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3 October 2013

Dear Sirs

FRED 50 - Comment

Question 1

No, I do not agree with proposed draft FRC Abstract 1 for two reasons:

- 1) Lease holders are in the main lay people, who may only see one set of accounts a year. They just want to see how their service charges have been spent. Dormant accounts and a separate lease holders statement are fine, as is one set of accounts with everything in it.

A weird hybrid set of accounts as is proposed will not be understood by the lease holders.

Managing agents will not distribute them to the lease holders, to avoid fielding questions that are conceptually difficult to answer. They will instead send out the leaseholder statement in its current format.

Lease holders will just end up paying for a set of accounts that they will never see, and would not understand if they did see it.

- 2) It makes practising accountants and our professional institute look like fools. We have already had to tell lease holders that the "powers that be" required us to make their affairs more complicated and more expensive once. Now we are going to have to tell them that you have changed your minds again, and they now need to be even more complicated (and expensive).

Cont'd...

Letter to FRC

The FRC seem to be turning into some sort of puritan accountancy movement, imposing "pure", conceptually correct accountancy on people whether it is any use to them or not.

Question 2

I have no opinion on the date that this should become effective.

Yours faithfully

A handwritten signature in blue ink that reads "Danny French". The signature is written in a cursive, flowing style.

Danny French