

Linda Feeney

From: Richard Bonnello <RichardB@rwbca.co.uk>
Sent: 10 May 2017 15:23
To: UKFRS
Cc: Neil Coupland; Nick Bonnello
Subject: FRS 102 and FRED 67 Consultation

Follow Up Flag: Follow up
Flag Status: Flagged

This email has been received from an external sender. Please check the email is genuine before clicking on any links. If you are unsure please contact the ACS Support Desk immediately.

Dear Sirs,

In response to the consultation paper:

This simplification under FRED 67 is long overdue. It has been predicted as soon as the small company provisions were realised and thought to be both meaningless and unworkable. It is very late in the day to be at this point.

What we need now is to exempt all smaller companies or non-quoted companies from the onerous work in adopting FRS 102 only to find that they have to change again to adopt FRED 67. This exemption needs to be done whilst the consultation paper is being considered. The computer industry has been unable to cope, software developments are late and there is an enormous amount of work required to adopt FRS 102 for smaller companies electronically.

Many companies' advisors are returning to the dark ages of manual preparation and formatting of accounts as software is not up to speed.

The costs are significant and are of no real benefit to smaller companies. Accounts will still be far less informative and as such represent a backwards step in corporate reporting and the understanding of business principles.

This whole exercise has been badly thought out and badly implemented to the considerable cost of smaller companies, who make up over 90% of the UK's companies.

I still do not see an answer to the question of say a small company with a freehold property bought many years ago for £100,000. It is now valued at £400,000 and has a rent roll of £40,000 p.a. Under FRS 102 there must be historic depreciation such that there are now no distributable reserves. The owners of the business rely upon the income so have to take out directors loans to survive. Is this anomaly to be corrected?

I am sure that I have missed some of the points in the consultation paper but the real complaints will surface when smaller companies find out just what they have to do and at what cost as most do not yet have to cope with the problems about to hit them. To have to change again in 2020 to correct what should have been considered first time will annoy and frustrate many companies.

Richard Bonnello FCA
Director
RWB Chartered Accountants

Direct Line: 0115 964 8864
Mobile: 07703 555321

Reception: 0115 964 8888

Fax: 0115 964 8889

www.rwbca.co.uk

We grow our business by referrals. If you have any friends or associates who you think would benefit from talking to us then please feel free to give them our details to arrange a meeting.

RWB Chartered Accountants is the trading name of RWB CA Limited. RWB CA Limited is a Limited Company registered in England and Wales. Company number 07109990. Registered office: Northgate House, North Gate, New Basford, Nottingham, NG7 7BQ.

The information contained in this e-mail message is legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this e-mail is strictly prohibited. If you have received this e-mail in error, please immediately notify us by e-mail or telephone 0115 9648888. RWB CA Limited has the facility to monitor and read both incoming and outgoing communications by e-mail.