

## What is true and fair?

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John Kay discusses this issue in the FT [and concludes](#) when comparing historic cost and mark to market accounting:

*We are dealing with questions to which there are no right or wrong answers. The true and fair view is subjective, and no accounting principles, however extensive, can cover all conceivable situations. The appropriate measure always depends on the purpose for which accounts are properly to be used. The only certainty, however, is that these proper purposes do not include flattering the egos of corporate executives or enabling banks to take deposits on false pretences.*

The reality is both simple and obvious: the one view of the corporation that does not matter to the third party is the corporation's view of itself. This is what we're given, but that's the spin. The reality is we want to know the risk it poses on us by engaging with it. That's the bottom line.

If that's the case then the International Accounting Standards Board argument on the whole issue of standard setting is wrong.

back to the drawing board then.