

Mr D. Holden ACA  
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15<sup>th</sup> November 2009

Mr Peter Goddall  
Accounting Standards Board  
5<sup>th</sup> Floor, Aldwych House  
71-91 Aldwych  
London  
WC2B 4HN

Dear Sir,

I attended a 2020 technical CPD course today regarding an accounts update and I wish to comment on future reporting requirements for UK and Irish entities.

It is my understanding that the board is proposing a three-tier approach to developing UK GAAP converged with IFRS, whereby tier 3 for small entities applying the FRSE will eventually be further defrined to those entities which are 'micro-entities' and would no longer be required to produce statutory accounts for filing.

It is my concern that these 'micro-entities' may be allowed not to file accounts if they have less than 10 employees, a balance sheet total of £500,000 and an annual turnover of less than £1,000,000. I believe this is still to be debated at the European Union.

This matter is a particular concern to me as I work with such companies in practice. My opinion is that

There is a requirement for these 'micro-entities' to produce and file accounts. A statistic quoted has been that '85% of all UK companies' would be applicable under the definition of 'micro-entities'.

Please would you respond to this matter as I am concerned that if this decision is made it would be to the degradation of small company accounting and standards in the UK.

Yours faithfully



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