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EXEMPTING EUROPE'S MICRO ENTERPRISES FROM FINANCIAL REPORTING REQUIREMENTS: FREQUENTLY ASKED QUESTIONS ON THE VIEWS OF ACCA

Q: Why is ACCA opposing an initiative to reduce red tape for small businesses?
A. ACCA actively supports the reduction of the administrative and other burdens that regulation imposes on small businesses. Through our SME Unit and ACCA's SME Committee, we have constantly sought to give voice to the cause of reducing burdens on small businesses.[1] Through our publications, our events, our research and our networks we have consistently urged opinion formers and policy makers to Think Small First.[2]

However, the specific initiative of exempting micro enterprises from annual filing requirements in only the most trivial of senses reduces red tape. The process of filing accounts is in itself insignificant in terms of costs, whereas the process of recording transactions and book-keeping, which produces the relevant information and accounts for most of the cost of preparing financial reports, is an essential discipline for all businesses, large or small, and is outside the scope of the administrative burdens reduction programme.

In this specific case, the Commission has employed its new Impact Assessment Guidelines which allows it to overlook the distinction it used to draw[3] between administrative costs (which arise from normal business practice as well as compliance with regulation) and administrative burdens (which arise from compliance alone).[4] Therefore, because the Commission has identified a false "burden", the exemption will deliver equally false "savings". Additionally, in employing the Standard Cost Model (SCM) approach, with its insufficient emphasis on robust and representative samples, we feel that the Commission's measurement of administrative *costs* is itself open to much criticism.[5]

This is supported by Belgium as indicated in its answer to the European Commission Consultation Paper on the revision of the Accounting Directives[6], which clearly states that "*exempting small enterprises from the requirement of publication would even increase their administrative burden and cost to answer multiple information requests from stakeholders (insurance companies, credit institutions, creditors, administrators, investors, …) and to provide the necessary assurance that financial information has been properly established. It has to be noted that in Belgium the number of accounts consulted or downloaded from the Belgian Central Balance Sheet Office is between 10.000 and 12.000/day. 60 % of the consulted accounts are accounts from small companies*". It also adds that "*the preparation of a decent balance sheet, profit and loss statement and even an abridged format for the notes always has to be the minimal requirement for all companies, inc micro-entities*".

These arguments are endorsed by Prof. dr. Joël Branson and Prof. dr. Diane Breesch (Vrije Universiteit Brussel, Department of Accounting and Auditing), who also fully support the answers developed in the present document.

Q: Have you actually consulted any small businesses in preparing this position?
A. Yes we have.

First, ACCA engages directly with our 135,000 members, one third of whom are involved in one way or another in advising businesses with fewer than 50 employees on financial matters.[7] Over half of our members work in the EU, in particular, in the Czech Republic, Poland, Ukraine, Romania and the UK. Many are entrepreneurs in their own right, while others are accounting practitioners, management consultants, or accountants employed in a diverse range of businesses.

Second, ACCA's SME unit has strong links to small business membership bodies, academics, bankers, investors and entrepreneurs active at the European level. ACCA's SME Committee brings together all of these diverse perspectives, as well as those of practising accountants, into quarterly policy briefings which guide the SME Unit's EU and UK policies.

Third, ACCA maintains an internationally acclaimed programme of policy-relevant research, with financial reporting, regulation and small businesses as central priorities.[8]

Finally, at the European level, ACCA is a member of UEAPME (the European Association of Craft, Small and Medium Sized Enterprises) which also opposes the exemption. Not only is UEAPME a recognised EU Social Partner, their membership of 82 organisations in 34 countries collectively represents around 12m SMEs across Europe – including many millions of micro-enterprises.

Q: Why haven't you been as critical of other measures advertised as "small business friendly"?
A. We have on many occasions criticised well-intended but poorly thought-out efforts to help small businesses and will continue to do so where evidence suggests they are inefficient or counterproductive.

For example, we have often criticised attempts to combat late payment solely by legislative means, while overlooking the fundamental imbalances of power and economic calculations that contribute to slow payment. This kind of position does not make good headlines but it's the only way to force a genuine solution.

On a similar vein, we have called for the scrapping of the UK's publicly-funded small business adviser network on grounds of poor value for money[9]; we have argued for a balanced, fact-based debate on lending to European small business during the financial crisis[10]; and argued against earmarking public procurement money for SMEs[11], a popular proposal which both the Commission and the UK government have resisted.

We have also argued against the misinterpretation of the "Think Small First" principle as a commitment to subsidising small business at every turn – and emphasised its true meaning of ensuring proportionate policy instruments and a level playing field. None of this sounds SME-friendly unless examined in light of the evidence and the proposed alternatives. We believe that to be the case with our view on the exemption as well.

Q: Even if current proposals are enacted, EU member-states will still have the right to require that micro enterprises prepare accounts. What is the point of lobbying the Commission?

A: One of the founding objectives of the EU is to create a single market and a level playing field for businesses wherever they are located in the region. However, no national government has this remit and very few business organisations are able to prioritise harmonisation and the single market ahead of domestic policy in their respective nations.

Already a patchwork response of exemptions, options and thresholds have effectively thwarted the EU's noble ambition of a single market. Delegating authority back to individual nation states in this area will only exacerbate this state of affairs in respect of financial reports.

Even if we could successfully lobby all EU member states to reject the exemption, the Commission will still have established their right to set their own minimum guidelines for published accounts based on national priorities. With time, this could potentially erode any advances in harmonisation in the area of financial reporting.

We are also lobbying the Commission because the exemption is tied to its target for administrative burdens reduction. Every Euro of false administrative "savings" achieved through the exemption will be a Euro of savings that the Commission will not need to deliver in another area of EU regulation. These potential savings will subsequently be lost *even if all member states subsequently reject the exemption*. We think this a very important issue, as the exemption is supposed to deliver about 21% of all currently proposed savings under the Commission's administrative burdens reduction programme (not including those already delivered or still "under preparation").[12]

That said, we support the EU's aim to conduct a root-and-branch examination of the fourth and seventh directives, based on a clear evidence base of how small businesses survive and flourish, and how this can be improved in the future.

Q: What do you think will actually happen if the exemption is enforced?

A: A significant amount of information on micro enterprises' financial performance and position will disappear from the public domain. Businesses, however, will still be required to produce financial reports for shareholders, tax authorities and on an ad-hoc basis for powerful stakeholders such as banks and major customers and suppliers. Credit rating agencies will also not be able to download financial information about micro enterprises from a central registry. The Commission's impact assessment helpfully explains that the lack of public information will not be a problem for tax authorities in particular because they "have the power to demand information according to their reporting requirements and to carry out verifications (audits) of the financial information."[13] There is no discussion in the impact assessment of whether such demands will carry any administrative cost, but they clearly will.

The ability of small businesses to be held accountable by less powerful or less interested third parties will be severely restricted as information will either be missing or non-comparable between businesses. This could impact on customers, suppliers, procurers of goods and services, minority interests, and private providers of finance, resulting in a potential higher default risk for these stakeholders as the creditworthiness of micro enterprises can no longer be estimated. Also the incidence of bribery, money laundering and fraud could increase in the medium term, and trading, especially across borders, will entail more, and more costly, administrative processes.

Additionally, the more powerful, export-led economies within the EU may choose to exercise regulatory arbitrage, and use the exemption as a means of denying equal access to trading information in the cause of unfair terms of trade both across, and within, national boundaries.

In short, the Commission's plans could make it harder for micro-enterprises to access trade credit, to enter business partnerships and trade across borders, and would allow the shadow economy to flourish while encouraging beggar-thy-neighbour policies and failing to reduce the administrative burden. These, it must be noted, are only the *commercial* repercussions. As Eurostat noted in its recent recommendations for Business Registers:

"*Many Member States use […] published accounts as a source for business registers and combining the business register and published accounts data is likely to become very important in the future. It reduces response burden and serves the production of economic and financial statistics. Availability of accounts is also a requirement to distinguish SMEs, as these are defined by threshold due to balance sheet total.*"[14]

Germany's own Federal Statistical Office has also noted:

"A point to make from statisticians' point of view is that selective reductions endanger the system in total. Official statistics constitute a system of basic statistics which build upon one another, for example, the well-balanced structure of national accounts and the consistency of the system of business statistics."[15]

To translate: With a very large percentage of companies not making their accounts public, national governments and the Commission itself will find it *much* harder to produce an accurate picture of the small business population. Ironically, this will mean that implementing and enforcing the exemption itself will become problematic. The

Commission acknowledges this problem[16], suggesting that it can be overcome through some unspecified “change in methodology”.

In practice, governments will have to make do with much less complete survey-based datasets, which will be more expensive to produce from both the state’s and businesses’ perspective.[17] This will in turn make impact assessments and other key policy calculations much less reliable. Alternatively, member-states could end up outsourcing the work to private database operators which will become accounts repositories in all but name, against the spirit if not the letter of the exemption.

Q: If it’s true, as ACCA says, that accounts are valuable and micro enterprises will still prepare them despite being exempt, then the exemption will have no ill effects. Why is ACCA so concerned then?
A: We have detailed a host of negative effects above regarding the proposal to exempt micro enterprise filing financial reports, but to clarify our position, we must stress that for us the issue at stake is not whether financial reports will be prepared or not. It is whether:

- Financial Reports will be in the public domain (for a nominal user fee)
- Financial Reports will be prepared on a regular or an ad-hoc basis
- Users will shoulder some of the administrative burden of accounts preparation
- Comparable accounts will be prepared across the EU

Moreover, as we discussed above, under this supposedly “harmless” scenario, more than a fifth of the EU’s current plans for administrative burdens reduction will be effectively nullified. This will be an enormous lost opportunity.

Lastly, but importantly, any exemption removes the implied social contract between the EU/member states and all those organisations that elect for the particular corporate form in order to take advantage of the convenience of limited liability for their owners.

Q: Isn’t this just a transparent effort to make sure more of your members who are practising accountants stay in business?
A: Not at all. In the first place the vast majority of our members are directly employed in business – whether in the private or public sector – and not in practice. The exemption will have no impact on their career paths.

Most of our membership, however, do work for, or with, SMEs and the exemption will have an impact on some of these members’ professional lives and on the work of their employers, restricting their ability to secure future work from micro enterprises or to assess the creditworthiness of micro enterprises as potential customers.

In fact, even the Commission’s own Impact Assessment (which assumes a much bigger reduction in the amount of accounts preparation work done by micro enterprises through the exemption than we do) says that the *“Reduction of activities of accounting* *profession in preparation and audit of statutory accounts […] is expected to be partly substituted by use of professional accountants to other more added value purposes.”*[18]

On this at least we can agree with the Commission. Surveys of our members in public practice show that preparing accounts for businesses of all sizes has probably fallen as a share of their fee income in real terms and as a proportion of total practice income. The role of the accountant is constantly evolving and our membership currently identifies more with the role of the business advisor than they did in the past. The role is geared far more closely to value creation and management than checklists of compliance.

ACCA is strongly engaged in monitoring how the accountant’s role is shifting away from compliance and toward business advice; this is best captured in the global theme for ACCA’s activities: *Accountants for Business*. Recognising the value of business advisors in these difficult times, we have kept the same theme in place throughout 2008-9 and 2009-10.[19]

Q: Don’t you agree that the process of preparing and submitting accounts is too burdensome for a very small business? What should be done about this?
A: Yes we do agree – and we have been working with regulators in Europe and elsewhere to change this. We have long maintained that the main financial reporting regulation for SMEs has been based on principles, rules, formats and templates with large, listed companies in mind. We are of the view that all financial reporting regulation should be designed from the bottom up rather than from the top down. That is, financial reports should be based on the user and owner managers needs of micro enterprises and then modified to suit the needs of larger organisations.

We believe that the needs of users should be accurately assessed in order to make accounts fit for purpose. We therefore welcome, and look forward to, the results of the EC-commissioned survey of SMEs’ accounting needs currently underway[20], which will examine this area of enquiry and –we hope– recommend practical solutions. We believe that the Commission’s Impact Assessment has been fundamentally incomplete in the absence of this latter study, and should be reconsidered once the results are available.

Q: What good are financial reports anyway? I’ve got a very small business with only two employees and I don’t see how these financial details are anyone’s business but mine.
A: The question implies that you do keep, and rely on "financial details". Indeed most owner-managers do. You recognise their value for you and, no doubt for the tax authorities in your country. Currently there is a range of other stakeholders that demand access to this information; some of these requests you could turn down if you wanted to, but some you could not.

But most importantly if you have chosen to establish yourself as a company with limited liability you have entered into a privileged social contract. Should your business fail you are liable only for the capital contribution you have made. The public filing of your annual accounts provides a confirmation to society that you are fulfilling your side of this important contract.

Therefore, your choice is not really between keeping your books to yourself and making them public, but between producing them once at a time, at regular intervals, using a consistent EU-wide methodology, and letting interested users shoulder the cost of reproducing them, or reproducing them yourself, on demand, on an ad-hoc basis and in a legal framework that does not allow you to easily compare the accounts of your partners or competitors (especially foreign ones) to those of more familiar businesses.

Q: What's wrong with having a free market for accounting services? Why does the Commission, or any national government, have to coerce such small businesses to prepare accounts, inflating accountants' fees in the process?
A. A free market for accounting services already exists. No one can compel a micro enterprise to use an accountant (let alone one who is ACCA qualified) to keep the books they need and to prepare annual accounts for filing and for tax compliance. Indeed, surveys of small and medium sized enterprises (SMEs) show that while the accountant is the preferred trusted advisor - a relationship that has endured through the decades – it is only a large minority of small businesses that use them, with other businesses opting for other sources of public or private financial advice.[21]

This area of work is becoming progressively less important to our membership's fee income and we are arguably the most active professional accountancy body in monitoring the move from accountants doing mainly compliance-based work to Accountants for Business.

Q: Some of your major competitors and some of the small business organisations you partner with disagree with you and support the exemption. Are they wrong?
A: We believe that our partners and competitors are acting in good faith as advocacy organisations looking to reduce costs for their membership or an important constituency. However, they are also wrong. Here are some of the main reasons why bona fide commentators have got this wrong:

- **Some commentators put too much faith in the headline annual "savings" figure of €1,169 per enterprise**, sourced from the Commission's Impact Assessment[22], which is in some ways too good a proposition to turn down. Few commentators are aware of the large margin of error involved in such estimates due to the non-use of representative and robust business samples (see above). Moreover, by misunderstanding what goes into "keeping the books" for a micro-enterprise, some commentators often assume that a great deal more is done for compliance purposes alone than actually is. When the "business as usual" costs, as the Commission would call them, of preparing accounts are subtracted from this, the remaining cost is very small.

- **Some of the most important commentators will not be substantially affected by the exemption:** Banks, for instance, will still be able to demand financial information from

SME borrowers on an ad-hoc basis, and can reasonably expect to receive it when they do. Government agencies and tax authorities will be able to compel micro-enterprises to provide information on regular basis.

- **Many supporters of the exemption are predominantly national in scope, or coalitions of national stakeholders.** Because only 5% of European SMEs have interests abroad and only 11.5% of European micro-enterprises' inputs originate from abroad[23], it is clear that the harmonisation argument is less important to national stakeholders. ACCA, on the other hand, shares the Commission's ambition that sometime soon even the smallest businesses will see the whole of Europe as one domestic market; and we know that we'll never reach this goal without harmonising legislation. Similarly, UEAPME, which as an EU social partner has undertaken to promote the Commission's Single Market objective, also opposes the exemption.

- Finally, because **the membership of the largest business organisations can be biased** towards established businesses with at least a rudimentary network of business contacts,[24] business representative organisations can sometimes underestimate how much information asymmetry in the absence of publicly available accounts can damage the chances of young enterprises.

Q: The exemption is a major part of the EC's regulatory reform programme. If it is not carried out, then the entire Better Regulation agenda in Europe will miss its targets and be seen as a failure. Aren't you worried about this?
A: ACCA is a thought leader on regulatory reform in all of the diverse markets in which we work. We recognise the potential of better regulation to promote growth and are extremely concerned about any threat to Europe's Better Regulation agenda.

However we simply do not see micro enterprise exemption as better regulation for all the reasons we have set out above. Better Regulation should flow from robust and transparent impact assessment, and indeed from the Think Small First principle. It should differentiate between true burdens and the costs of good practice. It should consider the realities of implementation in addition to the noble aspirations of (de)regulators.

In fact, survey evidence throughout Europe suggests that even fairly uncontroversial regulatory savings can fail to translate to improved perceptions among SMEs on the ground.[25] We fear that, more so that any missed deadlines and targets, it would discredit the Administrative Burdens Reduction programme for it to be seen to depend hugely on a big-ticket item which would, as the exemption inevitably will, make little difference to the lives of micro-enterprise owner-managers.

Nor do we believe that the Commission should give up on its plans for further reducing administrative burdens if the exemption is not approved. The Commission themselves have indicated that a Pareto (80:20) principle has been applied in selecting the areas most suitable for simplification, and thus the current programme is not exhaustive. This means that the Commission can and should look beyond the low-hanging fruit for another

€6.3bn of savings[26] on true administrative burdens, which we're sure that SMEs will welcome.

We realise that, with the 2012 deadline looming, this will not be easy for the Commission to achieve, but have, in the past, taken steps to fast-track what they saw as promising measures[27], so we are confident that at least some progress can still be made.

It is important to note that, like ACCA, the majority of organisations opposing the exemption are firm supporters of the Commission's better regulation programme as a whole. Should its proposals be defeated, we would urge the Commission to redouble its reforming efforts rather than cite such developments as evidence of insurmountable opposition to the Programme.

For further Information, please contact:

Cécile Bonino
Public Affairs and Media Relations Officer - EU
Email: Cecile.Bonino@accaglobal.com
Tel:+32 (0) 2 286 11 37

Roger Acton
Regional Director - Europe
Email: Roger.Acton@accaglobal.com
Tel: + 353 872 577 159

Veena Hudson
Head of Public Affairs
Email: Veena.Hudson@accaglobal.com
Tel: +44 (0) 20 7059 5615

Clive Booth
Director Public Affairs and Media Relations
Email: Clive.Booth@accaglobal.com
Tel: +44 (0) 20 7059 5511

Steve Priddy
Director of Technical Policy and Research
Email: Steve.Priddy@accaglobal.com
tel:+44 (0)20 7059 5971

John Davies
Head of Business Law
Email: John.Davies@accaglobal.com
tel: +44 (0)20 7059 5972

Richard Martin
Head of Financial Reporting
Email: Richard.Martin@accaglobal.com
tel: +44 (0)20 7059 5748

Professor Robin Jarvis
Head of Small Business
Email: Robin.Jarvis@accaglobal.com
tel: +44 (0)20 7059 5975

References and notes

[1] See ACCA SME Committee, "Better Regulation: What it really means" January 2009, http://www.accaglobal.com/pubs/general/activities/library/small_business/sme_policy/regulation.pdf and "Small business in Europe" July 2008 http://www.accaglobal.com/pubs/general/activities/library/small_business/sme_policy/eu_policy2008.pdf

[2] For an overview, see ACCA, "Supporting Enterprise Globally" February 2009 http://www.accaglobal.com/pubs/general/activities/library/small_business/sb_pubs/tech-tp-seg.pdf

[3] European Commission, Revised Annexes (draft) to Impact Assessment Guidelines, May 2008. http://ec.europa.eu/governance/impact/consultation/docs/ia_guidelines_draft_annexes_final_en.pdf At the time, the Commission noted explicitly: *"'Pure' obligation refers to what one would stop doing if the legal obligation was removed. This is for instance the case when enterprises are required to provide statistics*

that have no direct relevance for them. By contrast, some requirements set by law correspond to what an entity would normally do. Properly managed enterprises would have an accounting system, even in the absence of legal bookkeeping obligations. However delineating what an entity would 'normally' do is open [to] *interpretation. The Commission has therefore decided to assess all legal obligations."*

[4] Evidence suggests that up to one third of all costs identified in administrative burden reduction programmes may in fact be "business as usual" costs. See "Review of the Dutch administrative burdens reduction programme" World Bank Group, February 2007 http://www.doingbusiness.org/documents/DBdutch_admin_report.pdf

[5] See for instance, L. Cavallo, G. Coco and M. Martelli, "Evaluating administrative burdens through SCM: some indications from the Italian experience" http://www.ifc.org/ifcext/fias.nsf/AttachmentsByTitle/BRG_Toolsimproveexistingreg_SCM4/$FILE/4.+evaluatingadminburdensthroughscm.pdf and UK National Audit Office, 'The Administrative Burdens Reduction Programme 2008' October 2008. http://www.nao.org.uk/idoc.ashx?docId=5ae9fb95-9a16-442d-9518-d21c78c77fb5&version=-1

[6]http://circa.europa.eu/Public/irc/markt/markt_consultations/library?l=/accounting/accounting_directives&vm=detailed&sb=Title

[7] ACCA, "Accountants for Business: Living up to expectations" February 2010. http://www.accaglobal.com/pubs/general/activities/library/small_business/sb_pubs/tech-afb-lue.pdf?session=fffffffeffffffff0a0121394b77f84721bc34623c4f75acf57b94aea403e135 Note that this includes advice provided to members' friends and acquaintances who own/manage small businesses.

[8] See ACCA Research Priorities: http://www.accaglobal.com/general/activities/research/priorities/

[9] "Business Link: The adviser network has had its day" says ACCA, ACCA Press Release, February 2010. http://www.accaglobal.com/databases/pressandpolicy/unitedkingdom/3304253

[10] For instance, at "Entrepreneurship policy in times of crisis" Corvinus University, Budapest, November 2009. http://www.ecsb.org/document.php?DOC_ID=428&SEC=9b594e80de6b34b23412121e00a9e799&SID=1

[11] See ACCA comments on "Review of the Role of SMEs in Public Procurement – Call for Evidence" August 2008: http://www.accaglobal.com/general/activities/policy_papers/archive/smallbus/cdr798

[12] European Commission "Action Programme for Reducing Administrative Burdens in the EU Sectoral Reduction Plans and 2009 Actions - Annex" COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL October 2009

[13] Accompanying working document to the proposal for a directive of the European Parliament and Council Amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities: Summary of the Impact Assessment", Commission Staff Working Paper, February 2009 http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2009:0207:FIN:EN:PDF

[14] Eurostat, "Business Registers Recommendations Manual" Methodologies working paper, March 2010 "http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-32-10-216-EN-C

[15] P. Weigl and C. Zipse, "Administrative Burden: Identifying, Measuring, Reducing it with the Standard Cost Model" 94th DGINS Conference, Vilnius, September 2008 http://epp.eurostat.ec.europa.eu/portal/page/portal/conferences/documents/94th_dgins_conference/P%20III-4%20DE%20-%20ADMINISTRATIVE%20BURDEN.PDF

[16] "Accompanying working document to the proposal for a directive of the European Parliament and Council Amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities: Summary of the Impact Assessment", Commission Staff Working Paper, February 2009 http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2009:0207:FIN:EN:PDF

[17] Indicatively, see the compliance and contractor costs for surveys conducted by the UK Department for Business, Innovation and Skills in BIS, "Annual report on survey activity for BERR (including DECC) April 2008 – 31 March 2009"

http://stats.berr.gov.uk/surveyactivity/2008-9/Annual%20report%20on%20survey%20activity%202008-9.pdf

[18] "Accompanying working document to the proposal for a directive of the European Parliament and Council Amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities: Summary of the Impact Assessment", Commission Staff Working Paper, February 2009
http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2009:0207:FIN:EN:PDF

[19] For details, see ACCA, "Accountants for Business: Human Capital in Accounting and Finance" October 2009 http://www.accaglobal.com/documents/request/accountants_business_full.pdf

[20] "CALL FOR TENDERS No ENTR/09/022 - Accounting requirements of SMEs – Technical specifications" May 2009
http://ec.europa.eu/enterprise/newsroom/cf/document.cfm?action=display&doc_id=2809&userservice_id=1&request.id=0

[21] See, for instance, A. Cosh, A. Hughes, A. Bullock and I. Milner, "Financing UK Small and Medium-Sized Enterprises: The 2007 Survey" August 2008. The survey found that only 36% of businesses with 1-9 members of staff used accountants as their principal financial advisers; this was a larger market share than that of any other source of advice.
http://www.cbr.cam.ac.uk/pdf/2007_Survey/2%20The%20Business%20Charateristics%20of%20UK%20SMEs.pdf

[22] "Accompanying working document to the proposal for a directive of the European Parliament and Council Amending Council Directive 78/660/EEC on the annual accounts of certain types of companies as regards micro-entities: Summary of the Impact Assessment", Commission Staff Working Paper, February 2009
http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2009:0207:FIN:EN:PDF

[23] European Commission "Supporting the Internationalisation of SMEs" Final Report of the Expert Group, December 2007
http://ec.europa.eu/enterprise/policies/sme/files/support_measures/internationalisation/report_internat_en.pdf These figures include non-EU countries.

[24] EIM Business & Policy Research, "Study on the representativeness of business organisations for SMEs in the European Union". May 2009
http://ec.europa.eu/enterprise/newsroom/cf/document.cfm?action=display&doc_id=3042&userservice_id=1&request.id=0 The authors estimate that about three-quarters of the membership of business representative organisations throughout Europe are small or micro businesses. This contrasts with their 99% share of the EU27 business population (Based on EIM estimates for the EC).

[25] See UK National Audit Office, 'The Administrative Burdens Reduction Programme 2008' October 2008. http://www.nao.org.uk/idoc.ashx?docId=5ae9fb95-9a16-442d-9518-d21c78c77fb5&version=-1;
"Review of the Dutch administrative burdens reduction programme" World Bank Group, February 2007 http://www.doingbusiness.org/documents/DBdutch_admin_report.pdf;

[26] Estimated savings through the exemption. European Commission "Action Programme for Reducing Administrative Burdens in the EU
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[27] See for instance, European Commission, "2008 Fast Track Actions to reduce administrative burdens in the European Union" March 2008:
http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0141:FIN:en:PDF