

ACCOUNTING STANDARD

AASB 2004-1

December 2004

Amendments to Australian Accounting Standards



Australian Government

**Australian Accounting
Standards Board**

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AASB 2004-1

2

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CONTENTS

PREFACE

ACCOUNTING STANDARD
AASB 2004-1 AMENDMENTS TO AUSTRALIAN ACCOUNTING
STANDARDS

	<i>Paragraphs</i>
Objective	1
Application	2 – 5
Amendments arising from AASB 6	6 – 8

Australian Accounting Standard AASB 2004-1 *Amendments to Australian Accounting Standards* is set out in paragraphs 1 – 8. All the paragraphs have equal authority.

PREFACE

Standards amended by AASB 2004-1

This Standard makes consequential amendments to the following Australian Accounting Standards:

- (a) AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*;
- (b) AASB 116 *Property, Plant and Equipment*; and
- (c) AASB 138 *Intangible Assets*.

The amendments arise from the issue of AASB 6 *Exploration for and Evaluation of Mineral Resources*, which is the Australian equivalent to IFRS 6 *Exploration for and Evaluation of Mineral Resources*, and are consistent with the amendments made by IFRS 6 to other International Financial Reporting Standards (IFRSs).

For-profit entities that comply with the requirements of these Australian Accounting Standards, as amended by this Standard, will simultaneously be in compliance with the requirements of the corresponding IFRSs, being IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*. The ability of not-for-profit entities to be able to claim compliance with International Financial Reporting Standards is not affected by the amendments made by this Standard, but is dependent on whether the entity has applied "Aus" paragraphs in AASB 116 or AASB 138 which are inconsistent with the requirements of the corresponding IFRSs.

Application Date

The application date of this Standard is linked to the application date of AASB 6. Accordingly, this Standard is applicable to annual reporting periods beginning on or after 1 January 2005. Early adoption of this Standard is not permitted.

ACCOUNTING STANDARD AASB 2004-1

The Australian Accounting Standards Board makes Accounting Standard AASB 2004-1 *Amendments to Australian Accounting Standards* under section 334 of the *Corporations Act 2001*.

Dated 9 December 2004

D.G. Boymal
Chair – AASB

ACCOUNTING STANDARD AASB 2004-1

AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS

Objective

1. The objective of this Standard is to make amendments to other Australian Accounting Standards as a consequence of the issue of AASB 6 *Exploration for and Evaluation of Mineral Resources*.

Application

2. **This Standard applies to:**
 - (a) **each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;**
 - (b) **general purpose financial reports of each other reporting entity; and**
 - (c) **financial reports that are, or are held out to be, general purpose financial reports.**
3. **This Standard applies to annual reporting periods beginning on or after 1 January 2005.**
4. **This Standard shall not be applied to annual reporting periods beginning before 1 January 2005.**
5. Notice of this Standard was published in the *Commonwealth of Australia Gazette* No S 507, 13 December 2004.

AASB 2004-1

5

STANDARD

Amendments arising from AASB 6

6. The following heading and paragraph are added after paragraph 36A in AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, as issued in July 2004:

Exemption from the requirement to provide comparative disclosures for AASB 6

36B In its first Australian-equivalents-to-IFRSs financial report, an entity that adopts Australian equivalents to IFRSs before 1 January 2006 need not present the disclosures required by AASB 6 *Exploration for and Evaluation of Mineral Resources* for comparative periods.

7. Repeal paragraph 3 in AASB 116 *Property, Plant and Equipment*, as issued in July 2004, and substitute with:

3. This Standard does not apply to:
- (a) property, plant and equipment classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;
 - (b) biological assets related to agricultural activity (see AASB 141 *Agriculture*);
 - (c) the recognition and measurement of exploration and evaluation assets (see AASB 6 *Exploration for and Evaluation of Mineral Resources*); or
 - (d) mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources.

However, this Standard applies to property, plant and equipment used to develop or maintain the assets described in (b)-(d).

8. Repeal paragraph 2 in AASB 138 *Intangible Assets*, as issued in July 2004, and substitute with:

2. **This Standard shall be applied in accounting for intangible assets, except:**
- (a) **intangible assets that are within the scope of another Australian Accounting Standard;**

- (b) **financial assets, as defined in AASB 139 *Financial Instruments: Recognition and Measurement*;**
- (c) **the recognition and measurement of exploration and evaluation assets (see AASB 6 *Exploration for and Evaluation of Mineral Resources*); and**
- (d) **expenditure on the development and extraction of minerals, oil, natural gas and similar non-regenerative resources.**