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Your Ref: AH/KG/RTJ/SORP
Our Ref:

Date: 22 May 2008

Dear Andrew

Review of Public Benefit Entity SORPs

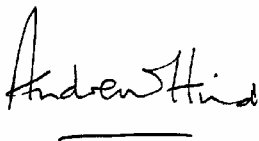
Thank you for your letter dated 30 April highlighting that the PricewaterhouseCoopers' report on the four public benefit entity Statements of Recommended Practice has now been placed on the ASB's website.

The report will be made available to the members of our SORP Committee and our next SORP Committee meeting on 13 June will provide an initial opportunity to highlight the four areas where the accounting treatment recommended in our SORP differs to that required by other SORPs.

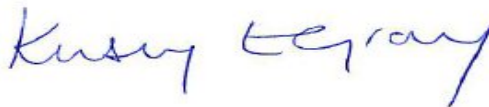
As you will be aware from previous correspondence, we are now entering a period of research that will inform the development of our next SORP which we hope will be set within the framework provided by IFRSs. We plan to take forward a number of issues through a series of stakeholder roundtables starting in the autumn and we suspect that this would also provide a good opportunity to consider the issues identified within the PricewaterhouseCoopers' report. Clearly, we would like to obtain the views of the SORP Committee before committing to this way forward.

We understand that you will be available to attend part of our next SORP Committee meeting on 13 June and this will be helpful given your Board's recent consideration of the options for accounting convergence with IFRS. It would also provide an opportunity to discuss how our research phase of SORP development might be coordinated with CAPE's own research plans.

Yours sincerely

A handwritten signature in blue ink that reads 'Andrew Hind'.

Andrew Hind
Chair of Charities SORP Committee

A handwritten signature in blue ink that reads 'Kirsty Gray'.

Kirsty Gray
Deputy Chair of Charities SORP Committee