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To: [UKERS](#)
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1)If the intention is to standardise Residential Management Companies Financial Statements then worked examples should be provided.

2)If at the end of the accounting period the surplus of monies collected from lessees over the monies disbursed by the RMC on their behalf is not to be disclosed in the RMC balance sheet as a liability to the lessees because “the cash balance shall not be recognised in a RMC’s balance sheet” (i.e the balance sheet has to balance) how will the Lessees obtain assurance that funds are held to match the liability?

The lease I have in front of me requires “the Company within two calendar months of the date to which the account is taken to serve on the Lessee a Notice in writing stating the said total and proportionate amount so certified and in the event of a sum being due from the Company to the Lessee shall pay the same” This Certificate is provided when the accounts are circulated.

3) Here on the South Coast we have many blocks of retirement flats where the freeholder/developer has disposed of the freehold interest to the RMC. This is very common. Each leaseholder receives one share and will make an equal annual contribution to the RMC to meet the common costs. The lessee/shareholder interest is merged. The lay lessee is going to find it difficult to comprehend why his RMC accounts cannot disclose the cash balance. I do not look forward to explaining this to him.

Malcolm Mecklenburgh

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