

company reporting review



ACCA members recently responded to a survey to gauge reaction on the EC's company reporting review consultation. Glenn Collins reviews the results.

■ **The European Commission recently published an important consultation paper on the review of the Fourth and Seventh Company Law Directives, open for a short period only. ACCA were of the opinion that the options provided could have a significant impact on accountants and external stakeholders.**

The consultation includes recent micro entity proposals, proposed simplification of disclosure requirements, a proposed removal of member state options and other accounting and reporting suggestions. It would form the foundation from which the UK will establish its company reporting structure.

ACCA UK surveyed its members to gauge reaction on the latest European Commission proposals and members' opinion if they were to apply in the UK.

A total of 225 members responded, with the replies giving a clear headline message - don't change, for the sake of change, the existing company reporting structures.

This message was reinforced in replies to specific questions:

- 87% voted for a minimum structure for the balance sheet and profit and loss account to be retained
- 70% were of the opinion there should be no change to the structure of the balance sheet
- 64% were of the opinion there should be no change to the structure of the profit and loss account
- 63% wished to see the member state options currently in the 4th and 7th directives retained
- when it came to change 61% would like to see reduced reporting for notes to the accounts.

The criteria and current thresholds used to define company size were also investigated. Again, the overwhelming message from members is 'please do not tinker with the structure'. There was strong support for the current criteria used to define company sizes,

turnover, balance sheet total and employee numbers. The least favoured was the balance sheet total, which 67% of respondees supported. As a measure of size, turnover was supported with 84% in favour of its use.

The current thresholds used to define company size, with the exception of the new micro entity proposal, were supported. Support ranged from 63% to 69%, for the idea that turnover, balance sheet totals and employee numbers are currently appropriate.

Members were also of the opinion that accountability should remain unchanged, with 65% of the opinion that no companies should be exempted from publishing their accounts.

Details of all of ACCA's technical activities can be found at <http://www.accaglobal.com/publicinterest/activities/>.

Finally thank you to the members who responded to the survey. ■

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