

Stephen Haddrill
Chief Executive Officer

Mr Simon Walker
Director General
Institute of Directors
116 Pall Mall
London
SW1Y 5ED

7 June 2016

Dear Simon,

Thank you for your letter of 6 June raising your concerns about BHS with us. The demise of BHS is a matter of public concern and we have previously explained our actions to date in response to a letter from Richard Fuller MP, which we made public.

The FRC can only investigate accountants, auditors and actuaries who are members of a professional body in the UK. We are looking into the events at BHS to determine whether there are grounds to investigate under our enforcement arrangements. Being a law firm Olswang LLP does not fall within our remit. Similarly we would only have powers over company directors if they are members of a relevant professional body.

The UK Corporate Governance Code applies to companies with a premium listing – not private companies – and operates on a comply or explain basis for shareholders to determine if Boards have followed its principles or explained appropriately if they have not done so. The FRC has no powers of enforcement in relation to the Companies Act, that is a role for Government.

Should our enquiries lead us to open an investigation into events at BHS we would normally announce that publicly.

Yours sincerely,
Stephen Haddrill

Stephen Haddrill
Chief Executive
DDI: 020 7492 2390
Email: s.haddrill@frc.org.uk