

2013

Reason for Special Resolution

On our separate notice of our Annual General Meeting is a Special Resolution to alter the Articles of Association.

The reason for this is that for some years Company Law has no longer required us to have an audit as opposed to an independent accountants' report. It has, however, been required by our Articles, which were drafted when all companies had to have an audit. We are seeking to update our Articles to reflect this change in the law. This change will have no effect on our accounting or the safety of members' funds but will save FPRA about £1000 in fees from our accountants.

The reason for this is that the term 'audit' requires a higher level of examination and reporting and following the Companies Act 1985 (Accounts of Small and Medium-Sized Enterprises and Audit Exemption)(Amendment) Regulations 2004" - (S.I. 2004/16) is now only required for companies with a turnover exceeding £5,600,000 and for companies where the balance sheet exceeds £2,800,000. Our turnover is less than £60,000 our balance sheet is less than £51,000.

The committee feels that to spend an extra £1000 in these circumstances is not good use of members' funds and unanimously recommends that you vote for the special resolution.

This is also the advice of our independent chartered accountants and legal adviser.



THE VOICE OF LEASEHOLDERS

Representing Residents' Associations, Residents' Management Companies, Right to Manage Companies and similar groups

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