

IN THE MATTER OF:

THE EXECUTIVE COUNSEL TO THE FINANCIAL REPORTING COUNCIL

-and-

MARK WOODBRIDGE

TRIBUNAL DECISION

10/7/15

TRIBUNAL

R P ATKINS ESQ QC Chairman

J ALEXANDER ESQ Accountant Member

S HILL ESQ Lay Member

- 1 Mr Woodbridge is now 44 years of age. He was at the time this Tribunal hearing is concerned with a member of the Association of Chartered Certified Accountants (ACCA). He appeared before us today unrepresented. Executive Counsel to the Financial Reporting Council (FRC) was represented before us today by Ms Stewart.
- 2 In 2013 Mr Woodbridge was prosecuted by the Serious Fraud Office at Oxford Crown Court and convicted in June 2013 of one offence of false accounting and two offences of conspiracy to defraud.
- 3 As a result of those convictions, Executive Counsel of the Financial Reporting Council has brought proceedings against Mr Woodbridge for three allegations of misconduct whilst he was a member of the ACCA based on the three offences of which he was convicted.
- 4 The first allegation relates to the offence of false accounting which related to the dishonest falsification of the interim financial statement of Torex Retail PLC published in August 2006 by causing purported revenue of £1,999,750 to be recognised therein. The second allegation relates to the first count of conspiring to defraud the shareholders of Torex Retail PLC by causing sums of £5 million to be entered incorrectly into the interim financial statement published on the 14th August 2006 as cash at bank and purported revenue and a sum of £1.5 million to be entered as cash at bank. The third allegation

relates to the second count of conspiring to defraud the shareholders of Torex Retail PLC by: creating documents; including false statements in documents; and falsely backdating documents.

5 We are bound by the FRC Accountancy Scheme (“the Scheme”). Paragraph 16 (1) sets out that the fact that a Member has before a Court of competent jurisdiction in the United Kingdom been convicted of a criminal offence...shall for the purposes of the Scheme be conclusive evidence of Misconduct by the Member.

6 We have seen the certificate of conviction signed by an Officer of the Crown Court which pursuant to paragraph 16 (2) of the Scheme is conclusive evidence of the offence committed.

7 We heard submissions from Mr Woodbridge. He made it clear that he did not believe that he had committed any criminal offences, which is why he contested the Crown Court trial. He was not prepared to make any admissions in respect of the allegations brought by Executive Counsel as he did not accept that the matter had been properly investigated by the FRC and did not consider that he had had been guilty of any misconduct.

8 Addressing ourselves as we must to the standard of proof we found that the misconduct alleged was proved. We therefore made an adverse finding in respect of Mr Woodbridge in relation to the three allegations brought.

9 We then considered the question of any sanction we should impose. We heard submissions from Ms Stewart and also from Mr Woodbridge. We considered the FRC Sanctions Guidance document and we considered Ms Stewart’s submission on behalf of Executive Counsel that the appropriate sanction in this case was solely that of exclusion.

10 We concluded that in light of the fact that Mr Woodbridge was sentenced to a significant period of imprisonment (3 years 10 months) having been convicted of the offences which form the basis of this disciplinary tribunal that these matters were so serious that to protect the public, maintain public confidence in the Accountancy profession and uphold proper standards of conduct that the appropriate sanction was one of exclusion as a member of the Association of Chartered Certified Accountants.

11 We then considered how long the recommended period of exclusion should be. We considered the cases that were drawn to our attention (AADB v Storey 2010 and FRC v Corr 2013) and we considered the factors that we must have regard to as set out in the Sanctions Guidance document.

- 12 We accepted that Mr Woodbridge made no personal gain and his actions did not cause the loss of significant sums. But he held a senior position and this misconduct involved the failure to comply with professional standards and act with integrity. His misconduct was dishonest and deliberate and would have undermined public confidence in the standards of conduct and in financial reporting in the UK and in the profession generally.
- 13 We considered whether there were any aggravating or mitigating features that we should take account of. We found no aggravating features over and above the criminality of which Mr Woodbridge was convicted. We found that it was a mitigating feature that prior to this misconduct Mr Woodbridge was a man of good character.
- 14 In the circumstances we unanimously concluded that the appropriate period of exclusion we would recommend is one of 10 years. The order will take effect 29 days after today's date (10/7/15). Any application for re-admission after the 10 year period shall not necessarily be approved and shall be considered by whatever professional body it is made to on its merits.
- 15 We also considered the application made by Ms Stewart for costs.
- 16 We heard submissions from Mr Woodbridge as to his financial position. He had been made bankrupt and told us that he had lost almost everything. We considered what we had heard and concluded that in this case on these facts there would be no order made as to costs.
- 17 This decision has been approved by all members of the Tribunal.



RICHARD ATKINS QC

CHAIRMAN OF THE TRIBUNAL

12/7/15