



18 JAN 1985

QUEEN ANNE'S GATE

LONDON SW1H 9AT

Mr Faulkner

17 January 1985

CST

Mr Bailey

Mr Gilmore

Mr Lord

Mrs Thomas

✓ 18/1 V23

Dear Nigel,

BBC ACCOUNTS

Thank you for your letter of 27 December about the BBC's accounting policy in relation to the capital assets which they acquire each year.

I agree that this departs from standard accounting practice, and that the BBC's reasons for resisting a change in the past have not been persuasive. Under their Royal Charter, I have of course power to direct the Corporation to include particular information in their Accounts, Balance Sheet or Appendices, but they appeared, towards the end of last year, to be prepared to adopt a more co-operative attitude. An agreed settlement, provided it can be reached before the Accounts for 1984/85 are prepared, seems to me to be preferable and my officials will therefore be reminding the BBC of the deadline. Should they continue to resist or delay, however, I shall certainly return to the point, and the BBC will also be reminded of my powers under the Charter.