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To: [UKFRS](#)
Subject: FW: FRED 50 Draft FRC Abstract 1 - Residential Management Companies' Financial Statements and consequential Amendments to FRSEE
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From: Paul Haynes [mailto:paul.haynes@hartleyfowler.com]
Sent: 02 September 2013 10:04
To: 'ukfrs@fec.org.uk'
Cc: 'Guy Rolliston'
Subject: FRED 50 Draft FRC Abstract 1 - Residential Management Companies' Financial Statements and consequential Amendments to FRSEE

Hi

I have brief read the above abstract. I have the following comments:

1. I am concerned regarding the extra cost of additional reporting in the company accounts to the vast majority of companies which have relatively few shareholders/lessees. Two sets of accounts with transactions are to be produced, the Service Charge accounts following TR03-11 and then the company accounts.
2. With two sets of accounts being produced will the shareholders/lessees understand the niceties of the company transactions which would appear to be in the profit and loss account: two lines, expenses incurred and service charges receivable to cover the expense whereas the service charge accounts will give a breakdown of the expenditure incurred and generally more information.
3. Information to be shown in the RMC or disclosure of cash held in trust/amounts owing to suppliers. Unless the company's accounting reference date ('ARD') is the same as the date that the service charge account is made up, the company ARD will need to change to the date the service charge accounts are made up otherwise the information to disclose in the RMC accounts will not be readily available. Bearing in mind comparative information is also to be disclosed in the RMC accounts perhaps there should be sufficient gap between the date the final guidance is issued and the date the new guidance is effective in order to have the time to change the RMC ARD and have information for both current and the preceding year.
4. Can guidance also be given as to when FRSEE is not applied. As a firm we do not prepare, as far as I am aware, any accounts under the FRSEE.
5. Can some examples of pro forma service charge accounts and the company accounts be given like in the proposed guidance like there was in the consultation document that preceded TR03-11.

Yours sincerely

Paul

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