

Having expressed our concerns at the December 2017 AGM and by letter to Blancco's Chairman, Rob Woodward, I wrote, on behalf of ShareSoc, to the CEOs of the Financial Conduct Authority (FCA) and Financial Reporting Council(FRC) on 8th January. The letters covered a) the restatement of previously reported audited accounts and transactions, b) the dramatic fall in share price caused by these restatements, c) the sale of shares under a Stock Appreciation Right by the former CEO before the restatements were announced, d) the Board's inaction in seeking redress for shareholders from those responsible for the incorrect statements and e) the process of replacement of the auditors.

We received acknowledgement of our complaint from FCA on 16 January, with a form letter stating that they will consider whether to launch an investigation against their published criteria, but that they do not comment on specific matters unless their work results in a public disciplinary outcome. We received an acknowledgement from FRC on 29 January, stating that their Corporate Reporting Review team will consider the matters raised regarding the company's report and accounts. With regard to the part of the complaint regarding the auditors, KPMG, the FRC said that Blancco does not fall within the large AIM category which would render issues with the audit subject to FRC investigation, but they would refer that element of the complaint to the Institute of Chartered Accountants for England and Wales (ICAEW) for consideration. After following up, I have now received confirmation from ICAEW that Blancco's audit for the year ended 30 June 2016 (the year that had to be restated) is being looked at by them.

We all know that these regulatory bodies are inundated with complaints, as reported in the national press, and that their resources for investigation are limited. If we don't hear anything from them, I propose chasing them in early April, in order to keep the pressure on.

Bruce Noble, Blancco Shareholder Campaign Co-Ordinator