

# FINANCIAL TIMES

Opinion **Letter**

## Company accounts should not be seen in isolation

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*From Mr Jeff Katz.*

Sir, While it is certainly sensible to attempt to create standards for disclosure of issues affecting sustainability (“[Give investors access to all the information they need](#),” Comment, May 20), it is naive of Michael Bloomberg and Mary Shapiro to believe that such standards will provide investors with a true picture of businesses.

The inaccurate impressions often presented by company accounts, such as the £350m of [false invoicing by RBG Resources](#) and the multibillion-dollar Enron saga, prove that published data can never be relied upon in isolation – whether those data are financial or non-financial.

To suggest that the losses suffered by pharmaceuticals companies because of counterfeit drugs can be accurately presented assumes that the sector has the means and the commitment to do so. However, experience suggests that companies are not anxious to clarify their problems if it will mean a loss of public confidence in their products or services.

Really good, accurate and trustworthy off-balance sheet information is hard to come by, which is why companies and investors spend considerable sums with corporate investigators to unearth vulnerabilities – but only so they can be corrected before they become public.

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