

13 December 2011

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Dear Sirs,

Companies Bill – Consultation on the Qualifying Criteria for Private Companies to Prepare Simplified Financial and Directors' Reports

I refer to your letter of 6 December 2011 soliciting views on the qualifying criteria for the preparation of simplified financial and directors' reports as set out in the Companies Bill.

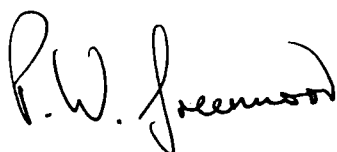
I support Option 2, which allows large private companies/groups with members' approval to adopt simplified reporting. My reasons for doing so coincide with those expressed at paragraphs 14 and 15 of the Consultation Paper. I particularly note that, in practice, lenders to such companies will be able to request such financial information as they require to support their credit decision, and companies can choose whether or not to comply. Moreover, lenders will rely on security, rather than on historic accounts, to protect their credit position.

The fallback approach is that offered by Option 3 but the threshold criteria, even if extended as suggested, still represent an essentially arbitrary approach to the implementation of the policy objectives of this part of the Bill.

I share the Bills Committee's reservations about Option 1 (i.e. as expressed in the Bill) which I regard as the least business-friendly and flexible option of those under consideration.

I should note that these views are my own, in my individual capacity as a member of the SCCLR, rather than representing the corporate position of CLP.

Yours faithfully,



Peter W Greenwood
Group Executive Director – Strategy