



THE ASSOCIATION  
OF BRITISH  
CHAMBERS OF  
COMMERCE

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Mr Nigel Peace  
Secretary  
Committee on the Financial Aspects  
of Corporate Governance  
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*Azh'd*

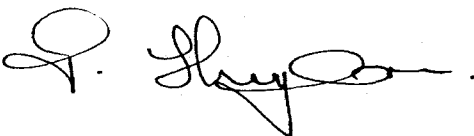
*8/3/92*

29 June 1992

*Dear Mr Peace,*

We welcome the opportunity to comment on the Draft Report of the Cadbury Committee on Financial Aspects of Corporate Governance. We are well aware that the Code of Practice is directed to the Boards of Directors of listed companies, nevertheless, we note the Committee's aim to encourage other companies to meet its requirements and respond from that particular perspective.

We broadly support the Code of Best Practice which you have developed. It contains much that represents good management practice and is therefore to be wholly commended. With regard to Small Firms, we would recommend that unlisted companies who have somewhat different responsibilities towards employees, suppliers, purchasers, consumers and shareholders, or rather stakeholders, should approach the Draft Code of Practice with some caution and selectivity. It would clearly be inappropriate for a company with no more than five employees to be setting up structures such as Audit and Remuneration Committees. Nevertheless, we feel they have much to learn from the work of the Committee. I hope you find these few comments of some use to you.

*Yours sincerely,*  


*PP* Richard Brown  
**Director of Policy**

(Dictated by Mr Brown and signed in his absence)