

# Labour: the best friend business opacity has got

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As the [FT has reported](#) this morning:

*Ministers are set to shelve reforms to Companies House that would have required businesses to file their accounts in a more onerous way as part of the government's attempt to reduce red tape on UK plc.*

They added

*Under legislation brought in by the previous government, small and micro companies would from April 1, 2027, have to disclose their profit and loss statements for the first time as part of their annual accounts.*

And they noted:

*But one ally of Jonathan Reynolds said the business secretary would reverse the plans in order to lighten the regulatory load on businesses. "This will not happen as long as Jonny is in place," they said. "It doesn't fit with our plans to cut regulation."*

Labour's incompetence, plus its staggering embrace of the pro-fraud, anti-business model of corporate disclosure long promoted by some in the business community who would rather not be held to account for the uses and abuses that they make of limited liability, never ceases to amaze me.

So, let me pose the obvious question, which is why do we let companies keep details of much of their financial performance secret? And what might happen if we didn't?

In my opinion, there would be enormous benefits if every company, large or small, were required to file full accounts on public record. By that, I mean not just a balance sheet, but also a complete profit and loss account, full supporting notes and maybe a cash flow statement. I can offer at least five good reasons.

First, companies exist because society lets them. We give shareholders the right to limit their personal liability if the company fails. That's an extraordinary concession. In

return, society has every right to demand full disclosure of how these companies perform. Transparency is the quid pro quo for limited liability.

Second, if some companies can hide their true profits while others cannot, the playing field is distorted. Public accounts mean everyone can see who is competing fairly, who might be undercutting with unfair practices, and where market abuses may be happening. In other words, open data helps genuine competition.

Third, openness encourages tax justice. One of the simplest ways to tackle corporate tax avoidance is to shine a light on it. If we all knew how much profit each company was making, it would be much harder for them to avoid their responsibility to pay tax. Public scrutiny is often a far more powerful deterrent than any audit.

Fourth, workers, small businesses and suppliers routinely extend credit to companies, whether by providing goods, services, or simply waiting for wages. They all do so on the assumption that a company is financially sound. Full accounts give these creditors a chance to judge the risks they face, instead of being left in the dark until it's too late.

Fifth, most business leaders say they have nothing to hide. If that's true, then why not prove it? When accounts are secret, suspicion thrives. When they are open, trust can be built, and companies can demonstrate their true contribution to the economy. Why don't they want to do that, which is what the theory of 'free markets' demands?

In summary, limited liability demands full accountability. Transparency levels the economic playing field, helps enforce tax compliance, protects those who deal with companies, and builds a stronger social contract. If we're serious about having an economy that serves everyone, and not just those at the top or those who want to cheat, putting all company accounts on the public record is not just desirable, it's essential, which is why I have always done it, voluntarily

So what has 'Jonny' got against that? Could it be he's on the side of those at the top, or who cheat? What other conclusion can we reach?