

# Consultation on audit exemptions and change of accounting framework

## Response form

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for this consultation is 29 December 2011.

Name **Anthony Appleton, Technical Director**

Organisation (if applicable) **PKF (UK) LLP**

Address **Farringdon Place**

**20 Farringdon Road**

**London**

**EC1M 3AP**

Please return completed forms to:

Rufus Rottenberg

Spur 2, 3<sup>rd</sup> Floor

BIS

1 Victoria Street

London

SW1H 0ET

Telephone: 020 7215 0163

Fax: 020 7215 0235

email: [audconsult@bis.gsi.gov.uk](mailto:audconsult@bis.gsi.gov.uk)

Please state YES in the box from the list of options that best describes you as a respondent. This allows views to be presented by group type.

Preparer: Large business (over 250 staff)	
Preparer: Medium business (50 to 250 staff)	
Preparer: Small business (10 to 49 staff)	
Preparer: Micro business (up to 9 staff)	
Preparer representative body	
Accountants: over 500 UK Partners	
Accountants: 200 – 500 UK Partners	
Accountants: 100 – 199 UK Partners	YES
Accountants: 50 - 99 UK Partners	
Accountants: under 50 UK Partners	
Accounting bodies	

Legal representative or professional legal bodies	
User representative bodies	
Academics	
Regulators and Government bodies	
Individuals	
Other (please describe)	

### Question 1 (para 25)

What are your views on the overall principle of reducing audit requirements for unlisted companies?

Comments:

We do not agree with the overall principle of reducing audit requirements for unlisted companies.

The private sector and, in particular, smaller entrepreneurial companies are being called on to provide the growth and employment opportunities to support economic recovery. At a time when business confidence is low the role of auditing and accounting is more important than ever, by signalling to providers of finance and trading partners the application of sound financial management and good corporate governance.

The proposals set out in the consultation are predicated on audit being a regulatory “burden” to smaller companies and subsidiaries, without fully considering the benefits to those company’s and the economy as a whole. The benefits of audit include lower costs of capital, encouraging sound financial controls, deterrence of fraud, greater transparency and increased comfort on going concern assessments.

The proposals are also predicated on the assumption that the current UK legislative framework places UK businesses at a disadvantage to all European competitors. Even if one ignores the benefits of audit, this assessment is incorrect as the legislative frameworks of some Member states apply lower audit exemption thresholds than those currently applied in the UK.

Furthermore, the savings made by individual companies in not engaging audits to provide an opinion on their financial statements is almost negligible in the context of a company’s total costs including those arising from compliance with other legislation. Whilst we consider the estimate of £9,500 to be high (see our answer to question 2), even at that level it represents only 0.15% of the small company turnover limit or 0.29% of the small company gross assets limit, one of which must be breached for the relaxation to have any effect. Such proportionately small savings could easily be outweighed by increased costs of capital.

If a company’s credit rating falls which is possible given the lack of audited public information, then credit terms from suppliers are likely to be reduced resulting in higher working capital requirements. Consider a company earning revenue at the small company limit of £6.5m, with purchases representing 40% of sales and able to borrow to fund its working capital at 4%. Every week’s reduction in the credit payment period it receives from its suppliers will increase its borrowing costs by £2,000.

When there are well publicised difficulties in companies raising funds from banks any proposal at the present time that has the potential to shift funding from trade credit to bank borrowings should only be progressed with great care.

Whilst a counter-argument can be made that all companies will be able to voluntarily choose to have an audit to avoid such costs, it is likely that short-term cash savings will be taken to the detriment of long term sustainability.

## Question 2 (para 29)

A Do you agree with the underlying assumptions in our Impact Assessment that at least 60% of small companies now eligible will take up the audit exemption?

B Do you agree that the whole of the audit fee will be saved?

C Do you agree that there is no saving of management time for small companies taking up the audit exemption?

A	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Not sure
B	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not sure
C	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not sure

Comments:

Without detailed research it is difficult to determine what percentage of additional small companies would take up the exemption. However, we would suggest that the level of take-up is likely to be lower than that for the population of small companies that can currently take the audit exemption. This is because many of the companies that are small for accounting purposes who fail the audit exemption criteria do so because of the value of assets on the balance sheet, such as investment property companies. Such capital intensive companies are more likely to be debt financed and we would expect many of the relevant providers of finance to require the companies' financial statements to be audited.

We also note the comment in the impact assessment at page 20 which states that research data in the Collis report *"enable[s] the Government to predict that most companies eligible to take up the audit exemption will not do so and will opt for voluntary audits"*. We do not understand how it can be consistent with an estimate of a 60% take up rate.

We do not consider it likely that the whole audit fee will be saved. Whilst all companies are required to disclose the cost of audit services separately from the provision of other services the separation of fees received by an auditor for audit services and those received for accounts preparation in respect of a small company is invariably subjective. We consider it likely that disclosures of auditor's remuneration, as it relates directly to audit, in the financial statements of small companies is overstated .

Furthermore, there are clear synergistic benefits from providing small companies with both accounting and auditing services. For example, both services require a deep understanding of the company, its business and its transaction cycles. Where these synergistic benefits are lost, because an audit exemption is taken, the cost of preparing the financial statements will inevitably rise.

We consider that there would be some saving of management time but this may be limited as many of the same questions and inquiries will need to be answered whether the accountants provide only accounting services or accounting and auditing services.

### Question 3 (para 33)

Do you agree that the audit and accounting exemption for small companies should be aligned and a small company should be able to obtain the audit exemption if it meets two out of the three criteria?

☐ Yes                      ☒ No                      ☐ Not sure

Comments:

As stated above, we believe any relaxation in the mandatory requirement for audit risks undermining business confidence and sound financial management at a time when such attributes are essential for economic growth.

### Question 4 (para 36)

Do you agree with option B to exempt qualifying non-dormant subsidiaries from mandatory audit of their accounts?

☐ Yes                      ☒ No                      ☐ Not sure

Comments:

Such an exemption will inevitably increase the costs incurred by other companies assessing the financial position and performance of a potential trading partner, be it as customer or supplier. Even though the audit report is addressed to a company's shareholders and it is to them that the company owes a duty of care, the wider assurance gained from a subsidiary's financial statements having been audited reduces the risk assessment costs to other potential trading partners.

The provision of a parent company guarantee merely shifts the assessment to the financial statements of the parent or group. Whilst the parent company's financial statements might provide insight into its ability to support a single subsidiary, if such guarantees are given to a large number of subsidiaries users of the accounts will not be able to assess the "value" of such a guarantee without also knowing the financial position of all other subsidiaries to whom equivalent guarantees have been given.

We would anticipate that credit rating agencies and potential investors will assess a subsidiary without audited financial statements as being of higher risk with the risk premium exceeding any risk reduction arising from the provision of a parent company guarantee.

We find it surprising that the Impact Assessment does not consider the likely increase in the cost of capital for all those taking the proposed exemption. Instead, the potential for lower costs of capital for those that choose not to take the exemption is seen as a benefit (page 14 of the Impact Assessment). This is a rather warped logic – surely it would be more straightforward to say that those companies that take the option will suffer from higher costs of capital.

In many groups, all trade, transactions, key contractual arrangements and major assets are within the subsidiary companies; the parent company is merely a vehicle for holding the equity investments. In such cases, the accounts of subsidiaries are more important to potential trading partners than the parent or group accounts as it is the subsidiary that is the contracting party. There will be limited assurance given through reliance on the guarantee provided by a parent that in itself has few realisable assets.

### Question 5 (para 36)

Under Option C, what would be the effect of exempting qualifying non-dormant subsidiaries from mandatory preparation of accounts, mandatory filing of accounts and mandatory audit of accounts?

Comments:

The likely effect of also exempting such subsidiaries from preparing and filing of accounts will be to further increase the costs of capital and the costs of trading. Suppliers, customers and providers of finance require information on the financial position, performance and cash flows of the companies they trade with and invest in. The provision of publicly available audited financial statements facilitates easy access to such information. If this information is not available it will inhibit the creation of new commercial relationships and place limits on the provision of credit and thereby impact directly on growth.

Recent surveys of UK companies have shown that trade credit provided by suppliers is becoming an increasingly important source of finance in the economy; any restriction on the provision of such credit or increased in its cost will damage the prospects of economic revival.

We would also anticipate greater transaction costs when companies are being bought and sold as more detailed and extensive due diligence is sought in the absence of a history of audited financial information. Given increased merger and acquisition activity is a common characteristic of economies during the recovery phase, the additional costs may be significant and hinder growth and economic reconstruction.

### Question 6 (para 38)

Do you agree that the Government should exempt qualifying dormant subsidiaries of whatever size from mandatory preparation, mandatory filing and mandatory audit of accounts? What difference would this make to your business and to the wider economy?

☒ Yes                      ☐ No                      ☐ Not sure

Comments:

We consider that this would make little difference to either our business or the wider economy.

### Question 7 (para 40)

A Do you agree that in addition to the Article 57 exemptions, in order to qualify, a subsidiary company should be unquoted, not involved in financial services or insurance and not fall into the category of certain other companies under industrial relations legislation, in line with the existing exclusions from the audit exemption in UK company law?

B Why? What difference would this make to your business and to the wider economy?

A                      ☒ Yes                      ☐ No                      ☐ Not sure

B Comments:

Any exemption from audit should be restricted such as not to include companies that are potential sources of systemic risk or where monies are taken from a broad group of third parties, such as those identified. The need for sound financial management and the public availability of financial information is even more acute in such sectors.

### Question 8 (para 40)

What would be the consequences (e.g. to investors, depositors or lenders or to the wider economy) of allowing financial services subsidiaries to take advantage of this exemption?

Comments:

As discussed above, we consider audit to be of critical importance to maintaining business confidence and for facilitating trade but we also consider the by-products of sound financial management and transparency to be central to maintain broader economic confidence. Such considerations are even more important where a wider number of investors and other stakeholders are involved.

Whilst audit cannot prevent corporate failures or provide absolute assurance that financial statements are free from misstatement arising from error or fraud, any relaxation in its application and its role as one of the pillars of good governance could precipitate failures and losses with a direct impact on general economic confidence.

Recent history has highlighted the systemic impact of the financial services sector and there has been a general trend towards stricter rather lighter regulation. Any relaxation of the audit regime in the sector would seem to run contrary such initiatives.

### Question 9 (para 41)

Do you agree that the same rules on exemptions for qualifying subsidiaries should broadly apply to Limited Liability Partnerships and unregistered companies?

☐ Yes ☐ No ☒ Not sure

Comments:

We agree that any relaxation of the audit requirement in respect of subsidiaries of companies should also apply to subsidiaries of a Limited Liability Partnership to the extent that the parent entity is subject to audit and provides a similar guarantee.

However, we do not understand the reference to unregistered companies. If this implies that the subsidiaries of unregistered, and thereby unaudited, companies should also be able to take an audit exemption then we disagree entirely. In such a case there would be no audited financial information that included the assets, liabilities and results of the subsidiaries.

### Question 10 (para 46)

Do you agree with our estimate of the savings of the cost of the audit as detailed in the impact assessment, and in particular the underlying assumptions:

A That the average cost of the audit is in the range of £8,000 to £83,000 per subsidiary?

B That 75% to 100% of qualifying subsidiaries will take up the exemption?

C That 10% to 25% of the audit cost of each qualifying subsidiary will be saved?

A	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Not sure
B	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not sure
C	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not sure

Comments:

It is difficult to determine what the average cost of a subsidiary audit is without re-performing the analytic research carried out as part of the risk assessment. However, we do believe that the range of costs given is very wide and would expect the average cost of a subsidiary audit to be much closer to £8,000 than £83,000. On balance we consider that many more subsidiaries will be audited for £8,000 or less than for £83,000

We suggest that the percentage of total audit costs saved by not auditing the statutory financial statements of larger subsidiaries would become progressively smaller. More of the audit effort would be necessary to reach an opinion on the group financial statements given the significance of such subsidiaries. At the same time, the costs saved by not auditing compliance with prescribed disclosure and presentation requirements in the subsidiary accounts would not grow linearly with the size of subsidiary company – a smaller proportion of the subsidiary audit costs would relate to such compliance testing.

We consider the estimate of exemption take up to be very high, in that we do not think the modest savings from taking the exemption outweigh the costs and risks. The savings are limited because

1. the financial position and performance of any significant subsidiary will still be subject to audit testing as part of the group audit; and
2. the subsidiary accounts will still have to be prepared and filed

We also note the comment in the impact assessment at page 20 which states that research data in the Collis report *“enable[s] the Government to predict that most companies eligible to take up the audit exemption will not do so and will opt for voluntary audits”*. Whilst we can see merit in this assertion we do not understand how it can be consistent with an estimate of a 75% - 100% take up rate.

The provision of a legal guarantee of all a subsidiaries debts could add significant risk to the parent company and effectively removes the key benefit of creating subsidiary companies in the first place, namely the protection afforded by limited liability companies.

Furthermore, the group is likely to find the cost of providing information to potential trading partners to be higher as such parties seek wider assurances on the financial health of the wider group before trading with any individual subsidiary.

### Question 11 (para 46)

Do you agree with our estimate of the saving of management time interacting with the auditor and in particular, with our underlying assumptions that for subsidiary companies the saving will be 5 hours of senior management time, which gives rise to £60 to £273 saving per company, depending on size of company?

☐ Yes                      ☒ No                      ☐ Not sure

Comments:

There will be only marginal, if not negligible, savings of senior management time as the financial information on any significant subsidiaries will still be subject to audit testing as part of the group procedures and financial statements will still have to be prepared and filed for each non-dormant subsidiary.



### Question 12 (para 46)

Do you agree with our estimate of the saving of the cost of management time to prepare and file qualifying dormant subsidiary accounts and in particular the underlying assumption of the £280 per dormant subsidiary?

☐ Yes                      ☒ No                      ☐ Not sure

Comments:

We would anticipate that management time spent on preparing and filing a set of dormant company accounts would be very low. By definition the accounts will have changed little if at all from year to year, making their preparation little more than a simple administrative task which could easily be delegated to more junior staff.

### Question 13 (para 47)

Do you agree with our estimate of the cost of taking legal advice of £110 per subsidiary in the first year only, but that if the Government provided guidance on an acceptable form of the guarantee, this cost of legal advice would be zero?

☐ Yes                      ☒ No                      ☐ Not sure

Comments:

Whilst we do not provide legal services so cannot precisely estimate the cost of legal advice, we would not anticipate it being as low as £110. We do not understand how the authors of the Impact Assessment have estimated that 4-10 hours of legal advice would cost £110-£273, implying an hourly charge out rate of £11 to £68. In our experience, the charge out rate of even the most junior of qualified lawyers would far exceed the implied upper limit.

Furthermore, detailed advice from lawyers and other corporate advisors will be sought so parent companies can properly assess the risks to the parent company of guaranteeing subsidiary debts and can identify those subsidiaries where such risks are greatest.

### Question 14 (para 49)

Have views of stakeholders expressed to the Company Law Review changed since 2000?

☐ Yes                      ☐ No                      ☒ Not sure

Comments:

We are unable to respond on behalf of all stakeholders, but in our view it remains true that the costs to the economy of exempting all subsidiary companies from preparing and filing accounts far exceeds the marginal cost savings to the companies.

### Question 15 (para 49)

Do you agree with the Government's conclusions on the likely impacts that would have been involved in exempting non-dormant qualifying subsidiaries from either preparation or filing of accounts and that the costs of such a proposal would likely exceed the benefits?

☒ Yes                      ☐ No                      ☐ Not sure



Comments:

We agree that non-dormant subsidiary companies should continue to prepare and file accounts.

**Question 16 (para 51)**

Do you agree with the assumption that it is unlikely that the Government's proposals will have a significantly adverse impact on the number of small audit firms?

☐ Yes                      ☒ No                      ☐ Not sure

Comments:

As noted in the Impact Assessment there has been a general decline in the number of firms retaining their registration and we would expect the proposals to accelerate this decline. Smaller firms already struggle to maintain the technical and professional resources necessary to provide audit services when their number of audit clients has reduced over time. Any further depletion in their audit client base may well be seen as a tipping point resulting in more firms withdrawing from the market.

The investment needed to maintain an audit practice able to comply with current auditing, ethical and quality control standards should not be understated. Without a critical mass of audit clients such investment cannot be justified.

Any significant reduction in the number of small audit firms may have an adverse impact on competition in parts of the audit market. It will also impact on the ability of the resulting non-audit firms to recruit and train accountants for the future. Without relevant audit experience students struggle to pass audit related exams and will not have the experience necessary to gain practicing certificates in their own right.

**Question 17 (para 55)**

Do you agree with the Government's assessment of the risks of the proposal?

☐ Yes                      ☒ No                      ☐ Not sure

Comments:

We do not agree with the government's assessment of the risks of the proposal. In particular, we do not believe the Impact Assessment gives sufficient prominence to the potential increase in the cost of capital from companies not providing audited information. More should be done to consider the risk that any barriers or additional costs to the provision of trade credit might inhibit growth and economic recovery.

As discussed above audit provides significant by-products through sounder financial management, better corporate governance and improved controls. Whilst the valuation of such benefits is inherently difficult, more should be done in the Impact Assessment to consider the risks to the economy if such benefits are given up.

**Question 18 (para 59)**

Do you agree that the guarantee should be irrevocable and in respect of all debts in respect of that financial year? Until an audited set of accounts for the subsidiary is filed it will also be in respect of future debts incurred by the subsidiary

☒ Yes                      ☐ No                      ☐ Not sure

Comments:

We agree that the guarantee should be irrevocable and be in respect of all debts until the company files audited financial statements, forgoing the audit exemption.

#### Question 19 (para 60)

Do you agree that the guarantee should cover the “debts” of the subsidiary and not extend to its “liabilities”?

☐ Yes                      ☒ No                      ☐ Not sure

Comments:

For a guarantee to possibly offer sufficient protection it must cover all contingent liabilities too. A failure to disclose contingent liabilities in the financial statements might not be identified without the work of an independent auditor. A potential trading partner or investor will need reassurance that, in the potential absence of full disclosure on which it could make its own assessment of risk, the parent company stands ready to cover all debts as they fall due.

#### Question 20 (para 63)

A Do you agree with the proposals for the Guarantee?

B Do you think the form of the proposed guarantee will encourage its take-up in line with our assumptions above (75-90%)? If not, why not?

C Do you have alternative proposals that would not gold plate the Directive, provide adequate protection for those to whom the subsidiary owes a debt, but do not make it unlikely that the parent would issue such a guarantee?

A	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not sure
B	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not sure
C	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Not sure

Comments:

We do not agree with the proposals for the guarantee. Without widening the scope of the liabilities covered to include all contingent liabilities, we do not believe it provides the level of assurance necessary to mitigate the likely increase in costs of capital from removing the requirement for mandatory audit.

We do not believe that the level of take up will be in the region of 75-90%. We expect that many groups will not consider the marginal cost savings arising from not having the subsidiaries statutory financial statements audited will outweigh the risk of breaking the corporate veil through the granting of a guarantee nor the additional costs of providing sufficient financial information to maintain costs of capital and trade credit terms.

If a guarantee is given in return for the audit exemption, we would propose it should cover all debts, including contingent liabilities, incurred until such time as audited financial statements are filed. . This may be considered to be gold-plating of the Directive, though given the imprecision of some of the terminology this is somewhat unclear.

### Question 21 (para 65)

Do you agree that no new penalties should be proposed in conjunction with the introduction of these proposals?

☐ Yes ☒ No ☐ Not sure

Comments:

We consider new penalties should be introduced for guarantees that are given without due consideration of the parent's ability to stand behind the guarantees given to all its subsidiaries.

### Question 22 (para 76)

Do you agree that the Government should impose restrictions on companies' ability to move from IFRS to UK GAAP?

☒ Yes ☐ No ☐ Not sure

Comments:

All applicable financial reporting frameworks, including UK GAAP and IFRS, contain as a fundamental principle that consistency and comparability in accounting policies should be maintained from year to year, except where a change results from new standards or results in more relevant information. The legislative framework that overlays the financial reporting frameworks should similarly aim to maintain comparability unless there are extenuating circumstances.

Such restrictions will preserve the usefulness of financial information to users and prevent any instances of arbitrage for short-term gains.

### Question 23 (para 76)

How frequently should a company be able to move from IFRS to UK GAAP, unless there is a relevant change in circumstances?

☐ Every year ☐ Once every 3 years ☐ Once every 5 years ☒ Never ☐ Not sure

Comments:

We consider any change from IFRS to UK GAAP should be only be permitted where it reflects a change in circumstances. However, we fully endorse the view of the ASB that companies currently applying IFRS should be permitted to apply UK GAAP in order to exploit their proposed Reduced Disclosure Framework. We also agree that further flexibility be granted where the choice of accounting framework was previously restricted by third party regulations such as the AIM rules, where such rules are changed or no longer apply, as when a company de-lists from AIM.

Therefore, we would recommend that the list of relevant circumstances that permit a change from IFRS to UK GAAP be extended to include these specific situations.

### Question 24 (para 78)

A Do you agree with the Government's estimate that 90% of eligible subsidiary companies will take up the option?

B Do you agree that the saving for each company will be £569?

A ☐ Yes ☐ No ☒ Not sure  
B ☐ Yes ☐ No ☒ Not sure

Comments:

Whilst we are unable to quantify the proportion of eligible subsidiary companies that would convert from IFRS to the proposed Reduced Disclosure Framework we anticipate it will be the majority of such companies.

We are unable to quantify the cost savings from doing so, but we would expect it to be sufficient to warrant such a change in the majority of cases.

### Question 25 (para 82)

Do you agree that the one-off cost per company will be £390?

☐ Yes ☐ No ☒ Not sure

Comments:

We are unable to quantify the one-off cost of conversion from IFRS to UK GAAP, though the estimated cost may well be understated for large groups with several UK subsidiaries.

In particular, any move to UK GAAP may result in changes to the format and terminology applied in the financial statements. All subsidiary accounts will have to be reviewed to identify any changes and revised accordingly.

### Question 26 (para 86)

Do the proposed changes in any way increase the risk of financial irregularities? If so, what would you estimate the potential impact to be on investors?

☐ Yes ☒ No ☐ Not sure

Comments:

Whilst we do not consider the risk of financial irregularities on changes between accounting frameworks to be high, we do believe it would be higher where a change can be made that does not reflect a change in relevant circumstances.

### Question 27 (para 27)

What is the risk that investors will be misled or confused by a company switching between accounting frameworks?

☐ High risk ☒ Low risk ☐ Not sure

Comments:

If entities are free to change accounting frameworks without an underlying change in circumstances it is possible that this may confuse users of the financial statements and will make long-term trend analysis more difficult.

However, these risks would be mitigated through full disclosure of the impacts on the financial statements from changes in accounting framework

**Question 28 (para 86)**

Do you agree with the Government's assessment of the risks of this proposal?

☐ Yes                      ☒ No                      ☐ Not sure

Comments:

As stated above we do not consider there to be a high risk of financial irregularities or widespread investor confusion. However, we do believe there are some risks of potential arbitrage and a reduction in the usefulness of financial information if the reporting framework can be regularly and unnecessarily changed.

**Question 29 (para 87)**

Do you agree that the proposals should apply to entities for financial years ending on or after 1 October 2012?

☐ Yes                      ☐ No                      ☒ Not sure

Comments:

Given all the proposals are voluntary a long lead-time to adjust to such changes is not necessary. However, we do call on BIS to consider carefully all potential impacts of extending the audit exemption at a time when economic confidence is low. The principles of sound governance encouraged by mandatory audit are more important than ever and so we should not rush towards removing it further.

**Do you have any other comments that might aid the consultation process as a whole?**

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply ☐

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, could we contact you again from time to time either for research or to send through consultation documents?

☐ Yes                      ☐ No

© Crown copyright 2011

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

This publication is also available on our website at <http://www.bis.gov.uk>

Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills  
1 Victoria Street  
London SW1H 0ET  
Tel: 020 7215 5000

If you require this publication in an alternative format, email [enquiries@bis.gsi.gov.uk](mailto:enquiries@bis.gsi.gov.uk), or call 020 7215 5000.

**URN 11/1196**