

Hi,

I hope you are keeping well. As a private company that could meet the new PIE definition, we have been tracking the government and FRC consultation closely. We have questions on how the new thresholds will be applied to large private companies. Please see below.

We are not currently classed as PIE nor are we listed any markets. We are not clear on whether we would be caught by the new PIE thresholds. As such, we would welcome clearer guidance on how the thresholds should apply and whether we fall into scope. Our fact pattern is that we are a privately owned group with a Lux top co and we prepare consolidated accounts only at the Lux level. In the group structure we have a UK entity that has direct UK subsids and indirectly owned non-UK subsids. Our questions are:

1. Are we out of scope because we do not prepare consolidated accounts for a UK group? We ask for clarification because the guidance on the treatment of groups seems to suggest that where a UK parent does not publish consolidated accounts then the regulations do not apply. However, this differs from the guidance on non-financial and sustainability information statements which these regulations are stated as being aligned to.
2. If we are in scope which entities should we aggregate to test whether we meet the 750:750 threshold? The current draft wording suggests that we would only aggregate the UK parent and UK subs, but the draft wording also references the sustainability information statement approach where we would aggregate the UK parent, the UK subs and the indirectly owned non-UK subs. Only by including the non-UK subs will we reach the 750:750 threshold so a clarification would be helpful.


We have submitted the same questions to BEIS as part of their consultation as we recognise that the changes we are concerned with will be driven through legislation. However we are also submitting to you to ensure you have visibility and acknowledgement of our concerns. We welcome any responses on our questions above or acknowledgement of receipt of this email.

Kind Regards,



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