



Anthea Heffernan  
Department of Trade and Industry  
1 Victoria Street  
LONDON  
SW1H 0ET

12 May 2006

Dear Ms Heffernan

**INVITATION TO COMMENT: DRAFT LIABILITY CLAUSES**

Thank you for the opportunity for the Chartered Institute of Management Accountants (CIMA) to comment on these proposals. CIMA is a global professional body specialising in management accounting, which represents over 155 000 members and students in 158 countries.

As signatories of the recent letter to the DTI calling for greater protection for statements made by directors in good faith, CIMA welcomes these proposals. However, we note that the protection only extends to those statements made within the directors' report, directors' remuneration report and the associated information from those reports in summary financial statements. It does not therefore cover narrative information reported outside those areas in, for example, a voluntary OFR.

CIMA feel it is best to allow directors the flexibility to order and cross-reference their narrative in the manner which they feel best communicates to users the position, performance and prospects of their organisation. The probable effect of these proposals might be to encourage the location of *all* narrative within the directors' report.

Yours sincerely

*Louise Ross*

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