaves according revenue of \$25m for the FY

 50 Gaves according revenue of \$25m for the FY

 50 Gaves according revenue of \$25m for the FY

 50 Gaves according revenue of \$25m for the FY

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 50 Gaves according revenue of \$25m for the FY

 50 Gaves according revenue of \$25m for the FY

 50 Gaves according revenue of \$25m for the FY

small or large:
Small or large:
Why defined to 2 Differential reporting / less onerous financial reporting burden [s29(2)]
Why defined to 2 Differential reporting / less onerous financial reporting burden [s29(2)]
Small if it falls below two of the thresholds (CA2001: only required to keep accounting record,
large if it meets two or more of the thresholds required to perspea small directors reports and
directors are supported to the statements and send them to STIs within 4 months of each year of (S22), If

- 1.4. External Financial Reporting (EFR) Framework
 1.4.0. The Australian Securities & Invoctaments Commission (ASIC)
 1.5. The Australian Securities & Invoctaments Commission (ASIC)
 1.5. The Australian Securities & Invoctaments Commission (ASIC)
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 1.5. The Australian Securities & Invoctaments (ASIC)
 1.5. The Australian Securities & Invoctaments & Invocation & In

- sensible for prudential supervision of financial institutions and for promoting financial system stability in
- ralia

 overs banks, credit unions, building societies, general insurance and reinsurance companies, life
 nsurance, private health insurance, friendly societies, and most of the superannuation industry (not selfmanaged super funds)

 occur funccial universits of 'boneficiaries' (depositors, insurance policyholders an superannuation fund
- resteet, financial interests of "hornfessing" (depositors, insurance policyloiders as supermanufiches modern materials and produced in the interest behavior and risk insurangement by financial institutions, by enablishing and enforcing productional standards and practices.

 Benetic requires from to proceds financial information to enable assessment of risk including info' to assess organit adequate, sensing and performance, and enable assessment of risk including info' to assess organit adequate, sensing and performance and enables assessment of risk including info' to assess organit adequate, sensing and performance and enables assessment of risk including a sensing and enabling and e

- statutory backing of CA. 2001 (CPRC a 1101)

 cogains continuous and periodic discharge

 1.4.3. The Timestal Reporting General Continuous and Continuous

- Role Reports to FRC
 Link to EFR:

- Link to Effect and Accounting Standards (commitment to IFES)

 standards (2019) (insulated to IFES)

 Accounting Standards (2019) (insulated to IFES)

 Accounting Standards aim to provide guidance to preparent of financial statements regarding

 Recognition & Measurement

 Delectionse

- unting principles (GAAP): Materiality; Going concern; Qualitative characteristic
- as statements.
 lettering vs non-bold paragraphs: <u>bold</u> main principles and technical detail (application, etc.);
 explanation / clarification and guidance; All paragraphs have equal authority

- 1.6. Nemative theories: seek to provide guidance for optimal accounting policy and practice (inductive)
 -- presenthes what should be done based on a specific good or objective
 -- The Conceptual Framework is zeen as a normative accounting theory
 -- The Conceptual Framework is zeen as a normative accounting theory
 -- Inductive Conceptual Con
- Against theory in a positive theory became it is used to explain why managers prefer accounting policies that increase prefer in certain attainations, such as when there is a boung has linked to accounting profiles.

 Interior mechanic different problems of the property of the profiles when the property of the property of the property of the profiles which property of the profiles which property of the propert

- r profits to reduce political visibility.

 the <u>generating unit (CGU):</u> The smallest identifiable group of assets that generates cash inflows that ly independent of the cash flows from other assets or groups of assets.

- Paras 20-22. The greater the extent any of the following characteristics of the entity are observable, the greater the likelihood of dependent users civiling.

 1 Para 70: Expendent of management from communications.

 2 Para 12: concendent optical importance influence of entity.

 2 Para 12: concendent optical importance influence of entity.

 3 Para 12: concendent optical importance influence of entity.

 4 Para 22: significant financial characteristics of entity.

 5 General Purpose Financial Reports (FPRE). Such reports shall be prepared in accordance with SACV and ASSEP [Jara 41]; the prepare makes the determination as to the existence of dependent users; if the directors incorrectly classify the company as anone-perting entity, disuffinachised users could request the ASIC to make a moder used (P29) of the Art expensing the company to prepare and lodge with its a GFPR.

 3. Australian Accounting Standards Bourly AASIBIOS. GFPRs are prepared according to relevant AASBFPRS PRS.

 TRES. International Practical Reporting Standards SPREs Spectral Purpose Financial Reporting Standards Non-Reporting Entities (NRE).

 1. Dir. & Interd public companies unlikely to be NRE (SEIa are most likely dependent users).

 2. Dir. & Interd public companies unlikely to be NRE (SEIa are most likely dependent users).

 3. Standard Spreament of the preparation of the properting standards.

 3. Dir. Branch (Pagement) (Pagem

No. SEP STORY STOR Yes Yes No
Non-Reporting Entity
(No OPER required) Re(

✓ Only if RE or CA 2001

- The objective of this Standard is to <u>prescribe the accounting treatment for PPE</u> [pars 1]. This Standard shall be applied in accounting for PPE accept then another. Standard notation or permits a different accounting benefative places [1]. This Standard Boss not employ to PPE classified as <u>held for task</u> in accordance with AASB 5. Non-current Access Held for Selve and Decontinued Objections: biological associated to agreelulant activity other classified and the accounting Objective Computer (Computer Section 1). The Access Held for Selve and Decontinued Objective Objective Access Held for Selve and Decontinued Objective Object
- Lesks LPIE: Funnical reports must comply with Australian Accounting Standards (CA 2001 280)
 ANS LIPES.
 What IPES was developed for application by profit scaling makin: ANS are also applied to are officient.
 What IPES are the exploit and private society. ANS also cover additional matters, such an disclosure requirements (typically in a separate standard) on matters and covered by IPESs.
 The difference introduced by the AASII can be easily identified in the texts. For example, peragraphs of the application of the applicati

Entity Disclosing Public Large Small Cody Pty coys

rces of regulation for a listed company in

- The Congorations Act, which is administrate, by the Australian Securities and Investments by the Australian Securities and Investments (ASE) (AS

- providing resources to the entity, i.e., hoying, selling or holding early and other naturants, providing or seming some older form of certifications of the control of the

- 2.1. Asset Acquisition: Businesses generally acquire PVI to increase size and expand into new markets (ethelwe recommiss of scale, etc.)
 2.1.1. Simple acquisitions: Acquiring assets that are not a business or part of a business. Single / multiple assets that do not constitute a business (AASBI16)
 2.1.2. Business Combination: Acquiring assets that are business or part of a business [AASBI 5]
 2.1.2.1. Direct Acquisitions: acquiring assets that are business or part of a business [AASBI 6]
 2.1.2.1. Indirect Acquisitions: equality and acquiring a controlling ownership interest in share expital of company that wowschorteds assets and liabilities, involves gaining of control of an existing entity of company. Plant 6 Acquisitions evolution and the recognition, measurement and recording entity of transaction and acquiring and some properties of the acquisition will dictate the recognition, measurement and recording of transaction as part of new part of the acquisition will dictate the recognition, measurement and recording of transaction to be used during more than one period (Non-current) (AASBI 16) parts (e.c. as useds held for sale) 2.2.1. Recognition & Measurement criteria (as an assest):

 it is gradulable that fitures economic benefit associated with the item will flow to the entity of the control of the cities on the measured reliabily.

 No-fo-perfort, suset acquired of an occur a forminal cost, the cost is for the due to exquired and accountable impaired based parts of the due to exquired and accountable in the mount at which an asset is recomined after deducting any accumulated depreciation (amortisation lugar countable that the accountable in the amount at which an asset is recomined after deducting any accumulated depreciation (amortisation lugar countable to survive and maintain PFE are not included in carrying amount of PFE (intended recognition as exquired asset)

 Other counts of a recurreme nature to sorvive and maintain PFE are not included in acrarying amount of PFE (intended recognition and south
- amount of PPE (intelled recognised as repair & maniferance expense in P&E)

 **Costs of majoric certainfig (including major replacement components) may be included in CA (or

 **Costs of improvements are included in CA

 2.3.Costs the amount of each or each equivalents paid of the fair value of the other consideration (noncash) given to acquire an asset at the time of its acquisition or construction [pan 5].

 **Elements of costs of membrane price (including price discovered in the cost of t

Entity

with multiple dispersion of the properties of the case of the multiple of the case of the

managers

Financial reports are the mechanism by which information is conveyed to shareholders and other users Assumed information reduces the cost of capital, and ensures market players make informed resource allocation devisions.

in a particular agents as the anochamics by which information is conveyed to thankholders and other users. Assumed information in price the cent of confidence of the confiden

AASB 101, s295(1 AASB 101, s295(1 AASB 101, s295(1 ancical 3 107, s295(1) Various AASBs s295(4) ss298-300 s201

Reporting obligations Type of entity	Obligations under CA 2001	Reporting entity (RE or NRE)	AASB 1053 Public account'y (PA or Not PA)
Disclosing ontity Listed public	Annual & HY reports	RE - GPFS	PA – Tier 1
Unlisted public Large Pty Reg Schemes	Annual	RE - GPFS NRE - SPFS	PA – Tier 1 No PA – Tier 2
Small Pty	Differential reporting *	Typically N/A But GPFS if *	N/A *

to them. To a large extent FR are based on estimates, judgments and models rether than exact depictions. Goals utilized to be a derived in full.

(INT.2.1] Interfection and FR (FPR provide judgments) and the common of the comm

about financial performance

Lives also regreta fields seed a 1900, 5 to 11 flow for reasons other than financial performance to gain a

User also regreta fields seed and both and the seed of the se

Here uses the control on a relevant if relevant transacts also is regularly of mixing a districtive, and the control of the co

to equity participants:

1.5.3.3. Recognition it is probable that the future economic benefits has a cost or value that can be measured reliably.

1.3.3.4. Different measurement bases
(a) Historical cost — each or each equivalents or fair values at time of acquisition. recording cost recording
oost cost less provision for doubtful
oost desse provision for doubtful
oost lover of cost and net realisable
oost cost cost and net realisable
amount (see a monta) feet desse desse desse
amount (see a minera).

1851 Oost Market oules o Current value
oost Market oules o Current value
oost outwisse P selected or
provision on the Current value. the confidential of the co Inventory

2.2.6 Depreciation: each part of an item of property, plant and equipment with a cost that I significant in relation to the total cost of the item shall be depreciated separately [para 43]. Depreciation mechanism class: Carrier and Separate (Para 14) and Paratement Record of PPE:

2.7. Determine the cost of PPE:

- Consideration: cash + non-cash
- Additional costs: excl. privide costs and costs for item that is not a qualifying asset — Cost
- Additional costs: excl. privide costs and costs for item that is not a qualifying asset — Cost
- Consideration to constitute a business, the acquirer measures the cost acreeding to the PVF of the consideration
to considerate to the contribute and the cost of PPE:

- Consideration to the contribute and the contribute of the PVF of the consideration
that the date of members to the duriety all assets of the base of the relative PVF of the Consideration
the date of members.

and Additional costs: excl. pariod costs and costs for item that is not a qualifying asset — Cost
2.3. Acquiring a genery of assets Where an entity makes a gaingle methods of a ground of assets that are not
considered to constitute a business, the acquirier measures the cost according to the EV of the consideration
to the consideration of 1.9 the amount given up
1.9 of ossets in total (2) — Where the consideration
1.9 of the consideration (1.9 the amount given up
1.9 of ossets in total (2) — (2) for each individual asset, to be
1.2 of the consideration of 1.9 the consideration
1.3 of the consideration of the consideration
1.4 of the consideration
1.5 of the consideration
1.5