

report should also include fuller information on the analysis of whether the company is a going concern.

#### 2.4.1 Pass or fail

The audit report in an annual report is currently around a page of standard text: legal jargon with the same text every year. It says very little and it is impossible to determine if the accounts are a pass or a fail.

Investors not only want to know if the company is a going concern. They also want the auditor to say what he considers to be the biggest risks for material discrepancies in the financial statement itself. This could be the book value of goodwill, for example, or the value of compensable losses or tax issues or shortcomings in the internal company controls.

The accountant should also use the opportunities he has been given to inform investors more thoroughly about the scope of his audit and how he has judged which items could have a material influence on the financial statement.

#### 2.4.2 Warnings

Last year's round of annual general meetings showed that accountants are beginning to come out of their shell. Nevertheless, the presentations still turned up little in the way of company-specific information. The accountants did not do much more than complete their professional obligations and provide a general text about their audit report - a point also noted by their professional organisation NBA.

In reality, investors want accountants to warn them about operational setbacks, fraud or other potential threats. A more extensive audit report could contribute to making accountants more outspoken, improve the debate during AGMs and, if necessary, act as a warning sign.

### 3. Legal action

#### 3.1 SNS

##### 3.1.1 Legitimacy

The VEB is campaigning on four fronts on behalf of shareholders and bondholders in SNS Reaal and SNS Bank whose securities were expropriated when SNS was nationalised on February 1, 2013. The first step was to challenge the finance minister's decision to expropriate the securities at the Council of State. After a hearing on February 15, 2013, in which more than 700 appeals were made, the Council of State ruled the minister's decision was lawful. The Council of State did not rule on compensation for the investors, leaving that to the Enterprise Chamber.

##### 3.1.2 Damages

On July 11, 2013, the Enterprise Chamber considered the size of the compensation offered by the minister to shareholders and bondholders whose assets were expropriated. It ruled it was probable that the minister's offer of 0 euros did not represent full compensation for the expropriation and said it would appoint independent experts to assess what level of compensation bond and shareholders should be given.

##### 3.1.3 Cassation

The minister did not accept this argument and took the ruling – despite urgent appeals from the VEB not to do so – to cassation. This is likely to mean long delays to the compensation process. The Enterprise Chamber will only be able to appoint its experts when the Supreme Court has ruled on the cassation process.

##### 3.1.4 European Court

In the meantime, the VEB has appealed to the European Court of Human Rights against the expropriation and the way in which the minister used the new Intervention Law