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Dear Sir

PwC response to the Department for Business, Enterprise and Regulatory Reform (BERR) consultation on amendments to the 2006 Companies Act regulations on disclosure of auditor remuneration and liability limitation agreements.

We welcome the opportunity to comment on the amendments proposed in the Companies Act regulation on disclosure of auditor remuneration and liability limitation agreements.

As identified by the Department in the supporting note to the amended draft regulation, a consequence of the current regulation (SI 2005/2417) was that trivial transactions had to be recorded and reported. For example, where an associate partner of the company auditor was a member of a board of a charity and that charity provided hall hire to the audited entity for a company event then this event would need to be disclosed.

The recording and reporting of these types of disclosures places a time consuming and costly burden on the firm and is, we believe, disproportionate to what the Government was trying to achieve.

We accept that the disclosure of transactions taking place between the audit firm (and associates of it) and the audited entity is to ensure that those transactions are transparent to shareholders of the audited entity in part so they can form their own view on the auditors' independence. However, we do not believe that shareholders are interested in disclosures that are neither of relevant nor significant matters. Therefore, we consider that the amendments to paragraph 6 of regulation 5 and paragraph 4 of Schedule 1 are sensible and balance the need for ensuring that shareholders are aware of relevant and significant



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elements of auditor remuneration against avoiding unnecessary administrative burdens and, accordingly, we fully support these amendments.

If you require any further information please do not hesitate in contacting Peter Wyman. We are happy for this response to be published.

Yours faithfully