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ACCOUNTING NEWS

FINANCIAL REPORTING REQUIREMENTS FOR CHARITIES AND NOT-FOR-PROFIT ENTITIES FROM 30 JUNE 2014

IN DECEMBER 2012, THE GOVERNMENT ISSUED THE *AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012* (THE ACT) WHICH FORMALLY ESTABLISHED THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION (ACNC) TO REGULATE THE OPERATIONS OF CHARITIES AND NOT-FOR-PROFIT ENTITIES.

Besides requiring registration to be able to access certain Commonwealth tax concessions, and laying down the registration process, the Act also includes requirements for charities and not-for-profit entities, such as governance standards and external conduct standards, record keeping and reporting, and duties to notify certain matters.

The Act also requires a Commissioner to keep an 'Australian Charities and Not-for-profits register' (the register) which will include details of each entity's annual information statement and financial report. The Commissioner may, in limited circumstances, refrain from including this information on the register. For example, if it is considered commercially sensitive and has the potential to cause detriment to the entity, information is inaccurate or is likely to cause confusion or to mislead the public.

This article summarises, and serves as a reminder of, the financial reporting requirements of the Act for charities and not-for-profit entities for years ending on or after 30 June 2014. Many aspects of these reporting requirements are similar to those in the *Corporations Act 2001*.

Record keeping

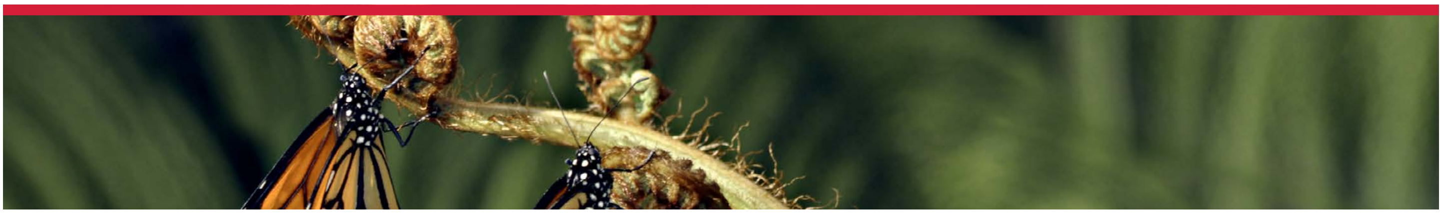
The record keeping provisions of the Act are contained in Division 55 of Part 3-2 of the Act.

The Act allows 'recognised assessment activity' to be performed by the Commissioner. A 'recognised assessment activity' is an activity carried out by the:

- Commissioner to assess the entity's entitlement to registration as a type or subtype of entity
- Commissioner to assess the entity's compliance with the Act and regulations, or
- Commissioner of Taxation to assess the entity's compliance with taxation law.

IN THIS EDITION

In this edition, we summarise the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* for charities and not-for-profit entities for 30 June 2014 year ends. We look at common errors made when capitalising borrowing costs under AASB 123 *Borrowing Costs*, and also look at the recent release by the Australian Accounting Standards Board which introduces some additional reduced disclosure requirements for AASB 136 *Impairment of Assets*.



A registered entity must keep written financial records that correctly record and explain its transactions and financial position and performance and enable true and fair financial statements to be prepared and to be audited.

A registered entity must also keep written records that correctly record its operations so that any recognised assessment activity can be carried out.

Records must be in English or readily accessible and easily convertible into English.

Records must be retained for seven years after the transactions, operations or acts covered by the records are completed.

Annual information statements

The requirements regarding annual information statements are contained in Subdivision 60-B of Part 3-2 of the Act.

All registered entities are required to give an annual information statement (AIS) to the Commissioner by no later than 31 December in the following financial year. So for example, if Charity A's financial year ends 30 June 2013, the AIS is due by 31 December 2013.

As part of a transitional approach, the 2013 AIS does not require any financial information other than revenue for the previous financial year. The purpose of including this information is to assess the size of the charity to determine whether an audit, review engagement, or no audit or review will be required. The AIS requires information about the charity such as name, address, the charitable purpose, main purpose, who was helped by the charity's activity in the previous financial year, number of paid employees and unpaid volunteers who worked in the charity, which state the charity operated in during the previous financial year, details of reporting obligations, etc.

In 2014, more detailed financial information will be required in the AIS, depending on the size of the charity. The type of financial information required is illustrated in the table below.

TYPE	REVENUE THRESHOLDS	FINANCIAL REPORT REQUIRED	AUDIT OR REVIEW ENGAGEMENT	INFORMATION REQUIRED IN AIS – 2014 ONWARDS
Small	Less than $250,000	X	N/A	•Whether cash or accrual accounting has been used •Summary income statement •Balance sheet extract •Up to 9 pieces of information.
Medium	Greater than or equal to $250,000 but less than $1 million	√	Review engagement	•Whether general purpose or special purpose financial statements for 2014 •Summary income statement •Balance sheet extract •Up to 12 pieces of information.
Large	Greater than or equal to $1 million	√	Audit	•Whether general purpose or special purpose financial statements for 2014 •Summary income statement •Balance sheet extract •Up to 15 pieces of information.

Note: iIf you are a basic religious charity, you do not have to answer the financial questions in the 2014 AIS, nor are you required to submit financial reports, regardless of your size.

Annual financial reports

The requirements for annual financial reports are contained in Subdivision 60-C of Part 3-2 of the Act.

Small registered entities, with revenues less than $250,000 for the financial year, are not required to give any financial reports to the Commissioner, therefore they are not required to have an audit or review engagement.

Medium registered entities, with revenues of $250,000 to $999,999 for the financial year, can choose to have a review engagement (less assurance provided) or an audit engagement.

Large registered entities, with revenues of $1 million or more the financial year, must have an audit performed on their financial report.

The audit or review engagement must be performed in accordance with Auditing Standards and the auditor or reviewer must give an independence declaration to the registered entity, similar to what is currently provided for companies and registered schemes under s307C of the *Corporations Act 2001*.

Audited or reviewed financial reports must be given to the Commissioner by no later than 31 December in the following financial year. So for example, if Charity B's financial year ends 30 June 2014, the audited or reviewed financial report is due by 31 December 2014.

What should be included in the annual report?

The contents of the annual report are outlined in Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* (Regulation).

The financial report must include:

- Financial statements
- Notes
- Responsible entity's declaration.

The financial statements and notes must be prepared in accordance with Accounting Standards and the notes must also include any information necessary to give a true and fair view of the financial position and performance of the entity.

The responsible entity's declaration is similar to the directors' declaration required under s295(4) of the *Corporations Act 2001*, and requires declarations whether:

- Financial statements and notes satisfy the requirements of the Act
- There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable.

General purpose vs. special purpose financial statements

Special purpose financial statements can be prepared where the entity is not required to prepare general purpose financial statements. In such cases, all of the following Accounting Standards must be applied (recognition, measurement and disclosure requirements):

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1031 *Materiality*
- AASB 1048 *Interpretation of Standards*
- AASB 1054 *Australian Additional Disclosures*.

Sections of AASB 101 *Presentation of Financial Statements* that apply only to reporting entities (e.g. capital management disclosures) do not need to be complied with in special purpose financial statements.

Transitional requirements for annual financial reports

In order to allow registered entities time to get their accounting systems ready to produce financial statements that comply with Australian Accounting Standards, the Regulation provides transitional relief for those entities that were not required to prepare financial statements that complied with Australian Accounting Standards for their 2013 financial year. The transitional relief is only available if such entities did not **voluntarily** prepare financial statements that complied with Australian Accounting Standards.

Medium registered entities

For their 2014 financial year, medium registered entities can choose to prepare a full set of financial statements that complies with Australian Accounting Standards, or they can choose to prepare a statement that includes the following information, described in section 60-40(2) of the Regulation as follows:

ITEM NUMBER	INFORMATION
	Income statement – Gross income
1	Government grants
2	Donations and bequests
3	All other revenue
4	Total revenue
5	Other income
6	Total gross income
	Income statement – expenses
7	Employee expenses
8	Grants and donations made by the registered entity for use in Australia
9	Grants and donations made by the registered entity for use outside Australia
10	All other expenses
11	Total expenses
	Income statement – net surplus/deficit
12	Net surplus/deficit
	Balance sheet – assets
13	Total current assets
14	Total non-current assets
15	Total assets
	Balance sheet – liabilities
16	Total current liabilities
17	Total non-current liabilities
18	Total liabilities
	Balance sheet – net assets/liabilities
19	Net assets/liabilities

No comparatives are required to be submitted. For 2015, financial statements that comply with Australian Accounting Standards (including 2014 comparatives) will be required.

Large registered entities

For their 2014 financial year, large registered entities can also choose to prepare a full set of financial statements that complies with Australian Accounting Standards, or they can choose to prepare a statement that includes the following information, described in section 60-40(3) of the Regulation as follows:

ITEM NUMBER	INFORMATION
	Income statement – Gross income
1	Government grants
2	Donations and bequests
3	All other revenue
4	Total revenue
5	Other income
6	Total gross income
	Income statement - expenses
7	Employee expenses
8	Interest
9	Grants and donations made by the registered entity for use in Australia
10	Grants and donations made by the registered entity for use outside Australia
11	All other expenses
12	Total expenses
	Income statement – net surplus/deficit
13	Net surplus/deficit
	Balance sheet - assets
14	Total current assets
15	Non-current loans
16	Other non-current assets
17	Total non-current assets
18	Total assets
	Balance sheet – liabilities
19	Total current liabilities
20	Non-current loans
21	Other non-current liabilities
22	Total non-current liabilities
23	Total liabilities
	Balance sheet – net assets/liabilities
24	Net assets/liabilities

No comparatives are required to be submitted. For 2015, financial statements that comply with Australian Accounting Standards (including 2014 comparatives) will be required.

Substituted accounting periods

The requirements for substituted accounting periods are contained in Subdivision 60-F of Part 3-2 of the Act.

The Commissioner may approve an accounting period of 12 months to finish on a date other than 30 June if the registered entity applies to the Commissioner in the approved form.

Dates in the Act will change accordingly to cater for a substituted accounting period. For example, if Charity C's financial year ends 31 December 2013, instead of being due by 31 December of the following financial year, the AIS and the annual financial will be due six months after the end of the financial year, i.e. 30 June 2014.

COMMON ERRORS IN APPLYING AASB 123 *BORROWING COSTS*

AASB 123 *BORROWING COSTS* IS ONLY 15 PAGES LONG AND COMPRISES ONLY 30 PARAGRAPHS.

Despite its simplicity, some of its principles are counter-intuitive, and there are a number of areas where preparers of financial statements are misinterpreting its requirements, including:

- Failing to capitalise interest
- Commencing capitalisation of interest too early
- Failing to cease capitalisation of interest at the correct point
- Capitalising at a rate that is too high
- Capitalising at a rate that is too low.

Failing to capitalise interest

The current version of AASB 123 has been in effect since January 2009, however people still hark back to the earlier version which gave companies a choice of whether to capitalise interest or not when a qualifying asset was being constructed. AASB 123, paragraph 8, requires borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, to be capitalised. There is no choice.

Paragraph 8

"An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity shall recognise other borrowing costs as an expense in the period in which it incurs them."

Another common mistake made by preparers of financial statements is to assume that only specified borrowings must be capitalised. 'Directly attributable' borrowing costs that must be capitalised under paragraph 8 means borrowing costs that would have been avoided if expenditure on the qualifying assets had not been made. **It is therefore not only borrowing costs on specific borrowings that must be capitalised, but in addition, borrowing costs on general borrowings must also be capitalised.**

Example 1

Company A is a profitable company with strong operating cash flows. It decides to construct a qualifying asset for $10 million that will take two years to construct. Company A's only borrowings are:

- A $1 million overdraft facility that it uses for working capital purposes
- The debt element on a five year convertible note.

Company A budgets to pay for the asset out of surplus operating cash flows and will not incur any additional borrowings.

The accountant argues that because there are no specific borrowings taken out for the project, there is no interest to capitalise. **WRONG.**

AASB 123, paragraph 11, notes that it may be difficult to identify a relationship between a particular borrowing and a qualifying asset and to determine the amount of borrowings that could otherwise have been avoided. Therefore judgement is required when determining the amount of borrowing costs that are directly attributable to the qualifying asset. AASB 123, paragraph 14, also makes it clear that funds borrowed generally and used for the purpose of obtaining a qualifying asset must be included in the capitalisation rate for borrowing costs capitalised.

Even though Company A might consider that the qualifying asset will be funded from operating cash flows, the fact that Company A has general borrowings means that borrowing costs on these general borrowings must be capitalised. We therefore assume that any funds borrowed generally will firstly be used to fund the qualifying asset, and then be used for working capital needs, even if the cash flows from operating activities are enough to finance the qualifying asset.

The borrowing costs on the overdraft and the convertible note must therefore be included in determining the amount of interest to be capitalised because they form part of general borrowings of the entity.

Example 2

Company B decides to construct a qualifying asset for $10 million that will take two years to construct. Company B has an existing bank loan of $10 million and determines that the construction of the asset will be funded by way of a capital raising.

The accountant argues that because there are no specific borrowings taken out for the project, then there is no interest to capitalise.
WRONG.

Similar to the explanation provided in Example 1 above, general borrowings are firstly assumed to fund the qualifying asset, and then operating cash flows. The fact that Company B will undertake a capital raising is irrelevant. The borrowing costs on the existing $10 million must be included in determining the amount of interest to be capitalised.

Note: If the Company B had no borrowings at all, but undertook a $10 million capital raising to fund the construction of the qualifying asset, Company B would not be permitted to capitalise a deemed or notional interest charge.

Example 3

Company C decides to construct a qualifying asset for $10 million that will take two years to construct. Company C has an existing bank loan of $10 million which was taken out four years ago to specifically fund the construction of its new head office (a qualifying asset). Company C applied AASB 123 to the construction of the new head office, which was completed two years ago. The construction of the new qualifying asset will be funded by way of a capital raising.

The accountant argues that there are no borrowings to be capitalised because the only loan was taken out for another specified project.
IT DEPENDS.

There are different views about whether the original $10 million loan to build the new head office stays as a specific borrowing, or can change its nature into a general borrowing. These include:

- Once identified as a specific borrowing, the loan will remain a specific borrowing until it is settled
- Once the qualifying asset (head office) has been completed, the loan becomes part of general borrowings if the entity chooses not to settle the loan.

If the qualifying asset was, for example, an investment property, and the loan contract specified that Company C must settle the loan out of proceeds of operating/selling the investment property, there is also a view that the borrowings could remain as specific borrowings.

In our view, based on the facts presented in this example, the borrowing costs on the existing $10 million must be included in determining amounts to be capitalised because the asset to which the loan originally related (head office) has been completed, i.e. becomes part of general borrowings.

Example 4

Company D decides to construct a qualifying asset for $10 million that will take two years to construct. At the time it enters into the construction contract, Company D has no borrowings and elects to fund the project through working capital and an equity raising. Three months after construction starts, Company D purchases Company E, and funds the acquisition partly through $5 million of long term bank debt.

The accountant argues that there are no borrowings to be capitalised because the only loan was taken out for another specified project (i.e. purchase of Company E). **WRONG.**

In 2009, the Interpretations Committee considered the issue of whether funds borrowed for a specific asset, that is not a qualifying asset, could be excluded from general borrowings when determining the amount of borrowing costs to be capitalised on qualifying assets. The Interpretations Committee did not issue an Interpretation on this question, but passed it onto the International Accounting Standards Board (IASB) to consider for annual improvement.

The IASB did not make an annual improvement because they concluded that funds borrowed specifically for a non-qualifying asset must be included as part of general borrowings because AASB 123, paragraph 14, only excludes debt on **qualifying assets**.

Therefore, the borrowing costs on the new $5 million loan to finance a non-qualifying asset (Investment in Company E) must be included in determining amounts to be capitalised.

Commencing capitalisation of interest too early

AASB 123 only permits capitalisation of borrowing costs when the qualifying asset is being constructed. In many cases, the purchaser pays the manufacturer to construct the asset offsite (e.g. aircraft, ships, oil rigs, etc.). This will typically involve the purchaser paying a deposit or mobilisation fee before construction commences.

Example 5

Company E orders the construction of three oil rigs. On 1 January 2013 it pays a $15 million deposit to secure production of the three rigs over the coming year ($5 million for each rig). Rig construction will commence on 1 April 2013 for the first rig, and the second and third rigs will start construction on 1 June 2013 and 31 October 2013 respectively. The project is funded by specific borrowings which are initially advanced on 1 January 2013.

The accountant proposes that interest should be capitalised on the whole $15 million from 1 January 2013. **WRONG.**

AASB 123, paragraph 17 requires that capitalisation of interest can only commence when all of the following three conditions have been met:

- Expenditure has been incurred on the asset
- Borrowing costs have been incurred on the asset
- Activities have been undertaken that are necessary to prepare the asset for its intended use or sale.

Activities undertaken to prepare the asset for its intended use or sale include physical construction of the asset, and some technical and administrative work prior to commencing construction. In this case, capitalisation can only commence when construction commences because there is no technical or administrative work necessary prior to construction of the rigs (e.g. obtaining permits prior to physical construction), so capitalisation of interest on $5 million for Rig 1 should commence 1 April 2013, Rig 2 on 1 June 2013 and Rig 3 on 31 October 2013.

Failing to cease capitalisation of interest at the correct point

Failing to cease capitalising interest at the appropriate point is a common error when applying AASB 123. This typically arises when:

- The asset is complete but is not yet being used or there has been a delay in selling the asset, or
- The asset is not being actively developed.

Extracts from AASB 123:

Paragraph 22

"An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete."

Paragraph 24

"When an entity completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity shall cease capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale."

Example 6

Entity Z is constructing a new factory complex which comprises a number of elements. Construction commences on 1 January 2013, and the factory will commence manufacturing in August 2014. The whole site, including administration and research facilities will be completed by June 2015.

BUILDING	DATE COMPLETED
Raw materials warehouse	November 2013
Main production facility	July 2014
Finished goods warehouse	October 2014
Administration block	May 2015
R&D facility	June 2015

The accountant proposes that interest should be capitalised on the whole capital expenditure up to 30 June 2015 when the factory site is completed. **WRONG.**

Capitalisation can only take place when the asset is being developed. In this example, capitalisation of borrowings in respect of the costs associated with the raw materials warehouse should cease in November 2013, capitalisation of borrowings in respect of costs associated with the main production facility should cease in July 2014, etc.

Example 7

Company F is constructing an amusement park. The park is completed ahead of schedule on 30 April 2013. However, it will not be open to the public until the start of the tourist season on 1 October 2013.

The accountant proposes that capitalisation of interest should cease on 30 September 2013. **WRONG.**

Capitalisation of interest should cease on 30 April 2013 when the asset is completed, not when the asset starts being used.

Example 8

Company G constructs an apartment building comprising 20 units. The building is completed on 30 April 2013. Unfortunately only 10 of the 20 units have been sold at that point, so the interior of the unsold 10 apartments (kitchen units, bathroom fittings, etc.) will not be installed until a buyer has been found and chosen the interior specifications.

The accountant proposes that interest should continue being capitalised until all units have been completed. **WRONG.**

Capitalisation should cease on 30 April 2013 when the asset is substantially completed.

Example 9

Company H is a property developer. It buys a parcel of agricultural land for development on 1 April 2013 and immediately submits plans to the local planning authority for a high density housing project. On 1 August 2013 there is a change of government to a party that is committed to protect the rural environment and to stop 'urban sprawl'. The planning application is officially rejected on 31 October 2013. Expert advice says that it is unlikely that this ruling can be overturned without a change of government.

The accountant proposes that interest should continue being capitalised as the company intends to eventually develop the land. **WRONG.**

Capitalisation should cease on 1 August 2013.

Capitalising at a rate that is too high

Common errors where interest is capitalised at a rate that is too high include:

- Ignoring interest income on deposits of monies drawn down on specific borrowings intended to fund a qualifying asset
- Capitalising loan arrangement fees into the project rather than accounting for them using the effective interest rate method
- Omitting low interest borrowings from the capitalisation calculation.

A common application issue when applying AASB 123 to projects that are funded by specific borrowings is that the loan is drawn down immediately at the commencement of the project and the proceeds are placed on deposit.

Example 10

Company J is to construct a qualifying asset that will cost $100 million and will take three years to complete. Company J funds this by way of a $100 million loan. The loan incurs 10% interest and is drawn down on 1 January 2013 and placed on deposit paying 5% interest. The first spend on construction was on 1 April 2013 for $10 million, which funded construction up to 30 June 2013.

The accountant proposes that the interest to be capitalised is $5 million, being six months' interest on the specified borrowings (10%*$100m *6/12). **WRONG.**

The proposal is incorrect for three reasons:

- Capitalisation of borrowings should only commence from the point that construction commences (i.e. 1 April 2013)
- Interest should only be capitalised to the extent that costs have been incurred, therefore borrowing costs should only be capitalised on the $10 million actually spent
- The interest income on monies on deposit from the specific borrowings should be offset against the interest capitalised.

Therefore the amount that should be capitalised is $1.25 million ($10m*5%*3/12).

Capitalising at a rate that is too low

There are a number of common mistakes made that can understate the interest rate used for capitalising interest. These include:

- Offsetting deposit income where no specific borrowings have been identified
- Using the coupon rate rather than the effective interest rate
- Omitting high interest borrowings from the capitalisation calculation.

AASB ISSUES AMENDMENTS TO AASB 136 FOR REDUCED DISCLOSURE REQUIREMENTS

IN JUNE 2013, THE AUSTRALIAN ACCOUNTING STANDARDS BOARD (AASB) ISSUED AASB 2013-3 *AMENDMENTS TO AASB 136 – RECOVERABLE AMOUNT DISCLOSURES FOR NON-FINANCIAL ASSETS* WHICH INTRODUCED SOME ADDITIONAL IMPAIRMENT DISCLOSURES WHERE IMPAIRMENT LOSSES/REVERSALS HAVE BEEN RECOGNISED DURING THE PERIOD, AND RECOVERABLE AMOUNT HAS BEEN DETERMINED USING 'FAIR VALUE LESS COST OF DISPOSAL'.

Our July Accounting News includes details of the additional disclosures required, which include:

- The level in the fair value hierarchy (i.e. levels one, two or three) within which the fair value measurement of the asset or CGU is categorised in its entirety (without taking into account whether the 'costs of disposal' are observable)
- For level two or three fair value measurements:
  - A description of the valuation technique used, and if there has been a change in valuation technique, the fact that there has been a change and the reason(s) for making it
  - Each key assumption on which management has based its determination of fair value less costs of disposal
  - Discount rate(s) used in the current measurement and previous measurement if fair value less costs of disposal is measured using a present value technique.

In line with the AASB's differential reporting framework described in AASB 1053 *Application of Tiers of Australian Accounting Standards*, in September 2013, the AASB issued AASB 2013-6 *Amendments to AASB 136 arising from Reduced Disclosure Requirements.* This introduces Tier 2, or reduced disclosure requirements, for these additional disclosures described above.

AASB 2013-3 and AASB 2013-6 both apply to annual reporting periods beginning on or after 1 January 2014.

NEW BDO PUBLICATIONS

The Audit section of our website includes a range of publications on IFRS issues. Look for the 'Global IFRS Resources' link which includes resources such as:

- IFRS at a glance – 'one page' and short summaries of all IFRS standards
- Need to Knows – updates on major IASB projects and highlights practical implications of forthcoming changes to accounting standards. Recent Need to Knows include Leases
- IFRS in Practice – practical information about the application of key aspects of IFRS, including industry specific guidance.
- Comment letters on IFRS Standard Setting - includes BDO comments on various projects of international standard setters, including Exposure Drafts and other Discussion Papers, when it is considered that the issue is significant to the BDO network and its clients. Latest comment letters include IASB 2013-6 *Leases*, IASB ED 2013-5 *Regulatory Deferral Accounts*, IASB ED 2013-4 - *Defined Benefit Plans-Employee Contributions* and IASB ED 2013-3 *Financial Instruments: Expected Credit Losses*.

COMMENTS SOUGHT ON EXPOSURE DRAFTS

At BDO, we provide comments locally to the Australian Accounting Standards Board (AASB) and internationally to the International Accounting Standards Board (IASB). We welcome any client comments on exposure drafts that are currently available for comment. If you would like to provide any comments please contact Wayne Basford at wayne.basford@bdo.com.au.

DOCUMENT	PROPOSALS	COMMENTS DUE TO AASB BY	COMMENTS DUE TO IASB BY
ED 244 *Insurance Contracts*	Proposes that insurance contracts should be measured using a current value approach incorporating all of the available information in a way that is consistent with observable market information.	27 September 2013	25 October 2013
ED 245 *Agriculture: Bearer Plants* Proposed amendments to AASB 116 and AASB 141	Proposes that plants that bear agriculture produce (e.g. fruit trees that bear fruit), would be measured at accumulated cost prior to reaching maturity and bearing produce. After reaching maturity, bearer plants would be measured using either the cost or the revaluation model in accordance with AASB 116 *Property Plant and Equipment*.	1 October 2013	28 October 2013
Tier 2 Supplement to ED 242 Leases	Proposes exemptions for Tier 2 entities from some of the disclosures proposed for leases in ED 242.	15 November 2013	N/A
ITC29A A *Review of the IASB's Conceptual Framework for Financing Reporting*	Proposes an improved Conceptual Framework to replace the IASB's existing Conceptual Framework.	8 November 2013	14 January 2014

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