



## FINANCIAL REPORTING COUNCIL

### PREPARERS LEVY 2011/12

### UK COMPANIES TRADED ON AIM AND PLUS MARKETS

### FACT SHEET

The Financial Reporting Council is the UK's independent regulator responsible for promoting high quality corporate governance and reporting to foster investment.

The FRC has a range of statutory powers under UK Company Law. We promote high standards of corporate governance through the UK Corporate Governance Code. We contribute to high quality corporate reporting, and set standards for auditing and actuarial practice, and monitor accounting and auditing standards. We also oversee the regulatory activities of the professional accountancy and actuarial bodies and operate independent disciplinary arrangements for public interest cases involving accountants and actuaries. Details of the FRC's work are available on our website at [www.frc.org.uk](http://www.frc.org.uk).

***This fact sheet provides an overview of the background and basis for the Preparers Levy and the calculation of the levy.***

#### **Background to the Preparers Levy**

- The FRC collects an annual levy from preparers of accounts, being the Preparers Levy which forms part of the FRC's funding.
- The levy applies to UK AIM & PLUS market companies.
- The AIM and PLUS listed companies continue to benefit from a discount of 50% on the minimum levy and levy rates compared to the rates applied to UK companies listed on the London Stock Exchange main market.

#### **Basis for the Preparers Levy**

- Section 17 of the Companies (Audit, Investigations and Community Enterprise) Act 2004, as amended by Part 44 of the Companies Act 2006, confers a power on the Secretary of State to make regulations enabling the FRC to recover its costs through a levy. Thus far, this power has not been exercised.
- The FRC's responsibilities are funded through non-statutory arrangements on the basis of an understanding with the groups subject to the levy. However, should a voluntary approach prove unsustainable, the FRC will formally request that the statutory power be invoked.
- UK AIM and PLUS market companies and their auditors are subject to the accounting and auditing standards which the FRC sets, monitors and enforces.

## Calculation of the Preparers Levy – AIM & PLUS market companies

The 2011/12 levy rates for individual companies comprises a minimum levy of £474 for UK AIM and PLUS Markets companies and further amounts payable by companies above a certain threshold with the rate per £m declining in five levy size bands.

The tariff data that will be used in calculating the levy will be the market capitalisations as at 30 November in the year preceding the year to which the levy relates (i.e. the levy for 2011/12 is based on the data as at 30 November 2010).

For companies which joined the market after 30 November, their latest market capitalisation figures are used for calculating the levy.

### Contact Us

If you have a question about the **method of payment** please contact the Levy Collection Team in Mouchel Business Services, who are administering the collection of the levy on [frc@mouchel-lincoln.com](mailto:frc@mouchel-lincoln.com) (telephone: 01522 836860)

If you have a query about the **calculation of the levy** for your company, please e-mail the FRC Finance Officer, Tulsee Rughoobur on [t.rughoobur@frc.org.uk](mailto:t.rughoobur@frc.org.uk) (telephone 020 7492 2338).

If you have **any other query** in relation to the levy, please e-mail the FRC Policy and Planning Manager, David Andrews, on [planning@frc.org.uk](mailto:planning@frc.org.uk) (telephone: 020 7492 2382).

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