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Sir Christopher Hogg  
Chairman  
Financial Reporting Council  
Aldwych House  
71-91 Aldwych  
London WC2B 4HN

Dear Sir Christopher

I am responding to your letter of 23 April from the Financial Reporting Council where you asked for comments on the impact of the Combined Code. As Chairman of two public companies currently and four additional public companies in the recent past, I think I am able to comment with some relevant experience. I have also taken the opportunity of discussing this with a number of my colleagues.

I think I can probably sum up general feelings as follows:-

1. Annual Reports continue to get longer and longer. The increasing disclosure of minor issues, often seen in a broader perspective as trivia, detracts and dilutes the impact of disclosure from the smaller quantity of relevant and appropriate disclosure.
2. Boards and directors have a finite time at their disposal. The stated objective of focus on strategy, performance and Board cohesiveness is undermined by the time spent on 'box ticking'.

Whilst I appreciate the need to continue to report factually, correctly and fully, too much time is now being expended by people like myself in issues which add little or no shareholder value. I only see this situation getting worse and whilst not having any specific recommendations as to what might be done about it constructively I think is a very worrying trend.

I hope this is of use to you.

Yours sincerely

S M Wallis  
Chairman

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