



**The Quoted
Companies Alliance**

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The Planning Manager
Financial Reporting Council
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Friday 14 March 2008

Dear Sir,

FRC DRAFT PLAN & BUDGET 2008/09

INTRODUCTION

The Quoted Companies Alliance (QCA) is a not-for-profit membership organisation dedicated to promoting the cause of smaller quoted companies (SQCs), which we define as those 2,000+ quoted companies outside the FTSE 350 (including those on AIM and PLUS) representing 85% of the UK quoted companies by number. Their individual market capitalisations tend to be below €500m.

The QCA is a founder member of EuropeanIssuers, which represents over 9,000 quoted companies in twelve EU member states.

RESPONSE

We welcome the opportunity to comment on the Draft Plan and Budget 2008/09 ("Plan"), which has been reviewed by our Corporate Governance committee (a list of members can be found at the Appendix).

- We broadly agree with the scope of the major activities and projects included in the Plan. We believe that these activities should contribute towards the outcomes contained in the Strategic Framework and so help the FRC to achieve its important aim of promoting confidence in corporate reporting and governance.
- We share the FRC's concern about a "box-ticking" approach to corporate governance and the impact this is having on the effectiveness of the UK's "comply or explain" regime. Although, on the face of it, ever more information is being provided by companies in this area, much of it is in a standardised form which tells the reader little.

- Company reports should contain information which is clear, relevant and useful for decision-making, not just included because it has to be. We welcome greatly the proposed review of complexity and relevance of current reporting requirements. In particular, when considering any future regulation relating to standards in corporate reporting, we believe one must be mindful of the burden undue regulation in this area places on smaller quoted companies, for whom compliance with International Financial Reporting Standards has already been very costly (see the recent ICAEW report – EU Implementation of IFRS and the Fair Value Directive, section 7 – a copy of our letter to David Tweedie highlighting this issue is included with our response).

If you wish to discuss these issues with us, we will be pleased to attend a meeting.

Yours sincerely,

A handwritten signature in black ink that reads "John Pierce". The signature is written in a cursive style and is underlined with a single horizontal line.

John Pierce
Chief Executive

THE QUOTED COMPANIES ALLIANCE CORPORATE GOVERNANCE COMMITTEE

Edward Beale (Chairman)	City Group PLC
Stephen Armstrong	Autobar Group Limited
Nigel Burton	Granby Oil & Gas plc
Anthony Carey	Mazars LLP
Paul Clarke	Fuller, Smith & Turner P.L.C
Louis Cooper	Horwath Clark Whitehill plc
Clive Garston	Halliwells LLP
Mark Harwood	Baker Tilly LLP
Paul Lee	Hermes Pension Management Ltd
Elaine New	Seven Arts Pictures plc
Giles Peel	Capita IRG plc
Andrew Viner	BDO Stoy Hayward LLP
Melanie Wadsworth	Faegre & Benson LLP
Nick Wargent	K & L Gates
John Pierce	The Quoted Companies Alliance
Laurence Davis	The Quoted Companies Alliance