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17 May 2013

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Submitted via email to m.grabowski@frc.org.uk

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Dear Sir or Madam,

Implementing the Recommendations of the Sharman Panel – Revised Guidance on Going Concern and revised International Standards on Auditing (UK and Ireland)

We welcome the opportunity to comment on the FRC's Consultation Paper "Implementing the Recommendations of the Sharman Panel – Revised Guidance on Going Concern and revised International Standards on Auditing (UK and Ireland)". I am pleased to respond to the consultation paper on behalf of BP p.l.c.

We are supportive of the Consultation Paper's underlying objectives, but we have some concerns over the manner and speed in which it is proposed that they are implemented, as set out below.

We question whether a complete rewriting of the guidance for directors on going concern is necessary, and whether the Sharman inquiry's objectives could be better met by making limited amendments to the existing 2009 guidance, for example by reinforcing the need to consider solvency as well as liquidity. Limiting the number of changes made would make it easier for companies to evolve their existing processes. We believe that every effort should be made to keep the guidance as simple as possible.

The proposed guidance states that: '... a company is judged to be a going concern if, for the foreseeable future, there is a high level of confidence that it will have the necessary liquid resources to meet its liabilities as they fall due and will be able to sustain its business model, strategy and operations and remain solvent, including in the face of reasonably predictable internally or externally-generated shocks.' This raises the question of whether the existing disclosure of the "principal risks and uncertainties" could be read as "material uncertainties that the company cannot continue as a going concern". We believe that they are different, and should not be confused, and that the proposed guidance should be clarified to reinforce and explain the distinction between the two.

The proposed guidance is a significant change to existing practice. Requiring its adoption for December 2013 year-ends when the consultation period only concluded at the end of April 2013 will leave very little time for implementation. The guidance requires companies' board processes to be changed, and boards' processes are often developed with an annual cycle in mind. We believe that there should be at least a year between publication of the final guidance and its mandatory application date.

We believe that the FRC should consider providing additional guidance or examples as to what a good process for implementing the requirements would look like. We recognize that

companies will need to tailor their processes to their individual circumstances, but examples for large multinationals and small and medium sized companies could be provided to illustrate the FRC's intentions.

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If you would like to discuss any of the comments in this letter, we would be happy to do so. Please do not hesitate to contact me or Martin Perrie (martin.perrie@uk.bp.com).

Yours faithfully

A handwritten signature in black ink, appearing to be 'R. Harrington', written in a cursive style.

Roger Harrington

A handwritten signature in black ink, appearing to be 'M. Perrie', written in a cursive style.