



Kristy Merrick  
Financial Reporting Council  
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5<sup>th</sup> September 2018

Dear Miss Merrick

**Wates Report and consultation**

The board of this company considered the consultation draft of the Corporate Governance Principles for Large Private Companies at its last meeting; I am directed to comment as follows:-

In relation to consultation question 7, it is not thought that “apply **and** explain” is appropriate. There seems no reason in logic why private companies should be subject to a higher standard than that of “comply **or** explain” for listed companies.

In addition, while there is a seductive logic in requiring compliance at the financial and employee levels contained in the Companies (Miscellaneous Reporting) Regulations 2018, it is submitted that it does not necessarily follow that it is appropriate for **this** code to be “triggered” at that level. It is a voluntary code and there is no need why the thresholds for voluntary compliance should not be recommended at higher levels.

Yours Faithfully



DJ Hodgson  
Group Company Secretary