



19th February 2021

Jason Bradley
Project Director
Financial Reporting Council
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Dear Jason

International Standard on Review Engagements (UK) 2410 (“ISRE (UK) 2410”) – Invitation to Comment (“ItC”)

1. We have pleasure in providing you with our comments on your ItC.
2. We are not providing individual answers question by question to your five questions but believe our comments below answer them.
3. We understand that ISRE (UK) 2410 applies to auditors’ reviews of interim financial information. While interim financial information reported by companies is important, it does not attract the same interest as annual financial statements and their preliminary announcements.
4. There are different opinions in the investor community regarding the merits of obtaining any auditor assurance of interim financial information.
 - 4.1. Some shareholders, if asked by their companies whether there is any need for an auditor review of their interim financial information, would say no.
 - 4.2. At the other extreme, some shareholders place no faith in any financial information published by companies unless it has received some level of independent review.
5. Accordingly, we would suggest you gauge investor appetite for auditor reviews of interim financial information before revising ISRE (UK) 2410.
6. Our comments in the remainder of this response are predicated upon your obtaining a majority positive response from investors when you ask them whether they want auditor reviews of interim financial information to take place.

7. We are clear that it is the duty of directors of companies to apply the same duty of care to any other financial reporting as they apply to annual financial statements. In this respect it is the directors' responsibility to make the same going concern assessments as they do for annual financial statements, considering it is a fundamental principle for the basis of any preparation of any financial information. We support the clarification of this by adding your proposed Appendix 8 to ISRE (UK) 2410.
8. While paragraph 11 of ISRE (UK) 2410, as amended by the Exposure Draft, already sets out a number of requirements, we have listed below the requirements that we believe an interim review should meet. Accordingly, please would you check to ensure that, to the extent that paragraph 11 or other relevant part of ISRE (UK) 2410, as amended by the Exposure Draft, does not already cover these points, it is expanded to do so.
 - 8.1. Reporting requirements that reflect relevant requirements of extended audit reports such as:
 - The opinion or conclusion of the review
 - Scope of the review
 - Purpose of the review
 - How materiality has been set and used in the review
 - Key review matters highlighting material items that the auditor wishes to bring to the attention of shareholders.
 - 8.2. Procedures that ensure that an auditor considers the consistency between information in an interim report provided outside the financial statements with the information in the interim financial statements and reports any inconsistencies and apparently misleading non-financial reporting.
 - 8.3. As well as strengthening the matters and procedure relating to analysing the directors' assessment of going concern, a similar strengthening of procedures on assessing the risk of material misstatement in the interim financial information from fraud.
 - 8.4. Procedures that adequately authenticate opening and closing balances of cash at bank and in hand.
9. **UKSA (UK Shareholders' Association)** is the oldest shareholder campaigning organisation in the UK. We are a not-for-profit company that represents and supports shareholders who invest in the stock market.
10. There are many agents and intermediaries active in financial markets. Unlike them, we are an organisation solely representing people who are investing their own money.

11. UKSA was formed to provide private shareholders with a voice, influence and an opportunity to meet like-minded fellow investors. It is structured as a non-profit making company with annual subscriptions. An elected Chairman and Board of Directors (all volunteers and individuals with a wide range of backgrounds and experience) monitor a regional organisation. Each region benefits from oversight by an elected regional Chairman and Committee.
12. We build relations with regulators, politicians and the media to ensure that the voice of individual shareholders is reflected in the development of law, regulation, and other forms of public policy.
13. **ShareSoc (UK Individual Shareholders Society)** is the UK's largest retail shareholder organisation, acting in all areas of the UK stock market, with more than 7,000 members. It is a not-for-profit company.
14. ShareSoc is dedicated to the support of individual investors (private shareholders as opposed to institutional investors). We aim to make and keep investors better informed to improve their investment skills and protect the value of their investments. We won't shirk from tackling companies, the Government or other institutions if we think individual shareholders are not being treated fairly. See www.sharesoc.org
15. If you wish to clarify any of our comments or discuss our thoughts further, please contact Charles Henderson at charles.henderson@uksa.org.uk and Cliff Weight at cliff.weight@sharesoc.org.

Yours sincerely

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