



Prime Minister 2
DJS
27/11

QUEEN ANNE'S GATE LONDON SW1H 9AT

27th November 1985

CBE

Dear John,

~~XXXXXXXX~~

BBC ACCOUNTS

Thank you for your letter of 4 November. You will since have seen that the Prime Minister does not favour the issue of an accounting direction to the BBC.

I nevertheless fully share your and her criticism of the misleading form of the accounts for 1984-85, which fail to give proper effect to the request, clearly stated by Leon Brittan earlier this year, that they should follow standard accounting practice in respect of depreciation. The accounts are due to be published on 28 November, together with the BBC's annual report for 1984-85, and it is therefore too late to seek their amendment. I shall write to the Chairman before 28 November, expressing disappointment at the lack of progress made to date and urging him to take steps to ensure that the accounts for the current financial year will be prepared on a more satisfactory basis. If questioned we shall make it clear that we regard the 1984-85 accounts as in an important respect misleading.

I am copying this letter to the Prime Minister.

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Yours,
Douglas.

The Rt John MacGregor, OBE, MP

Broodstocking : BBC Finorus

PEZ