



Mr T Winnifrith  
By e-mail

3 August 2017

**Complaint regarding the annual report and accounts of SerVision Plc**

I am writing regarding your complaint dated 11 February 2016, sent by e-mail to the Financial Reporting Council ('the FRC'), relating to the annual report and accounts of SerVision Plc for the years ended 31 December 2013 and 2014.

I am writing in accordance with the Operating Procedures of the Financial Reporting Council's Conduct Committee, a body appointed by the Secretary of State to review and investigate the annual accounts, strategic reports and directors' reports of public and large private companies.

Further information on the powers of the Conduct Committee and its Operating Procedures may be found on the FRC's website at <https://www.frc.org.uk/Our-Work/Corporate-Governance-Reporting/Corporate-Reporting-Review/Operating-procedures.aspx>

In addition, I would draw your attention to the page on frequently asked questions which can be found at <http://frc.org.uk/Our-Work/Conduct/Corporate-Reporting-Review/FAQs/FAQs-Making-a-complain-about-a-company%E2%80%99s-accounts.aspx>.

We have considered, by reference to the company's published accounts, the matter raised in your complaint regarding the company's revenue recognition policies.

We entered into correspondence with the company on the application of its revenue recognition policies, taking particular account of the high level of bad debts, to which you drew our attention, in the years ended 31 December 2013 and 2014 and the six months ended 30 June 2015.

Based on the information and explanations provided by the company, which included the results of a review by the directors of the company's revenue recognition policies, we have closed our enquiry. The Directors have reflected the outcome of their review in the 2016 accounts, which includes, on page 24, enhanced disclosures regarding the accounting judgments and estimates that management exercise in determining when to recognise revenue and how it is to be measured.



Thank you for drawing this matter to the attention of the Conduct Committee.

Yours sincerely

A handwritten signature in blue ink, reading 'Carol Page', is positioned below the 'Yours sincerely' text.

**Carol Page**

Director

Corporate Reporting Review Team

FRC Corporate Governance & Reporting Division

DDI: 020 7492 2460

Email: [frp.secretary@frc.org.uk](mailto:frp.secretary@frc.org.uk)