

**From:** [REDACTED] (s.40)  
**Sent:** 14 December 2015 16:29  
**To:** [REDACTED] (s.40)  
**Subject:** RE: Dividend policy and practice

Dear [REDACTED] (s.40)

First, I apologise for the delay in responding to your question. As I am sure the discussion at the UK GAAP TAG meeting made clear, the letter from the Chair of the Local Authority Pension Fund Forum has been drawn to the Department's attention. The content of the letter represents the views of the Local Authority Pension Fund Forum on this matter. This is not a view that is universally shared. Certainly there is no provision in the Companies Act 2006 that makes it mandatory for all companies to disclose a figure for distributable profits separately in their annual financial statements.

However, we recognise that some companies may wish to provide their shareholders with additional information. The Department welcomes the publication of the FRC's Financial Reporting Lab report, "Disclosure of dividends - policy and practice", and the work the FRC has been doing with business and investors to improve transparency in this area.

BIS has no plans to add to the statement issued by Jo Swinson.

I hope this is helpful but please feel free to give me a call if you have further questions.

Regards

[REDACTED]

Department for Business, Innovation and Skills

[REDACTED]  
@bis.gsi.gov.uk

[REDACTED] (s.40)

 Department for Business, Innovation & Skills

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**From:** [REDACTED] (s.40)  
**Sent:** 02 December 2015 15:21  
**To:** [REDACTED] (s.40)  
**Subject:** Dividend policy and practice

Dear [REDACTED] (s.40)

I was sorry not to see you at last week's UK GAAP TAG meeting. As you might expect, before we

dealt with matters on the agenda there was some discussion of the Lab report on dividend policy and practice, and the recent round of letters on the subject of disclosure of distributable profits sent by a group of investors to FTSE 350 chairs. I am sure you are aware of the issues currently being debated. The TAG members discussed the FRC response, but it did make me wonder whether BIS intends to make any sort of statement. When the first Bompas opinion was issued, Jo Swinson made a public statement alongside Baroness Hogg.

Time has passed, but do you know if BIS intends to say anything this time around?

Many thanks

Kind regards

[Redacted]

[Redacted]

[Redacted] (s.40)

**From:** [Redacted] (s.40)  
**Sent:** 03 December 2015 11:17  
**To:** [Redacted] (s.40)  
**Cc:** [Redacted] (s.40) [Redacted]  
(s.40)  
**Subject:** RE: do you want to respond to this

Thanks, [Redacted] (s.40)

Regards

[Redacted]

[Redacted] Department for Business, Innovation and Skills  
[Redacted] @bis.gsi.gov.uk | [Redacted]  
(s.40)

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**From:** [REDACTED]@frc.org.uk] (s.40)  
**Sent:** 03 December 2015 11:16  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** RE: do you want to respond to this

[REDACTED] (s.40)

This is what we will respond with.

**The FRC is aware that the LAPFF has written to company Chairmen. Their letter deals with a very narrow point of company law in terms which we cannot support and raises uncertainty unnecessarily. The FRC and the government have confirmed that the Companies Act 2006 does not require the separate disclosure of a figure for distributable profits.**

I have now had an enquiry from a journalist named [REDACTED] (s.40) who you will find on twitter as [REDACTED] (s.40)

[REDACTED]

[REDACTED]  
[REDACTED]  
Financial Reporting Council

[REDACTED] (s.40)

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[www.frc.org.uk](http://www.frc.org.uk)

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**From:** [REDACTED]@bis.gsi.gov.uk] (s.40)  
**Sent:** 03 December 2015 10:58  
**To:** [REDACTED]@frc.org.uk> (s.40)  
**Cc:** [REDACTED]@bis.gsi.gov.uk [REDACTED]@bis.gsi.gov.uk [REDACTED]@bis.gsi.gov.uk> (s.40)  
**Subject:** RE: do you want to respond to this

[REDACTED] (s.40)

I really think this should be kept factual which would mean the line should read:

**The FRC is aware that the LAPFF has written to company Chairmen. Their letter deals with a very narrow point of company law and seeks to raise uncertainty unnecessarily. The FRC and the government have confirmed that the Companies Act 2006 does not require the separate disclosure of a figure for distributable profits.**

*If your lawyer was comfortable, you might include the line "The FRC does not agree with the LAPFF's interpretation of company law on this matter" but I couldn't agree to you including a reference to the Government in the sentence as we haven't had time*

to speak with our lawyer on the point (and may not be able to do so quickly as he is not in the office today).

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation and Skills  
@bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

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**From:** [REDACTED] @frc.org.uk] (s.40)  
**Sent:** 03 December 2015 10:48  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** RE: do you want to respond to this

I haven't sent it to Reuters yet so will change the first paragraph as follows:

**The FRC is aware that the LAPFF has written to company Chairmen. Their letter deals with a very narrow point of company law and seeks to raise uncertainty unnecessarily. The FRC and the government have confirmed that the views of the LAPFF on this matter of company law are incorrect. The Companies Act 2006 does not require the separate disclosure of a figure for distributable profits.**

[REDACTED]

[REDACTED]  
[REDACTED]  
Financial Reporting Council  
[REDACTED] @frc.org.uk [REDACTED] (s.40)

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From: [REDACTED]@bis.gsi.gov.uk] (s.40)

Sent: 03 December 2015 10:32

To: [REDACTED]@frc.org.uk> (s.40)

Cc: [REDACTED]@bis.gsi.gov.uk [REDACTED]@bis.gsi.gov.uk (s.40)

Subject: RE: do you want to respond to this

[REDACTED] (s.40)

I am very concerned by the wording in the first paragraph. We have never said that the views are "incorrect and may be disregarded". What we have said is that the Companies Act 2006 does not require the separate disclosure of a figure for distributable profits. Ultimately, whether the views of the LAPFF are incorrect would be a matter for the courts.

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation and Skills

[REDACTED]@bis.gsi.gov.uk

[REDACTED] (s.40)



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From: [REDACTED]@frc.org.uk] (s.40)

Sent: 03 December 2015 10:22

To: [REDACTED] (s.40)

Cc: [REDACTED] (s.40)

Subject: RE: do you want to respond to this

[REDACTED] (s.40) et al,

[REDACTED] (s.40) at Reuters has now been sent the letter by the LAPFF. This suggests that the LAPFF is now involving more media outlets after its Times 'exclusive' this morning.

We have updated our response slightly from last night to strengthen the first paragraph and to bring in some of what we said when the latest Bompas opinion was produced a few weeks ago.

I have suggested that he contacts BIS as well.

[REDACTED] (s.40)

The FRC is aware that the LAPFF has written to company Chairmen. Their letter deals with a very narrow point of company law and seeks to raise uncertainty

**unnecessarily. The FRC and the government have confirmed that the views of the LAPFF on this matter of company law are incorrect and may be disregarded.**

The issue raised by the LAPFF was extensively looked at previously by counsel leading to BIS and the FRC's statement in 2013 and updated True and Fair guidance in June 2014, which reconfirmed that the presentation of a true and fair view remains a fundamental requirement of financial reporting.

Last week the FRC's Financial Reporting Lab published a report on dividend policy and practice disclosure following an 18 month project which involved the participation of 19 companies and 31 investors. <https://www.frc.org.uk/News-and-Events/FRC-Press/Press/2015/November/Making-dividends-disclosures-more-relevant-for-inv.aspx>

All investors consider that the disclosure of dividend resources, i.e. cash and the amount of the company's reserves legally available for distribution under company law (distributable profits), is helpful in circumstances where the ability of the company to pay dividends is, or might be, insufficient relative to the level of dividends indicated by the policy. However the Companies Act 2006 does not require companies to identify separately distributable profits on their balance sheet.

The key message in the report is that companies, investors and the FRC consider that disclosure of dividend policy and resources, including distributable profits, may be helpful. In addition to demonstrating the board's stewardship of the company, they provide key information used by investors in evaluating the extent to which returns may be provided in the form of dividends in future.

The report also highlights examples of good and proportionate disclosure practice. Investors said that terms such as 'progressive' and 'payout ratio' in respect of a company's dividend policy or approach need to be clarified. They also told us that they recognise that the unexpected can and does happen and by providing disclosures, companies are not painting themselves into a corner.

  
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(s.40)

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[www.frc.org.uk](http://www.frc.org.uk)

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From: [REDACTED] (s.40)  
Sent: 02 December 2015 18:25  
To: [REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED]@bis.gsi.gov.uk> (s.40)  
Cc: [REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED]@bis.gsi.gov.uk> (s.40)  
Subject: RE: do you want to respond to this

Thanks [REDACTED] (s.40)

Will you let me know if you do receive an enquiry from [REDACTED] (s.40) and indeed any other journalists.

Best

[REDACTED] (s.40)

[REDACTED]  
Financial Reporting Council  
[REDACTED]@frc.org.uk  
[REDACTED] (s.40)

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From: [REDACTED]@bis.gsi.gov.uk] (s.40)  
Sent: 02 December 2015 18:23  
To: [REDACTED]@frc.org.uk [REDACTED]  
[REDACTED]@bis.gsi.gov.uk> (s.40)  
Cc: [REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED]@bis.gsi.gov.uk> (s.40)  
Subject: RE: do you want to respond to this

1. [REDACTED] (s.40)

Thanks for letting us know. We don't have any plans to make a statement and will continue with our line that there is no requirement in the Companies Act 2006 to disclose separately a figure for distributable profits and to we welcome the FRC's recent report on increased transparency in this area.

2. [REDACTED] (s.40)

If not too late we can update our lines to reference the FRC's recent report directly as follows:

**The letter from the Chair of the Local Authority Pension Fund Forum has been drawn to the Department's attention. The Companies Act 2006 does not require the separate disclosure of a figure for distributable**

profits. The Department welcomes the work the FRC has been doing with business and investors to improve transparency in this area and the publication of its Financial Reporting Lab's report, "Disclosure of dividends - policy and practice".

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation and Skills  
@bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

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**From:** [REDACTED]@frc.org.uk] (s.40)  
**Sent:** 02 December 2015 16:22  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** FW: do you want to respond to this

[REDACTED] (s.40)

The LAPFF letter has now reached the media and I have received the request below from The Times.

I will be responding very shortly with a FRC comment but will suggest [REDACTED] (s.40) also contacts BIS for your response which was discussed last week with you by [REDACTED] (s.40)

Thanks.

[REDACTED]

[REDACTED]  
Financial Reporting Council  
[REDACTED]@frc.org.uk  
[REDACTED] (s.40)

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**From:** [REDACTED]@thetimes.co.uk (s.40)  
**Sent:** 02 December 2015 15:13  
**To:** [REDACTED]@frc.org.uk [REDACTED]@frc.org.uk (s.40)  
**Subject:** do you want to respond to this

Hi [REDACTED] (s.40)

I am doing a story for tomorrow's paper saying how the LAPFF has written to the chairmen of 350 listed companies urging them to ignore what it says is defective guidance from the FRC.

It also accuses the FRC of nodding through defective accounting standards, being captured by the accounting bodies and misquoting the law.

This is all about bompas again of course.

Ping me an email or call me if you'd like to comment.

Thanks [REDACTED] (s.40)

[REDACTED]

[REDACTED] (s.40)

**From:** [REDACTED] (s.40)  
**Sent:** 09 October 2015 16:13  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40) Mackenzie Marie-Anne (BE)  
**Subject:** Long-term investor group's concerns about IFRS - Bompas II  
**Importance:** High

**OFFICIAL: SENSITIVE**

[REDACTED] (s.40)

You may remember from the ARC meeting that I mentioned the long-term investor group had written to Theodor Stolojan, in his capacity as chair of ECON's working group on IFRS, raising concerns again about the use of IFRS and the impact on the ability of accounts to give a true and fair view. This group has shared with the Secretary of State and invited him to meet to discuss the issues raised. The Secretary of State is unable to meet the group but they have been informed that the letter has been shared with officials. On the back of this [REDACTED] (s.40) has made contact with me and asked if a conversation would be useful. I will look to do this in the next couple of weeks or so.

I understand from Marie-Anne's discussions with [REDACTED] (s.40) that the FRC was expecting something to happen on this issue. You had also mentioned that some people were of the opinion that accounts couldn't be true and fair without a statement of realised profits. (I hope I remembered the point correctly!) Are you aware of the detail of Bompas II and, if so, does the FRC have a position on the points being made? The way the argument in relation to realised profits is presented at the top of page 2 strikes me as rather misleading. I would welcome any thoughts you might have. If it is helpful, we could set up a meeting to discuss.

I am not aware that the letter to Stolojan is in the public domain – hence the “sensitive” marking - but I suspect this may be gaining a wider circulation now.

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation  
and Skills @bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)



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**From:** [REDACTED] (s.40)  
**Sent:** 29 September 2015 13:32  
**To:** Mackenzie Marie-Anne (BE); Carter Richard (BE)  
**Cc:** [REDACTED] (s.40)  
**Subject:** For information: Long term investor group offers meeting to SoS on IFRS and Bompas opinion

The group of long term investors has written to Theodor Stolojan, MEP, in his capacity as Chairman of the ECON Working Group on IFRS. [REDACTED] (out of scope) The letter refers to a 2015 opinion from Bompas – see extract below – and proposes changes to IFRS9.

“The legal Opinion – commissioned by the Local Authority Pension Fund Forum – outlines in clear language what the [true and fair view] standard requires in the EU, and why IFRS fail to meet this standard. Specifically, it concludes that because IFRS cannot “*enable a determination of what is or is not available for distribution*”, they cannot be relied upon to meet capital maintenance requirements as set out in the EU's 2nd Company Law Directive (77/91/EEC).”

The letter goes on to say that IFRS 9 "needs to be amended so that: a) all foreseeable losses are accounted for (i.e. banks must account for expected lifetime loan losses, rather than a one-year ahead view proposed under IFRS9); and b) any mark-to-market gains included as profit are explicitly separated out as unrealised profit."

The letter has been copied to the SoS, by [REDACTED] (s.40) , along with an offer to meet with him to discuss the issues it raises. I have advised that the offer to meet is DECLINED saying:

The underlying issue raised in the letter copied to the SoS – whether IFRS accounts can be true and fair - is not new. It has been discussed with BIS officials and senior managers at the Financial Reporting Council (FRC) on a number of occasions in recent years. Counsel's advice to the FRC on the underlying issue and revisited again in 2013 does not support the earlier Bompas opinion. It is also contrary to the Commission's view. The proposal to amend IFRS9 is not deliverable under EU law and it is very questionable whether all stakeholders would share the views expressed here.

I have suggested the response should say that the letter has been shared with officials dealing with the EU's adoption of international accounting standards and said they can provide my contact details and that I am known to the group.

I propose to share the investor group letter with the FRC. I gather from a brief conversation with [REDACTED] (s.40) that the FRC is aware of the argument that accounts cannot be true and fair if there is no disclosure of distributable profits but I do not know if the FRC knows about the latest Bompas opinion referenced in the letter. Casting around the internet, I have found an earlier letter, dated 31 August 2015, from the Local Authority Pension Fund Forum which refers to the FRC which I will also check they have seen.

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] (out of scope)

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation  
and Skills | [REDACTED] @bis.gsi.gov.uk | [REDACTED]  
[REDACTED] (S.40)

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**From:** Mackenzie Marie-Anne (BE)

**Sent:** 29 September 2015 13:51

**To:** [REDACTED] (s.40) Carter Richard (BE)

**Cc:** [REDACTED] (s.40)

**Subject:** RE: For information: Long term investor group offers meeting to SoS on IFRS and Bompas opinion

Thanks [REDACTED] (s.40)

I recall [REDACTED] (s.40) telling me that Bompas was likely to be asked to opine again and FRC were talking to investors.

*Marie-Anne*

Marie-Anne Mackenzie | Deputy Director | Corporate Frameworks, Accountability and Governance | Department for Business, Innovation and Skills | 020 7215 0369

**From:** [REDACTED] (s.40)

**Sent:** 12 October 2015 15:35

**To:** Mackenzie Marie-Anne (BE)

**Subject:** FRC meeting re Bompas II and Long-term investor concerns

Marie-Anne

Just to let you know I am meeting the FRC on Thursday morning at 11am to discuss the long-term investors' letter and Bompas II opinion. I know it is your normal work from home day [REDACTED] (out of scope) but you are welcome to attend if you want to hear the debate. [REDACTED]

[REDACTED] (out of scope) Otherwise, I will update you afterwards. I'm already reassured by the content/tone of [REDACTED] (s.40) email of Friday last week.

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation and Skills | [REDACTED] @bis.gsi.gov.uk [REDACTED]

[REDACTED] (s.40)



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**From:** [REDACTED] (s.40)  
**Sent:** 24 November 2015 18:09  
**To:** Carter Richard (BE)  
**Cc:** [REDACTED] (s.40)  
**Subject:** RE: Lab project report: Disclosure of dividends - policy and practice

Thanks, Richard

I saw the notification earlier and have shared with Press Office so that they know it is out there and that the FRC's press notice may just prompt some enquiries even though the LAPFF letter on Friday has not done so [yet]. [REDACTED] (s.40) and [REDACTED] (s.40) know they can use the lines prepared earlier if needed.

[REDACTED]

[REDACTED] (s.42).

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation  
and Skills [REDACTED] @bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

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**From:** [REDACTED]@frc.org.uk] (s.40) [REDACTED] (s.40)  
**Sent:** 24 November 2015 17:39  
**To:** Lab Steering Group  
**Cc:** [REDACTED] (s.40)  
**Subject:** Lab project report: Disclosure of dividends - policy and practice

Dear Lab Steering Group

We have today published the Financial Reporting Lab's report on **Disclosure of dividends - policy and practice**. The report focuses on dividend disclosures which both companies and investors feel can improve. 19 Company participants from FTSE 100, 250, and AIM quoted companies, and 31 members of the investment community, including members of two retail investor associations participated in the project.

The report explains good, proportionate disclosure practice, why investors want information about dividends and what they want to know.

The project was initiated following interest from a group of long-term institutional investors who consider that the disclosure of distributable profits is always required. As is noted in the accompanying press notice, the FRC understands that the Companies Act 2006 does not require companies to identify separately distributable profits on their balance sheet.

Best regards

█ (s.40) and █ (s.40)

█

Financial Reporting Council

█@frc.org.uk

█ (s.40)

█

Financial Reporting Council

█@frc.org.uk

█ (s.40)

**From:** █ (s.40)  
**Sent:** 20 November 2015 18:47  
**To:** █ (s.40)  
**Subject:** RE: LAPFF letter to Chairmen

Thanks. You too.

Regards

█

[REDACTED]  
@bis.gsi.gov.uk

Department for Business, Innovation and Skills

(s.40)



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**From:** [REDACTED]@frc.org.uk] (s.40)

**Sent:** 20 November 2015 18:41

**To:** [REDACTED] (s.40)

**Cc:** [REDACTED] (s.40); [REDACTED] (s.40); [REDACTED]

(s.40); Carter Richard (BE)

**Subject:** Re: LAPFF letter to Chairmen

[REDACTED] (s.40)

I am content with this.

Let's speak on Monday about what we might be able to do proactively.

Have a good weekend,

[REDACTED]

[REDACTED]

Financial Reporting Council (s.40)

On 20 Nov 2015, at 18:19, [REDACTED]@bis.gsi.gov.uk (s.40) wrote:

[REDACTED] (s.40)

We propose to provide our Press Office with the following lines in case of enquiries over the weekend. Please let me know urgently if you are content.

The letter from the Chair of the Local Authority Pension Fund Forum has been drawn to the Department's attention. The Companies Act 2006 does not require the separate disclosure of a figure for distributable profits. The Department welcomes the work the FRC has been doing with business and investors to improve transparency in this area.

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation and Skills  
[REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

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**From:** [REDACTED]@frc.org.uk] (s.40)  
**Sent:** 20 November 2015 16:15  
**To:** Carter Richard (BE); [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40); [REDACTED] (s.40)  
**Subject:** FW: LAPFF letter to Chairmen

Dear Richard and [REDACTED] (s.40) ( I am sorry I do not have [REDACTED] (s.40) email)

LAPFF have written the letter below to Chairmen ( at least as far down as FTSE 150 but may be wider) setting out that FRC has got the law wrong in connection with distributable profits and that the directors are in danger therefore of breaching the law.

[REDACTED]  
[REDACTED] (s.41(1))

We expect it will be necessary to deal in some way with the uncertainties that have been sown in Chairmen's minds and this will require liaison between BIS and the FRC. We expect that there will be publicity and coverage possibly over the weekend and so I thought it best to alert you as soon as the letter had been drawn to our attention.

[REDACTED] (s.40)

**Subject:** Accounting Standards: discharging the contractual and statutory duties of directors  
<image003.jpg>

20 November 2015

Dear Chairman

**Accounting Standards: discharging the contractual and statutory duties of directors**  
As you may be aware, the Local Authority Pension Fund Forum (LAPFF) obtained a further opinion from Mr George Bompas QC dated 14 August 2015, which LAPFF made public on 1 September 2015. The Opinion covers the standard required for accounts.  
Most importantly for directors company accounts must enable a determination of what is or is not



available for distribution by reference to amounts stated in them. Mr Bompas concludes that it is:-  
*"difficult to assert that accounts which fail to enable a determination of what is or is not available for distribution by reference to amounts stated in them can give a true and fair view of a company's assets and liabilities, financial position and profits or losses, as they will fail to meet one of the central purposes for which the accounts are required"*.

LAPFF's confidence in the Opinion reflects Mr Bompas' standing within the judiciary, including the fact that he sits as a Deputy Judge of the High Court. I enclose a copy of his opinion which has significant implications for all company directors.

We believe that UK listed company accounts are at risk of being contrary to the requirements of the law.

Mr Bompas sets out how the position that the Financial Reporting Council (FRC) has taken is inconsistent with a basic reading of legislation, the Companies Act 2006 (CA 2006) and predecessor Acts.

For example, the FRC applies its defective version of 'true and fair view' to matters in the accounts in general, rather than **the specified items** in the accounts as is actually required by Section 393 CA2006[1]. LAPFF notes that FRC literature transcribes Section 393 incorrectly, including in its model wording for the "Statement of Director Responsibilities".

Furthermore LAPFF draws particular attention to the attention given by Mr Bompas to the 'net assets test' of Section 831 CA2006 which is a requirement for making lawful distributions in addition to the distributable profits test [2].

LAPFF has seen no evidence that the FRC's position takes account of this test. If it had, it should have become obvious that this test creates a situation whereby unrealised profits must be included in an un-distributable reserve as shown in the accounts (with the effect of countering any unrealised profits in net assets). This is particularly relevant to the accounts of banks.

The very clear position of Section 831 CA 2006 establishes that the FRC position regarding Section 830 (from which it has asserted that unrealised profits can be included with realised profits in the accounts) is incompatible with the position of the legislation set out in Section 831 CA 2006.

Because a correct interpretation of the company law is central to you and your fellow directors discharging your duties in an unimpeachable way, it can only be in your interest to follow advice that is not only correct, but demonstrably independent from a defective position that seems to have taken root with the FRC's position for whatever reason.

In the event that any party, including your auditors, present any obstruction to this, we draw your and their attention to the following:-

- directors are personally accountable for distributions paid that are contrary to the requirements of company law,
- auditors, by Section 498(2)(b) CA 2006, must state in their audit reports if the numbers in the accounts are different to those in the accounting records. The 'two sets of books' model in the ICAEW Guidance that the FRC has relied on would require the numbers in the accounts being different to those in the books,
- an auditor not in compliance with Section 498(2)(b)CA 2006, does by Section 507(2)(a), commit a criminal offence,
- auditors, by Section 837 CA 2006, must pass an opinion on the distributable profits as stated in the accounts even if their opinion was qualified. They do this by preparing the necessary statement specified under Section 837(4),
- the model wording from the FRC Statement of Director Responsibilities is wrong. It does not replicate Section 393 CA 2006 despite purporting to do so.

We would be interested to hear of any issues that you might have in applying the law properly as there are significant implications going forwards, for you and your colleagues.

Yours sincerely



Cllr Kieran Quinn,  
Chair

**Local Authority Pension Fund Forum**

(contact via [Tessa.v@lapfforum.org](mailto:Tessa.v@lapfforum.org) and/or at Local Authority Pension Fund Forum (LAPFF), c/o PIRC Ltd. Suite 8.02, Exchange Tower, London, E14 9GE, +44 (0) 207 247 2323)

Enclosures: Opinion of George Bompas

[1] For example see page 4 and the Conclusion of the FRC 2014 'True and Fair View' paper, in which the true and fair view test is wrongly described as a 'standing back' test for the accounts as a whole. Also see page 3 of that document where the FRC strangely applies true and fair view to earnings per share, which is not even a number in the accounts but a derived statistic.

[2] Para 21-23 of Mr Bompas' opinion.

**From:** [REDACTED]@frc.org.uk] (s.40)  
**Sent:** 20 November 2015 17:51  
**To:** [REDACTED] (s.40)  
**Cc:** Carter Richard (BE); [REDACTED] (s.40)  
**Subject:** Re: LAPFF letter to Chairmen

[REDACTED] (s.40)

I entirely agree that the Lab report should go ahead. Maybe the easiest way of handling this is for the FRC and BIS to write a short joint letter to the 100 group with a copy on our websites.

[REDACTED] (s.40)

Sent from my iPad

**From:** [REDACTED] (s.40)  
**Sent:** 20 November 2015 17:53  
**To:** Carter Richard (BE)  
**Cc:** [REDACTED] (s.40)  
**Subject:** RE: LAPFF letter to Chairmen - suggested lines for Press Office over the weekend  
**Importance:** High

Richard

I think we do need to provide Press Office with a line just in case of press interest over the weekend given the wide circulation of the LAPFF's letter. I have spoken with [REDACTED] (s.40) and [REDACTED] (s.40). I propose to copy the text of the letter to Press Office and provide the following simple line to take:

The letter from the Chair of the Local Authority Pension Fund Forum has been drawn to the Department's attention. The content of the letter represents the views of the Local Authority Pension Fund Forum on this matter.

Are you content with this approach?

We can consider if anything further is required early next week. I know [REDACTED] (s.40) feels FRC needs to respond and is keen that BIS considers the company law position.

Regards

[REDACTED]

Department for Business, Innovation and Skills

[REDACTED]  
@bis.gsi.gov.uk

[REDACTED] (s.40)

 Department for Business, Innovation & Skills

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**From:** [REDACTED] (s.40)  
**Sent:** 20 November 2015 16:23  
**To:** [REDACTED] (s.40)  
**Cc:** Carter Richard (BE)  
**Subject:** FW: LAPFF letter to Chairmen

[REDACTED] (s.40)

To see. I have just spoken with [REDACTED] (s.40). She is to speak with [REDACTED] (s.40) to get a "chairman's view" of the email and we will consider how we respond next week. [REDACTED] (s.40) is concerned that BIS is involved given the email addresses compliance with the law. I am thinking about whether we need lines to take for Press Office over the weekend.

Regards

[REDACTED]

Department for Business, Innovation and Skills

[REDACTED]  
@bis.gsi.gov.uk

[REDACTED] (s.40)

 Department for Business, Innovation & Skills

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**From:** [REDACTED] (s.40)  
**Sent:** 12 October 2015 10:11  
**To:** [REDACTED] (s.40)  
**Subject:** RE: LAPFF material in public domain

Thanks, [REDACTED] (s.40).

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation and Skills  
[REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

 Department for Business, Innovation & Skills

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**From:** [REDACTED]@frc.org.uk] (s.40)  
**Sent:** 10 October 2015 15:45  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40); [REDACTED] (s.40) [REDACTED] (s.40)  
**Subject:** LAPFF material in public domain

[REDACTED] (s.40)

Just to follow up as to my statement that the Stolojan letter is in the public domain. See the LAPFF website which has that letter, the letter to Jonathan Hill and some open questions to the FRC (which have not been raised specifically with us).

<http://www.lapfforum.org/news/LAPFF-obtains-further-Legal-Opinion-from-George-Bompas-QC>

[REDACTED] (s.40)

**From:** [REDACTED] (s.40)  
**Sent:** 20 November 2015 19:22  
**To:** [REDACTED] (s.40)  
**Cc:** Carter Richard (BE); [REDACTED] (s.40) [REDACTED] (s.40) Javid MPST; Neville-Rolfe MPST  
**Subject:** Lines to take: Local Authority Pension Funds Forum letter to chairs of FTSE 150 companies  
**Importance:** High

[REDACTED] (s.40)

We spoke. BIS has been alerted to a letter sent by the Chair of the Local Authority Pension Funds Forum (LAPFF), Cllr Kieran Quinn, to chairs of FTSE companies. We believe this has gone to the FTSE 150 but it may have gone further.

The letter concerns the LAPFF's views on the need for a company to disclosure information on its "distributable profits" in the company's annual accounts in order for those accounts to meet the "true and fair" test required by company law. The LAPFF cites the opinion of legal counsel it commissioned on this point to support its position.

It is possible that the letter may attract press interest over the weekend. Lines to take are provided below along with a brief background note and the text of the letter as sent.

Should the duty officer require assistance over the weekend I can be contacted on the mobile number below or on my personal number which is [REDACTED] (s.40)

**Lines to take:**

**The letter from the Chair of the Local Authority Pension Fund Forum has been drawn to the Department's attention. The Companies Act 2006 does not require the separate disclosure of a figure for distributable profits. The Department welcomes the work the FRC has been doing with business and investors to improve transparency in this area.**

**Background:**

"Distributable profits" are those profits which may be distributed by the company to its shareholders (in cash or some other form). The Companies Act 2006 sets out a high level provision in relation to this:

s830 Distributions to be made only out of profits available for the purpose.

(1) A company may only make a distribution out of profits available for the purpose.

(2) A company's profits available for distribution are its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made.

(3) Subsection (2) has effect subject to sections 832 and 835 (investment companies etc: distributions out of accumulated revenue profits).

There are a number of reasons why profits reported in a company's accounts may not be distributable. Detailed guidance on the identification of what is distributable is provided in extensive well-established guidance issued by the Institute of Chartered Accountants in England and Wales (ICAEW). This is a highly technical area but,

essentially, rules on distributable profits are there to protect prevent improper erosion of a company's capital.

A company's annual accounts are required to show a "true and fair" view of the company's assets, liabilities, financial position and profit or loss. The LAPFF, referencing their counsel's opinion, argue that accounts which do not disaggregate the total profit figure to show distributable profits cannot meet this test *as they will fail to meet one of the central purposes for which the accounts are required*. This is an opinion, not fact. Ultimately, the legitimacy of such a view could only be determined by the courts. Whilst the LAPFF often acts as part of a larger group of long-term investors, there is no evidence that its views are widely held.

Importantly, there is no requirement within company law at national or EU level which requires companies to separately disclose a figure for distributable profits on the face of their published annual accounts.

The FRC is currently working with business and investors on a project which is looking at improved transparency in this area. We expect the results of that work to be published shortly.

Text of letter sent by the LAPFF:

20 November 2015

Dear Chairman

**Accounting Standards: discharging the contractual and statutory duties of directors**

As you may be aware, the Local Authority Pension Fund Forum (LAPFF) obtained a further opinion from Mr George Bompas QC dated 14 August 2015, which LAPFF made public on 1 September 2015. The Opinion covers the standard required for accounts.

Most importantly for directors company accounts must enable a determination of what is or is not available for distribution by reference to amounts stated in them. Mr Bompas concludes that it is:-

*"difficult to assert that accounts which fail to enable a determination of what is or is not available for distribution by reference to amounts stated in them can give a true and fair view of a company's assets and liabilities, financial position and profits or losses, as they will fail to meet one of the central purposes for which the accounts are required"*.

LAPFF's confidence in the Opinion reflects Mr Bompas' standing within the judiciary, including the fact that he sits as a Deputy Judge of the High Court. I enclose a copy of his opinion which has significant implications for all company directors.

We believe that UK listed company accounts are at risk of being contrary to the requirements of the law.

Mr Bompas sets out how the position that the Financial Reporting Council (FRC) has taken is inconsistent with a basic reading of legislation, the Companies Act 2006 (CA 2006) and predecessor Acts.

For example, the FRC applies its defective version of 'true and fair view' to matters in the accounts in general, rather than the specified items in the accounts as is actually required by Section 393 CA2006[1]. LAPFF notes that FRC literature transcribes Section 393 incorrectly, including in its model wording for the "Statement of Director Responsibilities". Furthermore LAPFF draws particular attention to the attention given by Mr Bompas to the 'net assets test' of Section 831 CA2006 which is a requirement for making lawful distributions in addition to the distributable profits test [2].

LAPFF has seen no evidence that the FRC's position takes account of this test. If it had, it should have become obvious that this test creates a situation whereby unrealised profits must be included in an un-distributable reserve as shown in the accounts (with the effect of countering any unrealised profits in net assets). This is particularly relevant to the accounts of

banks.

The very clear position of Section 831 CA 2006 establishes that the FRC position regarding Section 830 (from which it has asserted that unrealised profits can be included with realised profits in the accounts) is incompatible with the position of the legislation set out in Section 831 CA 2006.

Because a correct interpretation of the company law is central to you and your fellow directors discharging your duties in an unimpeachable way, it can only be in your interest to follow advice that is not only correct, but demonstrably independent from a defective position that seems to have taken root with the FRC's position for whatever reason.

In the event that any party, including your auditors, present any obstruction to this, we draw your and their attention to the following:-

- directors are personally accountable for distributions paid that are contrary to the requirements of company law,
- auditors, by Section 498(2)(b) CA 2006, must state in their audit reports if the numbers in the accounts are different to those in the accounting records. The 'two sets of books' model in the ICAEW Guidance that the FRC has relied on would require the numbers in the accounts being different to those in the books,
- an auditor not in compliance with Section 498(2)(b)CA 2006, does by Section 507(2)(a), commit a criminal offence,
- auditors, by Section 837 CA 2006, must pass an opinion on the distributable profits as stated in the accounts even if their opinion was qualified. They do this by preparing the necessary statement specified under Section 837(4),
- the model wording from the FRC Statement of Director Responsibilities is wrong. It does not replicate Section 393 CA 2006 despite purporting to do so.

We would be interested to hear of any issues that you might have in applying the law properly as there are significant implications going forwards, for you and your colleagues.

Yours sincerely



Clr Kieran Quinn,  
Chair

**Local Authority Pension Fund Forum**

(contact via [Tessa.y@lapfforum.org](mailto:Tessa.y@lapfforum.org) and/or at Local Authority Pension Fund Forum (LAPFF), c/o PIRC Ltd. Suite 8.02, Exchange Tower, London, E14 9GE, +44 (0) 207 247 2323)

Enclosures: Opinion of George Bompas

[1] For example see page 4 and the Conclusion of the FRC 2014 'True and Fair View' paper, in which the true and fair view test is wrongly described as a 'standing back' test for the accounts as a whole. Also see page 3 of that document where the FRC strangely applies true and fair view to earnings per share, which is not even a number in the accounts but a derived statistic.

[2] Para 21-23 of Mr Bompas' opinion.

Regards

Department for Business, Innovation

@bis.gsi.gov.uk

(s.40)

 Department for Business, Innovation & Skills

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**From:** [REDACTED]@frc.org.uk] (s.40)

**Sent:** 09 October 2015 17:44

**To:** [REDACTED] (s.40)

**Cc:** [REDACTED] (s.40) Mackenzie Marie-Anne (BE); [REDACTED] (s.40)

**Subject:** Re: Long-term investor group's concerns about IFRS - Bompas II

[REDACTED] (s.40)

I agree it would be good to meet with you to discuss this. The Stolojan letter is in the public domain . It references FRC. After it was publicised [REDACTED] (s.40) wrote to [REDACTED] (s.40) asking for a meeting. He has replied that the issues have been debated long and hard and that we must agree to differ.

At our meeting we can explain the work we are doing on dividend disclosure ( which Marie-Anne has a copy of in her Lab Steering Group pack for next week).

We should also pick up on how we can get the majority investor view to the Minister and / or MEPs. [REDACTED] (s.40) and [REDACTED] (s.40) have offered to facilitate this if necessary. We also have a possible route through [REDACTED] (s.40)

Speak soon,

[REDACTED] (s.40)

Sent from my iPad

On 9 Oct 2015, at 16:17, [REDACTED]@frc.org.uk> (s.40) wrote:

[REDACTED] (s.40)

Shall we try and arrange a meeting, as you suggest, next week – could your PA [REDACTED] (s.40) to agree a time?

Regards

[REDACTED]  
[REDACTED]



[REDACTED]  
Financial Reporting Council

[REDACTED] [@frc.org.uk](mailto:info@frc.org.uk)

[REDACTED] (s.40)

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[www.frc.org.uk](http://www.frc.org.uk)

**From:** [REDACTED] [@bis.gsi.gov.uk](mailto:[REDACTED]@bis.gsi.gov.uk)] (s.40)

**Sent:** 09 October 2015 16:13

**To:** [REDACTED] [@frc.org.uk](mailto:[REDACTED]@frc.org.uk)> (s.40)

**Cc:** [REDACTED]; (s.40) Marie-Anne Mackenzie <[marie-anne.mackenzie@bis.gsi.gov.uk](mailto:marie-anne.mackenzie@bis.gsi.gov.uk)>

**Subject:** Long-term investor group's concerns about IFRS - Bompas II

**Importance:** High

**OFFICIAL: SENSITIVE**

[REDACTED] (s.40)

You may remember from the ARC meeting that I mentioned the long-term investor group had written to Theodor Stolojan, in his capacity as chair of ECON's working group on IFRS, raising concerns again about the use of IFRS and the impact on the ability of accounts to give a true and fair view. This group has shared with the Secretary of State and invited him to meet to discuss the issues raised. The Secretary of State is unable to meet the group but they have been informed that the letter has been shared with officials. On the back of this [REDACTED] (s.40) has made contact with me and asked if a conversation would be useful. I will look to do this in the next couple of weeks or so.

I understand from Marie-Anne's discussions with [REDACTED] (s.40) that the FRC was expecting something to happen on this issue. You had also mentioned that some people were of the opinion that accounts couldn't be true and fair without a statement of realised profits. (I hope I remembered the point correctly!) Are you aware of the detail of Bompas II and, if so, does the FRC have a position on the points being made? The way the argument in relation to realised profits is presented at the top of page 2 strikes me as rather misleading. I would welcome any thoughts you might have. If it is helpful, we could set up a meeting to discuss.

I am not aware that the letter to Stolojan is in the public domain – hence the “sensitive” marking - but I suspect this may be gaining a wider circulation now.

Regards

[REDACTED]  
[REDACTED] Department for Business, Innovation  
and Skills | [REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

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**From:** [REDACTED] (s.40)  
**Sent:** 03 December 2015 12:37  
**To:** [REDACTED] (s.40)  
**Subject:** FW: Press Release: 'Sorry, Wrong Number'; Regulatory catastrophe in UK accounting oversight. - I have also phoned HMT....

Just to let you know that I followed up my note to [REDACTED] (s.40) with a phone call to talk through why I (personal view) think what I do about the Bompas further opinion. I also gave him [REDACTED]'s (s.40) name as the person in HMT currently covering the interest in IFRS.

Regards

[REDACTED]  
[REDACTED] Department for Business, Innovation  
and Skills | [REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

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**From:** [REDACTED] (s.40)  
**Sent:** 03 December 2015 12:22  
**To:** [REDACTED]@HMTreasury.gsi.gov.uk (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** FW: Press Release: 'Sorry, Wrong Number'; Regulatory catastrophe in UK accounting oversight.

Hello [REDACTED] (s.40)

How nice to hear from you in your new role! BIS is not seeking to be proactive on this issue but we have some reactive lines to take in case needed:

The letter from the Chair of the Local Authority Pension Fund Forum has been drawn to the Department's attention. The Companies Act 2006 does not require the separate disclosure of a figure for distributable profits. The Department welcomes the work the FRC has been doing with business and investors to improve transparency in this area and the publication of its Financial Reporting Lab's report, "Disclosure of dividends - policy and practice".

We are aware that the LAPFF has made contact with Reuters too now and that the FRC has been contacted by a journalist named [REDACTED] (s.40) who can be found on twitter as [REDACTED] (s.40). Obviously, we will continue to monitor coverage of the issue.

If you do need to brief, it is perhaps worth pointing out that there has been no change in the law in this area recently.

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation and Skills | [REDACTED]@bis.gsi.gov.uk [REDACTED] (s.40)

 Department for Business, Innovation & Skills

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**From:** [REDACTED] (s.40)  
**Sent:** 03/12/2015 11:21  
**To:** [REDACTED]@frc.org.uk (s.40); [REDACTED] (s.40)  
**Cc:** [REDACTED]@frc.org.uk; [REDACTED] (s.40)  
**Subject:** FW: Press Release: 'Sorry, Wrong Number'; Regulatory catastrophe in UK accounting oversight.

Dear [REDACTED] (s.40), [REDACTED] (s.40)

Hope you're well. Apologies for bothering you with this, but I was wondering if you had any briefing or an update on this issue, that we could share with seniors here (who may have an interest). In particular, if there are any backwards-looking implications for firms or their auditors.

Thanks, and kind regards,

[REDACTED]

[REDACTED] (s.40)

**From:** [REDACTED]@pirc.co.uk] (s.40)

**Sent:** 03 December 2015 09:07

**To:** [REDACTED] (s.40)

**Subject:** Press Release: 'Sorry, Wrong Number'; Regulatory catastrophe in UK accounting oversight.

Dear All,

Press Release attached. 'Sorry, Wrong Number'; Regulatory catastrophe in UK accounting oversight.

Regards,

[REDACTED]

[REDACTED]

PIRC Ltd.

[REDACTED]

(s.40)

**From:** [REDACTED] (s.40)

**Sent:** 02 December 2015 18:37

**To:** [REDACTED] (s.40)

**Cc:** [REDACTED] (s.40)

**Subject:** Queries about the LAPFF letter to chairs of FTSE 350 companies on the disclosure of distributable profits

[REDACTED] (s.40)

Just to let you know I responded to a telephone query for EY today [REDACTED] (s.40), [REDACTED] (out of scope)) on this topic. I broadly kept to the lines to take below but also expressed the opinion that (i) this was the LAPFF taking its previous arguments about the legality of accounts prepared under IFRS in a different, but related, direction; and (ii) nothing has changed recently. (Incidentally, there is no requirement for accounts prepared under national GAAP to show a figure for distributable profits either.)

I see I have a question on the topic from PwC too [REDACTED]

[REDACTED] (s.40). I will try to give him a call tomorrow.



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**From:** [REDACTED]@frc.org.uk] (s.40)  
**Sent:** 02 December 2015 16:22  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** FW: do you want to respond to this

[REDACTED] (s.40)

The LAPFF letter has now reached the media and I have received the request below from The Times.

I will be responding very shortly with a FRC comment but will suggest [REDACTED] (s.40) also contacts BIS for your response which was discussed last week with you by [REDACTED] (s.40)

Thanks.

[REDACTED]

[REDACTED]  
Financial Reporting Council  
[REDACTED]@frc.org.uk

[REDACTED]

[REDACTED] (s.40)  
[www.frc.org.uk](http://www.frc.org.uk)

 Please consider the environment before printing this e-mail.

**From:** [REDACTED] (s.40)  
**Sent:** 02 December 2015 15:13  
**To:** [REDACTED]@frc.org.uk [REDACTED]@frc.org.uk> (s.40)  
**Subject:** do you want to respond to this

Hi [REDACTED] (s.40)

I am doing a story for tomorrow's paper saying how the LAPFF has written to the chairmen of 350 listed companies urging them to ignore what it says is defective guidance from the FRC.

It also accuses the FRC of nodding through defective accounting standards, being captured by the accounting bodies and misquoting the law.

This is all about bompas again of course.

Ping me an email or call me if you'd like to comment.

Thanks [REDACTED] (s.40)

[REDACTED]

[REDACTED] (s.40)

**From:** [REDACTED] (s.40)  
**Sent:** 06 October 2015 08:51  
**To:** Javid MPST Correspondence  
**Subject:** RE: Response from the Department for Business Innovation & Skills

Dear [REDACTED] (s.40)  
[REDACTED] (out of scope)

[REDACTED] (out of scope) our concerns as long-term investors, including some of the largest UK pension schemes, that the accounting framework in operation in the EU and UK may not be consistent with company law. Critically, we believe it cannot be relied upon to protect investors capital, and has damaging implications for financial stability. This is also the conclusion of a legal opinion obtained from George Bompas QC by the Local Authority Pension Fund Forum (LAPFF), and one which we believe requires the Secretary of State's attention.

We would, of course, be happy to have a background discussion with [REDACTED] (s.40) if that would be helpful.

Thanks,  
[REDACTED] (s.40)

**From:** [REDACTED]  
**Sent:** 16 September 2015 15:41  
**To:** [REDACTED]@bis.ecase.gsi.gov.uk  
**Subject:** Long-term investor concerns with IFRS9 – SoS meeting request

Dear Mr. Javid MP,

Please find attached a copy of a letter sent to the Chairman of the European Parliament's Working Group on IFRS from a group of long-term UK investors setting out concerns with

IFRS, and respectfully urging them to consider seriously the recent legal opinion of George Bompas QC.

Bompas' conclusion that IFRS cannot be relied upon to deliver a true and fair view of companies' economic position as required under EU Company Law supports our own concerns that IFRS are not delivering core shareholder protections in law, and that they have contributed to financial instability in the EU. In short, in its current form IFRS is failing to deliver for the public interest.

Our concerns are aligned with those expressed by the G20, and may be of interest to you in your capacity as Secretary of State for BIS. In the UK, we believe BIS has an opportunity to address some long-standing concerns on the matter raised by the House of Lords Economic Affairs Committee in its 2012 review of the audit sector, and more recently by the Parliamentary Commission on Banking Standards where it looked in detail at the role of accounting standards and called for further review.

We would welcome the opportunity to discuss the matters raised with you. Please feel free to contact me with any questions, or points for clarification.

Kind regards,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**From:** [REDACTED] (s.40)  
**Sent:** 02 November 2015 15:15  
**To:** Mackenzie Marie-Anne (BE)  
**Subject:** Update: Accounting Policy Team

Hi Marie-Anne

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (out of scope)

4. Bompas II

The long-term investor group has written to ECON's informal working group on IFRS [REDACTED] (out of scope) drawing attention to a further opinion from Bompas on whether IFRS-based accounts can be true and fair. The argument has now be extended to consider the lack of a requirement for disclosure of distributable profits (as opposed to profits generally). I have met with the FRC [REDACTED] (s.40) to discuss. FRC's stated position to the group is that they must agree to disagree. Some thought is being given to how we ensure that ECON do not see the informal, self-appointed working group as being the source of expertise in this area. The working group has also written to the Commission with a barely concealed threat to use endorsement of IFRS 9 as a bargaining chip to get what they want in this arena. However, ECON has commissioned its own report on IFRS 9 – clearly choosing not to rely on EFRAG's "independent" advice to the Commission – which is broadly positive.

The investor group's letter was copied to the SoS with the offer of a meeting (declined). I have had an email exchange with [REDACTED] (s.40) but need to follow this up with a phone call soon.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (out of scope)

Regards

[REDACTED]

[redacted] Department for Business, Innovation  
and Skills [redacted] @bis.gsi.gov.uk [redacted]  
[redacted] (s.40)

 Department for Business, Innovation & Skills

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**From:** [redacted] (s.40)  
**Sent:** 24 November 2015 10:06  
**To:** [redacted] (s.40)  
**Subject:** RE: FURTHER ACTION: Press release - Lab report - latest version - needed for 9am publication Tuesday morning

[redacted] (s.40)

The text of the LAPFF letter is included at the end of Friday's briefing for Press Office. There is a hyper-link to the Bompas "further opinion" included as an enclosure.

Press Office have advised this morning that we cannot put an unattributable quote in a press notice. It would need to be a ministerial quote so would need BNR's clearance. That can't be done this morning and I have let the FRC know. They are considering if they should delay publication until tomorrow but I don't know the outcome of that discussion just yet.

Regards

[redacted]

[redacted] Department for Business, Innovation  
and Skills [redacted] @bis.gsi.gov.uk [redacted]  
[redacted] (s.40)

 Department for Business, Innovation & Skills

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**From:** [redacted] (s.40)  
**Sent:** 24 November 2015 09:55  
**To:** [redacted] (s.40) [redacted] (s.40)

Cc: [REDACTED] (s.40)

**Subject:** RE: FURTHER ACTION: Press release - Lab report - latest version - needed for 9am publication Tuesday morning

[REDACTED] (s.40)

Do we have a copy of the opinion or the letter for me to consider? I may have missed it in my email?

[REDACTED] (s.40)



Department  
for Business  
Innovation & Skills

[REDACTED]  
[REDACTED]  
[REDACTED]@bis.gsi.gov.uk  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**From:** [REDACTED] (s.40)

**Sent:** 23 November 2015 18:44

**To:** [REDACTED] (s.40)

**Cc:** [REDACTED] (s.40)

**Subject:** FURTHER ACTION: Press release - Lab report - latest version - needed for 9am publication Tuesday morning

**Importance:** High

[REDACTED] (s.40)– Do you have any views on us contributing a “BIS said...” type comment along the lines discussed below? Is more needed by way of clearance? FRC may be able to hold off until closer to 10am tomorrow to issue the press notice.

[REDACTED] (s.40)  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED] (s.42)

Regards

[REDACTED]  
[REDACTED] Department for Business, Innovation  
and Skills | [REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

 Department for Business, Innovation & Skills

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**From:** [REDACTED] (s.40)  
**Sent:** 23 November 2015 17:46  
**To:** [REDACTED] (s.40)  
**Subject:** ACTION: Press release - Lab report - latest version - needed for 9am publication Tuesday morning

[REDACTED] (s.40)

I have managed to get a quick chat with Richard about the press release for the launch of the lab report. We think you can be more direct in the 6<sup>th</sup> para by starting out with the positive statement that the CA06 doesn't require disclosure of a distributable profits figure in the balance sheet (fact); then commenting that such disclosure may be useful in certain circumstances without the reference to "some investors" as in your draft. So the para could read:

"The Companies Act 2006 does not require companies to separately identify distributable profits on their balance sheet although such disclosure may be considered useful in certain circumstances. Nevertheless, all investors consider that the disclosure of dividend resources, i.e. cash and the amount of the company's reserves legally available for distribution under company law (distributable profits), is helpful in circumstances where the ability of the company to pay dividends is, or might be, insufficient relative to the level of dividends indicated by the policy."

Referencing the "some investors" view (opinion) could be read as giving this more weight that you might wish and introduces some negativity into the statement.

The approach suggest really reflects our weekend press lines but I have copied in [REDACTED] (s.40), so that he can comment further if he wishes. Happy to discuss.

Regards

[REDACTED]

[redacted] Department for Business, Innovation  
and Skills [redacted] @bis.gsi.gov.uk [redacted]  
[redacted] (s.40).

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**From:** [redacted]@frc.org.uk] (s.40)  
**Sent:** 23 November 2015 16:04  
**To:** [redacted] (s.40)  
**Subject:** FW: Press release - Lab report - latest version

[redacted] (s.40)

Thanks for your update email. We want to issue this by 9am tomorrow. We are thinking on the lines of the marked up comment re what government thinks – see attached.

[redacted] (s.40)

**From:** [redacted] (s.40)  
**Sent:** 23 November 2015 09:34  
**To:** [redacted]@frc.org.uk [redacted]  
[redacted]@frc.org.uk> (s.40)  
**Subject:** Press release - Lab report - latest version

[redacted] (s.40)

Updated with my suggestions – really in response to LAPFF letter to chairmen. Obviously, BIS will need to agree the wording.  
Kind regards

[redacted]

[redacted] (s.40)  
Financial Reporting Council  
[redacted]@frc.org.uk  
[redacted] (s.40)

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Please consider the environment before printing this e-mail.

**From:** [REDACTED]@frc.org.uk] (s.40)  
**Sent:** 24 November 2015 11:12  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** RE: ACTION: Press release - Lab report - latest version - needed for 9am publication Tuesday morning

[REDACTED] (s.40)

That is very helpful to have the position confirmed and an understanding of your likely timings. We will go ahead today.

Thank you

[REDACTED] (s.40)

**From:** [REDACTED]@bis.gsi.gov.uk] (s.40)  
**Sent:** 24 November 2015 10:47  
**To:** [REDACTED]@frc.org.uk [REDACTED]@frc.org.uk> (s.40)  
**Cc:** [REDACTED]@frc.org.uk [REDACTED]@frc.org.uk [REDACTED]@frc.org.uk [REDACTED]@bis.gsi.gov.uk> (s.40)  
**Subject:** RE: ACTION: Press release - Lab report - latest version - needed for 9am publication Tuesday morning

[REDACTED] (s.40)

I understand your position. Should BIS receive enquiries on the LAPFF letter directly then my starting point is the line agreed in case of press enquiries over the weekend. I have no problem with saying that the CA06 doesn't require a separate disclosure of a distributable profits figure on the face of the balance as that is a fact. The LAPFF position stems from a very specific interpretation of the interaction of the true and fair obligation with other points and is an opinion.

[REDACTED]

(out of scope)

Regards

██████████  
██████████  
and Skills

██████████@bis.gsi.gov.uk

██████████ Department for Business, Innovation

██████████ (s.40)

██████████  
Department for Business, Innovation & Skills

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**From:** ██████████@frc.org.uk] (s.40)

**Sent:** 24 November 2015 10:28

**To:** ██████████ (s.40)

**Cc:** ██████████ (s.40)

**Subject:** RE: ACTION: Press release - Lab report - latest version - needed for 9am publication Tuesday morning

**Importance:** High

██████████ (s.40) and ██████████ (s.40)

We do not want to delay if possible. We have a steady stream of queries from auditors and companies in receipt of the LAPFF letter and our stakeholders are telling us we need to respond quickly. The report is our best response and can be used as a basis for later commentary by BIS/The Minister, which we would hope to get tomorrow at the earliest.

██████████ (s.40), ██████████ (s.40) and I have amended the press notice with that in mind. See attached. Key changes are:

- It gives FRC context. In particular says what we understand company law to be.
- Gives an FRC quote from me supporting good practice.

██████████ (s.40)– if we issue this, we expect that there may be some questions to BIS to respond to (so on a reactive basis) as to company law. Can you confirm that the reactive response remains as that which was in place over the weekend?

Thank you ██████████ (s.40)



**From:** [REDACTED]@frc.org.uk] (s.40)  
**Sent:** 17 December 2015 10:55  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** RE: [REDACTED] (s.40)

[REDACTED] (s.40)

We would be happy . I assume you would deal assertively with the matters of company law as per your current reactive statement.

[REDACTED] (s.40)

**From:** [REDACTED]@bis.gsi.gov.uk] (s.40)  
**Sent:** 17 December 2015 10:43  
**To:** [REDACTED]@frc.org.uk> (s.40)  
**Subject:** RE: [REDACTED] (s.40)

[REDACTED] (s.40)

Thank you very much. Would FRC be happy for BIS SoS to say he knows [REDACTED] (s.40) has written to [REDACTED] (s.40) in similar terms and has received a comprehensive response to the points raised? If so, I wouldn't look to go into the same depth but would include some statement about the benefits that IFRS have brought – shared accounting language with common underpinning principles of measurement and recognition; improved comparability – and the value that the user community place on this.

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation and Skills [REDACTED]@bis.gsi.gov.uk [REDACTED] (s.40)

<image004.jpg>

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**From:** [REDACTED] (s.40)  
**Sent:** 14 December 2015 13:27  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)

**Subject:** RE: LAPFF letter to FTSE 350 companies regarding the disclosure of distributable profits

[REDACTED] (s.40)

Yes. I have only had a small number of enquiries but this is the line I have and will be giving.

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation  
and Skills | [REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

 Department for Business, Innovation & Skills

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**From:** [REDACTED]@icaew.com] (s.40)  
**Sent:** 14 December 2015 13:02  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** RE: LAPFF letter to FTSE 350 companies regarding the disclosure of distributable profits

Thanks [REDACTED] (s.40). Just to be clear, you're happy for us to share the basic BIS messages below with contacts and members, ie as our understanding of what BIS is saying to those who contact them?

[REDACTED]

[REDACTED]@icaew.com(s.40)

**ICAEW**  
Chartered Accountants' Hall Moorgate Place London EC2R 6EA  
United Kingdom  
[icaew.com](http://icaew.com)

**From:** [redacted] [mailto:[redacted]@bis.gsi.gov.uk] (s.40)  
**Sent:** 14 December 2015 12:47  
**To:** [redacted] (s.40)  
**Subject:** LAPFF letter to FTSE 350 companies regarding the disclosure of distributable profits

[redacted] (s.40)

As promised, here is the response I am providing in response to enquiries about the letter issued by the LAPFF. I hope this is helpful.

The letter from the Chair of the Local Authority Pension Fund Forum has been drawn to the Department's attention. The content of the letter represents the views of the Local Authority Pension Fund Forum on this matter. This is not a view that is universally shared. Certainly there is no provision in the Companies Act 2006 that makes it mandatory for all companies to disclose a figure for distributable profits separately in their annual financial statements.

However, we recognise that some companies may wish to provide their shareholders with additional information. The Department welcomes the publication of the FRC's Financial Reporting Lab report, "Disclosure of dividends - policy and practice", and the work the FRC has been doing with business and investors to improve transparency in this area.

Regards

[redacted]

[redacted] Department for Business, Innovation  
and Skills [redacted]@bis.gsi.gov.uk [redacted]  
[redacted] (s.40)

 Department for Business, Innovation & Skills

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**From:** [redacted] (s.40)  
**Sent:** 14 December 2015 14:45  
**To:** [redacted] (s.40)  
**Cc:** [redacted] (s.40)  
**Subject:** RE: LAPFF letter to FTSE 350 companies regarding the disclosure of distributable profits

I have also shared the lines with the ICAEW following my catch-up with [redacted] (s.40) earlier today. ICAEW may decide to publicise them as they too have received some questions on the issue.

[REDACTED]  
[REDACTED]  
and Skills

@bis.gsi.gov.uk

Department for Business, Innovation

(s.40)

 Department for Business, Innovation & Skills

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**From:** [REDACTED]@frc.org.uk] (s.40)

**Sent:** 14 December 2015 14:26

**To:** [REDACTED] (s.40)

**Cc:** [REDACTED] (s.40)

**Subject:** Re: LAPFF letter to FTSE 350 companies regarding the disclosure of distributable profits

Thank you

[REDACTED]  
[REDACTED]  
Financial Reporting Council (s.40)

On 14 Dec 2015, at 12:52, [REDACTED]> (s.40) wrote:

[REDACTED] (s.40)

I thought it would be helpful to share the response I am providing in response to enquiries about the letter issued by the LAPFF. For the reasons already discussed, the response is short and factual.

The letter from the Chair of the Local Authority Pension Fund Forum has been drawn to the Department's attention. The content of the letter represents the views of the Local Authority Pension Fund Forum on this matter. This is not a view that is universally shared. Certainly there is no provision in the Companies Act 2006 that makes it mandatory for all companies to disclose a figure for distributable profits separately in their annual financial statements.

However, we recognise that some companies may wish to provide their shareholders with additional information. The Department welcomes the publication of the FRC's Financial Reporting Lab report, "*Disclosure of dividends - policy and practice*", and the work the FRC has been doing with business and investors to improve transparency in this area.

Regards

[Redacted]

[Redacted] Department for Business, Innovation and Skills @bis.gsi.gov.uk [Redacted] (s.40)

<image002.jpg>

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**From:** [Redacted] (s.40)  
**Sent:** 03 December 2015 12:00  
**To:** [Redacted] (s.40)  
**Cc:** [Redacted] (s.40)  
**Subject:** FW: Times article on LAPFF letter

[Redacted] (s.40)

This is the text of this morning's Times article on the LAPFF letter to FTSE 350 chairmen. Note that the line from the FRC quoted at the end of the article was not cleared with us.

Regards

[Redacted]

[Redacted] Department for Business, Innovation and Skills @bis.gsi.gov.uk [Redacted] (s.40)

Department for Business, Innovation & Skills

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**From:** [Redacted] (s.40)  
**Sent:** 03 December 2015 11:27  
**To:** [Redacted] (s.40)  
**Subject:** RE: Times article on LAPFF letter

Hi [Redacted] (s.40)

I've copied the text in below. Not sure why it wasn't icked up as it mentions BIS at the end of the article.

## **Disgruntled investors attack FRC**

The Tesco accountancy scandal prompted the FRC to review its guidance  
**Patrick Hosking** Financial Editor  
Published at 12:01AM, December 3 2015

Britain's biggest listed companies have been told by a group of large institutional investors to ignore "defective" guidance on accounting from the Financial Reporting Council to avoid making the same mistakes that led to scandals at HBOS and Tesco.

In a strongly worded attack on the FRC, which regulates accounting in Britain, local authority pension funds have accused it of nodding through defective accounting standards, being "captured" by bodies it is supposed to regulate, and misquoting the law.

The Local Authority Pension Fund Forum, which represents 66 council schemes with £175 billion of assets, has written to the chairmen and chairwomen of the 350 biggest London-listed companies telling them that, in order to comply with the law, they needed to disregard FRC advice.

The fresh attack on the FRC reignites a long-running dispute over whether accounts give a "true and fair" picture of the financial position, or whether misguided interpretation of accounting standards encourages companies to mislead shareholders.

It stems from an opinion by George Bompas, QC, in 2013, to which the FRC responded last year by updating its true-and-fair guidance.

Some investors, including the council pension funds, say that flawed standards were partly responsible for the banking crisis of 2008 and also the flatterring of accounts by companies including Tesco, HBOS and Quindell, the technology contractor, by bringing forward revenues or delaying costs.

The FRC is under pressure from the Treasury select committee for an explanation of why it has taken no action against KPMG, the auditor to HBOS, in the wake of official reports last month into the collapse of the banking group.

The LAPFF, which has hired Cherie Booth, QC, to advise it, said that there were still many unanswered questions about the role of auditors in the banks that collapsed. It blames fundamentally flawed accounting standards for enabling banks to underplay the riskiness of their loan books in advance of the crisis.

Kieran Quinn, chairman of the LAPFF, said that the FRC was not even copying out basic legislation correctly when reproducing it in key FRC publications. "The one thing the FRC is supposed to regulate, it has got wrong," he said. "It is by getting the fundamentals wrong that has led to the FRC setting, copying and nodding through defective accounting standards that can mask insolvency and false profits."

The FRC said that it was aware of the LAPFF letter. "It deals with a very narrow point of company law and seeks to raise uncertainty unnecessarily," it said. "There is no uncertainty. This has been confirmed by BIS [the business department], which is responsible for company law."

[REDACTED] (s.40)

**From:** [REDACTED] (s.40)  
**Sent:** 03 December 2015 11:16  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** Times article on LAPFF letter

Hi [REDACTED]

Do you have the article that was published? It isn't on the press cuttings email.

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation  
and Skills [REDACTED] @bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

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**From:** [REDACTED] (s.40)  
**Sent:** 14 December 2015 13:22  
**To:** Rimmington Benjamin (BE)  
**Cc:** [REDACTED] (s.40)  
**Subject:** For info: LAPFF letter to FTSE 350 companies regarding the disclosure of distributable profits

Ben

I am sharing the lines below to keep you in the loop on this issue. I attach the original letter which is the subject of recent enquiries and also the follow-up publications from the LAPFF which is highly critical of the FRC.

I have also shared these lines with my contact at the ICAEW following my regular catch-up meeting this morning.

Regards

[REDACTED]

[REDACTED] Department for Business, Innovation  
and Skills | [REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)

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**From:** [REDACTED] (s.40)  
**Sent:** 14 December 2015 12:52  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** LAPFF letter to FTSE 350 companies regarding the disclosure of distributable profits

[REDACTED] (s.40)

I thought it would be helpful to share the response I am providing in response to enquiries about the letter issued by the LAPFF. For the reasons already discussed, the response is short and factual.

The letter from the Chair of the Local Authority Pension Fund Forum has been drawn to the Department's attention. The content of the letter represents the views of the Local Authority Pension Fund Forum on this matter. This is not a view that is universally shared. Certainly there is no provision in the Companies Act 2006 that makes it mandatory for all companies to disclose a figure for distributable profits separately in their annual financial statements.

However, we recognise that some companies may wish to provide their shareholders with additional information. The Department welcomes the publication of the FRC's Financial Reporting Lab report, "*Disclosure of dividends - policy and practice*", and the work the FRC has been doing with business and investors to improve transparency in this area.

Regard

[REDACTED]

[REDACTED] Department for Business, Innovation  
and Skills | [REDACTED]@bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)



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**From:** [REDACTED] (s.40)  
**Sent:** 03 December 2015 19:25  
**To:** [REDACTED] (s.40)  
**Subject:** RE: Distributable profits

[REDACTED] (s.40)

I spoke to Richard, he is clear that we cannot say that to achieve True and Fair additional information might be required. But we can say something like additional information may in some cases be helpful for those using the accounts.

I can discuss tomorrow.

[REDACTED] (40)

---

**From:** [REDACTED] (s.40)  
**Sent:** 03/12/2015 19:22  
**To:** [REDACTED] (s.40)  
**Subject:** Distributable profits

[REDACTED] (s.40)

It would be very helpful to have a further talk tomorrow as we look to develop our line on the LAPFF's position on distributable profit disclosures. In advance of that could you consider if there would ever be a situation where such a disclosure could be regarded as critical (as opposed to useful) to the of a true and fair view of a company's accounts.

As I have no personal experience of dealing with consideration of distributable vs. non-distributable profits I am reluctant to assert that this could never be an issue – although I would certainly expect it to be exceptional. Please accept my apologies if this exposes the fact I have yet to have the opportunity to read the report published last week!

Regards

[REDACTED]  
[REDACTED] Department for Business, Innovation  
and Skills [REDACTED] @bis.gsi.gov.uk [REDACTED]  
[REDACTED] (s.40)



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**From:** [redacted] (s.40)  
**Sent:** 14 December 2015 12:42  
**To:** [redacted] (s.40)  
**Subject:** RE: Distributable profits in the annual accounts

Dear [redacted] (s.40)

Thank you for your email and the opportunity to speak last week. As we discussed, the letter from the Chair of the Local Authority Pension Fund Forum has been drawn to the Department's attention. The content of the letter represents the views of the Local Authority Pension Fund Forum on this matter. As your message to ICAS contacts notes, this is not a view that is universally shared. Certainly there is no provision in the Companies Act 2006 that makes it mandatory for all companies to disclose a figure for distributable profits separately in their annual financial statements.

However, we recognise that some companies may wish to provide their shareholders with additional information. The Department welcomes the publication of the FRC's Financial Reporting Lab report, "*Disclosure of dividends - policy and practice*", and the work the FRC has been doing with business and investors to improve transparency in this area.

Regards

[redacted]

[redacted] Department for Business, Innovation  
and Skills [redacted] @bis.gsi.gov.uk [redacted]  
[redacted] (s.40)



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**From:** [REDACTED] (s.40)  
**Sent:** 03 December 2015 14:20  
**To:** [REDACTED] (s.40)  
**Subject:** FW: Distributable profits in the annual accounts

Good afternoon [REDACTED] (s.40)

I expect that you are aware of the letter that the Local Authority Pension Fund Forum have sent to FTSE350 companies about their belief that a figure for distributable profits should be included in the annual accounts. Some of our members have raised this issue with us, and I circulated the following message to our FTSE350 company secretary contacts following discussion with the FRC. I understand from the FRC that you are the best contact at BIS with whom to discuss this issue and that the BIS view is that such disclosure is not required.

Given that our suggestion was that the LAPFF should approach BIS if they believe that the law is being incorrectly applied, I wonder if you would be able to confirm the BIS position in order that I can share this with companies ?

Kind regards

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (s.40)

**From:** [REDACTED]@frc.org.uk] (s.40)  
**Sent:** 03 December 2015 17:17  
**To:** [REDACTED] (s.40)  
**Cc:** [REDACTED] (s.40)  
**Subject:** RE: Press Release: 'Sorry, Wrong Number'; Regulatory catastrophe in UK accounting oversight.

[REDACTED] (s.40)

Good to hear from you

I know you have spoken with BIS colleagues who are responsible for company law.

I am sorry to say that nothing much has changed since the LAPFF raised this as part of a wider coalition some three years ago. [REDACTED] (out of scope) There appear to be three main areas of their contention (their objectives remain unclear) :

- Company Law in the UK and accounting standards are not correctly interpreting the true and fair view requirement. The FRC statement issued in 2013 (alongside a ministerial statement) remains valid – the facts (and law) and standards have not changed.- so we can be firm in the statement that the legal framework and FRC's interpretation of it is lawful.
- a narrow point about distributable profit disclosure being required by law – BIS have confirmed to us that this is not a legal requirement and we have recently promoted best practice disclosure in this area.
- That the FRC is captured by the accounting profession and has been the victim of a "game" to wrongly interpret the law – regulatory capture. The FRC's Chair and Deputy Chair are appointed by BIS, we are accountable to parliament reporting annually transparently, our regulatory philosophy is published, we consult widely etc.

I hope this helps in case of query.

Best regards,

[REDACTED] (s.40)

**From:** [REDACTED]@HMTreasury.gsi.gov.uk] (s.40)

**Sent:** 03 December 2015 11:21

**To:** [REDACTED]@frc.org.uk> [REDACTED]

[REDACTED]@bis.gsi.gov.uk> (s.40)

**Cc:** [REDACTED]@frc.org.uk>; [REDACTED] (s.40)

**Subject:** FW: Press Release: 'Sorry, Wrong Number'; Regulatory catastrophe in UK accounting oversight.

Dear [REDACTED] (s.40)

Hope you're well. Apologies for bothering you with this, but I was wondering if you had any briefing or an update on this issue, that we could share with seniors here (who may have an interest). In particular, if there are any backwards-looking implications for firms or their auditors.

Thanks, and kind regards,

[REDACTED]

[REDACTED] (s.40)

**From:** [REDACTED]@pirc.co.uk] (s.40)

**Sent:** 03 December 2015 09:07

**To:** [REDACTED] (s.40)

**Subject:** Press Release: 'Sorry, Wrong Number'; Regulatory catastrophe in UK accounting oversight.

Dear All,

Press Release attached . 'Sorry, Wrong Number'; Regulatory catastrophe in UK accounting oversight.

Regards,

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] (s.40)