COMPANY SECRETARY'S CHECKLIST 20/21

The annual report of a listed company

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CONTENTS

This document sets out the legal requirements relating to the preparation of the Annual Report of a listed company with a 31 December 2020 financial year-end. It also draws attention to additional reports and guidance that, when allied to the mandatory reporting framework, will help enhance the quality of a listed company's narrative reporting.

In Part One, we outline the disclosure requirements applicable to the narrative reporting sections of a listed company's Annual Report. In Part Two, we outline the legal and other requirements applicable to the 2021 annual general meeting. In neither Part do we consider sector specific requirements or cover accounting or accounting-related matters in detail.

For the purpose of this document, a "listed company" is a company incorporated in the United Kingdom (not being a sovereign controlled commercial company) with a premium listing of equity shares which have been admitted to trading on the Main Market of the London Stock Exchange. This currently includes open-ended investment companies, although it should be noted that the Financial Conduct Authority is currently considering proposals to disapply premium-listing obligations from such companies and to re-list them in the standard listing segment.

This document is up-to-date as at 1 December 2020.

WHAT'S NEW?

STRATEGIC REPORT

Reporting on the impact of the coronavirus pandemic

All companies will have been impacted by the coronavirus pandemic during the year. Accordingly, reporting teams will need to consider how to position the pandemic in this year's Annual Report, giving particular thought to the areas of reporting and specific disclosures that are likely to be affected. More than ever, reporting should aim to reach beyond compliance with minimum requirements and focus on disclosing quality information that meets the needs of investors and wider stakeholders. Disclosures should not be confined to retrospective reporting, but should look to the future, assessing the challenges that lie ahead, the new risk exposure, the recovery plan, the future prospects, and the company's resilience – its ability to continue as a going concern in the short term and to remain viable over the longer term.

To help shape their approach, reporting teams should reflect on the range of materials published by the Financial Reporting Council. The FRC's "Company Guidance (COVID-19)" (May 2020) and its "Thematic Review: Review of financial reporting effects of Covid-19" (July 2020) are supplemented by two specific project reports published by the Financial Reporting Lab as part of its "Reporting in times of uncertainty" series. These documents, together with the FRC's "Annual Review of Corporate Reporting 2019/20", offer regulatory insight and guidance to meet the challenges of reporting this year.

Opportunities to enhance "first year" reporting

Reporting in 2020 saw listed companies address new statutory reporting requirements and UK Corporate Governance Code recommendations for the first time. Despite evidence of some good reporting, the Financial Reporting Council has expressed disappointment at the overall response to the changes. As the new requirements and recommendations bed in and with the FRC's clear expectations for how reporting should now develop, listed companies should consider reporting in 2021 as an opportunity to enhance their "first year" opening disclosures. Reporting teams should reflect on the FRC's observations on reporting against the UK Corporate Governance Code, testing, in particular, the quality of their corporate purpose statements and their disclosures on assessing and monitoring culture. Reporting teams should also review critically their Section 172(1) Statements with a view to understanding how they might be enhanced so as better to meet the needs of stakeholders. Guidance on section 172 reporting, including the FRC's expectations and the Financial Reporting Lab's publication "Section 172 statements - How to make them more useful" (October 2020), is included in this document.

INTRODUCTION

In Part One of this document, we summarise the disclosure requirements applicable to the 2020 Annual Report, focusing on key changes since last year and noting other significant developments in reporting. We draw attention to the findings and conclusions of the Financial Reporting Council following its most recent review of corporate reporting, and we also refer to additional best practice guidance and publications issued on the contents of the Annual Report which you may choose to consider alongside the mandatory requirements.

MANDATORY DISCLOSURES

The mandatory disclosure requirements are contained in:

- the Companies Act 2006 (as amended);
- the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended);
- the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 (as amended);
- the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014;
- the Capital Requirements (Country-by-Country Reporting) Regulations 2013;
- the FRC's UK Corporate Governance Code (July 2018);
- the FCA's Disclosure Guidance and Transparency Rules; and
- the FCA's Listing Rules.

VOLUNTARY DISCLOSURES

This document also includes commentary on the material aspects of guidance relating to the contents of an Annual Report contained in, among others, the following publications:

- the Chartered Governance Institute's "Review of the effectiveness of independent board evaluation in the UK listed sector" (May 2019);
- the European Securities and Markets Authority's "ESMA Guidelines on Alternative Performance Measures" (October 2015);
- the European Securities and Markets Authority's "Report on the use of Alternative Performance Measures and on the compliance with ESMA's APM Guidelines" (December 2019);
- the FRC's "Annual Review of Corporate Reporting 2019/2020" (October 2020);
- the FRC's "Board Diversity Reporting" (September 2018);
- the FRC's "Climate Thematic - How are companies developing their reporting on climate-related challenges?" (November 2020);
- the FRC's "Company Guidance (COVID-19)" (May 2020) and "Thematic Review: Review of financial reporting effects of Covid-19" (July 2020);
- the FRC's "Guidance on the Strategic Report" (July 2018);
- the FRC's "Guidance on Board Effectiveness" (July 2018);
- the FRC's "Guidance on Audit Committees" (April 2016);
- the FRC's "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting" (September 2014);
- the FRC's "Review of Corporate Governance Reporting" (November 2020);
- the FRC Financial Reporting Lab's "Section 172 statements - How to make them more useful" (October 2020);
- the FRC Financial Reporting Lab's project report on "Business model reporting" (October 2016);

THE FRC - TRANSFORMATION PROGRAMME AND 2020 REPORTING REVIEW

KINGMAN REVIEW OF THE FRC

In April 2018, the government invited Sir John Kingman to conduct an independent review of the Financial Reporting Council. The "root and branch" review was considered necessary given the regulator's critical role in helping to ensure the effective functioning of UK capital markets, and in safeguarding the UK's reputation as a world-leading financial and commercial hub. The government also wished to ensure that the United Kingdom would continue to be at the forefront of corporate governance internationally, particularly following its withdrawal from the European Union.

Accordingly, Kingman was tasked to ensure that the FRC could shine as "a beacon for the best in governance, transparency and independence". More specifically, he was asked to assess whether the FRC's governance, impact and enforcement powers were fit for the future, including examining its culture (in the light of criticism following high-profile corporate failures), the timeliness of its actions and the proximity of its relationship with the "Big 4" audit firms.

Towards the end of 2018, the Kingman Review published its final report to government. In it, Kingman likened the FRC to "an institution constructed in a different era – a rather ramshackle house, cobbled together with all sorts of extensions over time" and one that was ultimately "built on weak foundations". Accordingly, among his 83 detailed recommendations, Kingman proposed that the FRC be replaced with an independent statutory regulator, accountable to Parliament, with a new mandate, new clarity of mission, new leadership and new stronger powers. The new regulator would be called the Audit, Reporting and Governance Authority.

The government subsequently confirmed that it would take forward Kingman's recommendations replacing the FRC with the new regulator as soon as parliamentary time allowed. The Kingman Review, together with the review of the quality and effectiveness of audit subsequently undertaken by Sir Donald Brydon and the Competition and Markets Authority's study into the statutory audit services market, form an important part of the government's efforts to strengthen trust and public confidence in business.

TRANSITION TO THE AUDIT, REPORTING AND GOVERNANCE AUTHORITY

In March last year, the government launched its first consultation on Kingman's recommendations. While a number of the substantive recommendations (including that which underpins the establishment of ARGA) require the passing of primary legislation, the government emphasised its commitment to implementing the reforms swiftly, and (where possible) ahead of legislation. The consultation set out the government's approach to proceed with those recommendations that could be delivered immediately, and sought views on the implementation of all others. Despite the consultation closing in June 2019, the government has not yet published its feedback and response.

Nearly two years after the publication of Kingman's recommendations, the legislation required to establish ARGA has also yet to materialise. The Queen's Speech, delivered in December 2019 following the General Election, setting out the government's policies and proposed legislative programme for the new parliamentary session disappointed those hoping for swift action by only giving a loose commitment to "develop proposals on company audit and corporate reporting, including a stronger regulator with all the powers necessary to reform the sector".

In July, in response to parliamentary questions on progress in implementing the reforms, the government restated its position that it is committed to acting on the recommendations of each of the Kingman, Brydon and CMA reviews, including legislating to create ARGA "as soon as parliamentary time allows" and confirmed that it would publish proposals "in the coming months". The government's negotiations around the UK's withdrawal from the European Union and subsequent trade deal, together with the national response to the coronavirus pandemic have absorbed significant amounts of parliamentary time over the last 18 months, resulting in a re-shuffling of priorities, and as at the date of this document there is still no definitive timetable for progressing the reforms.

FRC's "Strategy 2020/21" (March 2020)

Notwithstanding the slow pace of progress in government, the FRC has demonstrated its commitment to the broad suite of audit reform measures by pressing ahead in areas where legislation is not required and by taking steps to transform itself into a fit-for-purpose, independent regulator.

In addition to the 2020 Report, the FRC expects companies to reflect on its coronavirus-specific guidance and reviews as well as the reports produced by the Financial Reporting Lab during the year to assist companies with reporting in times of uncertainty. The 2020 Report reinforces the key messages from these publications which are likely to form the basis of challenge by the FRC in its future review activity. The FRC's "Company Guidance (COVID-19)" (May 2020) and "Thematic Review: Review of financial reporting effects of Covid-19" (July 2020) can found on page 51 of this document. The Financial Reporting Lab's project reports "COVID-19 – Resources, action, the future: Reporting in times of uncertainty" (June 2020) and "A look forward" (October 2020), and "COVID-19 – Going concern, risk and viability: Reporting in times of uncertainty" (June 2020) and "A Look Forward" (October 2020) can be found on pages 54 and 102 respectively.

The FRC notes that in monitoring Annual Reports prepared in the 2020/21 cycle, it will focus specifically on the quality of disclosures addressing risk, judgment and uncertainty in light of the continued impact of the pandemic, the potential consequences of geopolitical tensions and the United Kingdom's exit from the European Union. In light of its "Climate Thematic" (November 2020), the FRC will also focus on how climate change considerations are being addressed in reporting. Companies are encouraged to articulate their expectations of the possible impacts of those factors on their specific businesses, including any financial reporting implications.

CORPORATE REPORTING REVIEW 2020: STRATEGIC REPORT

Comprehensive analysis

The FRC continues to challenge companies where it believes that the information disclosed in the Strategic Report is not sufficiently comprehensive as required by the 2006 Act. In its 2020 Report, the FRC notes that it observed examples of reporting that focused chiefly on the company's income statement, but with limited or no information on significant changes in other key statements, such as the balance sheet and cash flow statement. The FRC also raised questions of companies whose financial reviews failed to discuss matters that were significant in their context. For example, some did not discuss significant tax matters, or only made brief references to debt covenants or maturing debt facilities even though more detailed comments would have been helpful.

Fair review

The FRC continues to challenge Strategic Reports that do not appear to provide a fair review of the company as required by statute. In particular, questions were raised of those companies whose financial reviews highlighted improvements in adjusted profit without highlighting the IFRS loss. The FRC also challenged companies that did not run comparisons of year-on-year performance on a like-for-like basis meaning that the performance of pre-existing businesses was, in certain instances, obscured (for example, where stripping out the impact of a recent acquisition showed that revenue and profits of the pre-existing business were lower than in the previous year). Companies are reminded not to lose sight of the importance of a fair and balanced review.

Section 172(1) Statement

As listed companies prepare to address the Section 172(1) Statement requirements for the second year, the FRC notes the work undertaken by the Financial Reporting Lab in its "Section 172 statements - How to make them more useful" (October 2020). Companies are encouraged to reflect on the Lab's findings to enhance their reporting in this area. For further information on enhancing the Section 172(1) Statement, see the "Strategic Report" section of this document.

Non-Financial Information Statement

During the year, the FRC monitored the quality of reporting by listed companies with more than 500 company (or group) employees against the requirements of the Non-Financial Information Statement which is to be included in the Strategic Report. The 2020 Report notes that several companies included in their Strategic Report a 'non-financial information' table with cross-references to other areas of the Annual Report where non-financial information was stated to be located. In certain cases, the FRC observed that the stated pages did not appear to contain the precise information required by the legislation. The FRC has previously stressed the importance of ensuring that a company's non-financial information disclosures address the specific information requirements of the 2006 Act, and that cross-references should only link to specific and relevant information.

In November, the FRC published its "Climate Thematic" following its review of climate-related considerations in corporate reporting and auditing by boards, companies, auditors, investors and professional associations. As part of its output, the FRC made specific observations on how companies can enhance their reporting of climate change-related matters through their Non-Financial Information Statement. The FRC's expectations for how reporting in this area can develop are summarised in "Section D: Non-Financial Information Know-How" in the "Strategic Report" section of this document. The disclosure of climate-related considerations will be an area of focus for the FRC in its future corporate reporting reviews.

CONTENTS OF THIS SECTION

Set out below is an index of the contents of the remainder of this section on the Strategic Report.

STRATEGIC REPORT – DISCLOSURE REQUIREMENTS

		reference (e.g. page [ ] / ✓, x, n/a or ?)
	Duty to prepare Strategic Report	
s.414A	Have the directors prepared a Strategic Report for the financial year? **(Notes 1 and 2)**	
	Purpose, values, business model and strategy	
	Does the Strategic Report include:	
	- a description of the company's purpose and its core values? **(Note 3)**	
s.414C(8)(a)	- a description of the company's strategy? **(Notes 4 and 5)**	
s.414C(8)(b)	- a description of the company's business model? **(Notes 4 to 6 and 51)**	
	Does the Annual Report describe: **(Note 7)**	
Code Provision 1	- how opportunities and risks to the future success of the business have been considered and addressed?	
Code Provision 1	- the sustainability of the company's business model?	
Code Provision 1	- how its governance contributes to the delivery of its strategy?	
	Culture	
	Does the Annual Report articulate the company's culture and how it supports the company's the business model, strategy, purpose, long-term success as well as its responsibility to contribute to wider society? **(Note 8)**	
Code Provision 2	Is there an explanation of what the board has done to assess and monitor culture and any action it has taken? **(Notes 8 and 9)**	
Code Provision 2	Is there an explanation of the company's approach to investing in and rewarding its workforce? **(Note 10)**	
	Section 172 and stakeholder engagement	
s.414C(1)	Does the Strategic Report fulfil its statutory purpose "to inform members of the company and help them assess how the directors have performed their duty under section 172 (duty to promote the success of the company)"?	
s.414CZA(1)	Does the Strategic Report include a statement which describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under that section? **(Notes 11, 12 and 13)**	
Code Provision 5	Does the Annual Report describe how the interests of key stakeholders and the matters set out in section 172 have been considered in board discussions and decision-making?	
	Where the board has not chosen one or more of the workforce engagement methods recommended in Code Provision 5, does the Annual Report explain: **(Notes 14 and 15)**	
Code Provision 5	- what alternative arrangements are in place?	

		reference (e.g. page [ ] / ✓, x, n/a or ?)
	Non-financial information - other information	
s.414CB(5)	Does the Non-Financial Information Statement include, where appropriate, references to, and additional explanations of, amounts included in the company's annual accounts? **(Note 51)**	
s.414CB(6)	Where the information required by sections 414CB(1) to (5) to be included in the Non-Financial Information Statement is published by the company by means of a national, EU-based or international reporting framework, does the Non-Financial Information Statement specify the framework(s) used instead of including that information?	

NOTES

Duty to prepare Strategic Report

1. For a financial year in which the company is a parent company and for which its directors prepare group accounts, the Strategic Report must be a consolidated report relating to the undertakings included in the consolidation (section 414A(3)). The consolidated report may, where appropriate, give greater emphasis to the matters that are significant to the undertakings included in the consolidation, taken as a whole (section 414A(4)).

2. The contents of the Strategic Report, the Directors' Report, the Remuneration Report (including any revised Remuneration Policy) and any separate corporate governance statement will be covered by the directors' liability "safe harbour" at section 463 (liability for false or misleading statements in reports and statements). That section aims to protect directors against liability to third parties (other than the company) for the contents of those reports or statements by providing that a director will only be liable to the company for any statement in any of those reports or statements "if he knew the statement to be untrue or misleading or was reckless as to whether it was untrue or misleading or … he knew the omission to be the dishonest concealment of a material fact". The government has previously expressed concern that "the overly cautious might place inappropriately large volumes of information, including that not required to meet a specific legal requirement, in these reports in order to benefit from the "safe harbour" clause" and has cautioned that this is not the intention behind the statutory provision which was introduced to give directors certainty on the scope of their liability when making forward-looking statements.

Purpose, values, business model and strategy

3. While the disclosure of the company's purpose and values is not mandatory, its inclusion should be considered as a matter of good practice. The reporting of corporate purpose is an area where the FRC expects to see significant improvement this year. Reporting teams should, therefore, reflect on the opportunities to enhance their purpose statements in this second year of reporting as noted at the start of this "Strategic Report" section of the document.

4. Disclosure of the business model and strategy are critical to an appreciation of the business and its performance. Both are inextricably linked to, and should be consistent with, the company's purpose. It should be evident from the Strategic Report how the business model and the strategy support the overriding corporate purpose. Best practice on how a company can report in this area is set out in the FRC Strategic Report Guidance. This is summarised on pages 107 and 108 of this document (for listed companies with 500 employees or fewer) and on pages 116 and 117 (for listed companies with more than 500 employees).

   See also the Financial Reporting Lab's project report "Business model reporting" (October 2016), which aims to promote greater alignment between business model reporting and the needs of investors, and its subsequent implementation study (October 2018). These are summarised in "Section B: General Reporting Know-How" at the end of this section. For information on how this year's disclosures of the business model and strategy may be affected by the coronavirus pandemic, see the FRC's "Company Guidance (COVID-19)" (May 2020) and "Thematic Review: Review of financial reporting effects of Covid-19" (July 2020) which are also summarised in "Section B: General Reporting Know-How" at the end of this section of the document.

FRC STRATEGIC REPORT GUIDANCE - CONTENT GUIDANCE FOR LISTED COMPANIES WITH 500 COMPANY (OR GROUP) EMPLOYEES OR FEWER

500 employees or fewer		**reference (e.g. page [ ] / ✓, x, n/a or ?)**
	STRATEGIC MANAGEMENT	
	General guidance	
SRG - 7A.7	The company's purpose, strategy, objectives and business model are inter-related concepts. The disclosure of the company's purpose, strategy, objectives and business model should together explain what the company does and how and why it does it.	
	A description of the company's values, desired behaviours and culture will help to explain its purpose and put it in context.	
SRG - 7A.8	The company's purpose is why it exists. This could encompass generating benefits for members through its economic success whilst having regard to the matters identified in section 172 and, in the broader social context, contributing to inclusive and sustainable growth.	
	The company's strategy should be informed by what it wants to achieve in the future.	
SRG - 7A.9	The company will usually have a number of formal objectives (which can be financial or non-financial in nature and may be expressed in quantitative or qualitative terms) that it intends to achieve in pursuit of its purpose.	
	The company will also have developed a strategy that describes the means by which it intends to achieve its objectives.	
SRG - 7A.10	The company's purpose, strategy and values should be aligned with its culture.	
s.414C(8)(a)	**Description of the strategy must be included**	
SRG - 7A.12	A description of the strategy for achieving the company's objectives provides insight into the company's development, performance, position and future prospects.	
	The disclosure of the company's objectives places its strategy in context and allows shareholders to make an assessment of its appropriateness.	
SRG - 7A.13	The descriptions of the strategy and objectives should link in (where relevant) with the discussion of key performance indicators to allow shareholders to assess progress against strategy and objectives.	
	Emphasising the relationship between the company's principal risks and its ability to meet its objectives may provide relevant information.	
s.414C(8)(b)	**Description of the business model must be included** ***Note:*** *In addition to the FRC Strategic Report Guidance as summarised below, a listed company may also wish to take account of the Financial Reporting Lab's "Business model reporting" (October 2016) and Implementation Study (October 2018).*	

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES - FINAL REPORT AND ANNEX

TCFD Recommendations, TCFD Supporting Disclosures and guidance

The table below sets out, in bold text, the four overarching TCFD Recommendations (**TCFD REC**). Beneath each recommendation are the TCFD Supporting Disclosures (**Supporting Disclosure**) which set out specific information that organisations are encouraged by the Task Force to include to support the principal recommendation. Also set out, in italicised text, is the 'Guidance for All Sectors' extracted from the TCFD Annex. The 'Supplemental Guidance' for specific sectors also contained in the TCFD Annex has not been included below, but emboldened notes indicate the TCFD Supporting Disclosures in respect of which supplemental guidance exists.

It should be noted that the Task Force recommends that the TCFD Supporting Disclosures under "Strategy" and "Metrics and targets" should only be provided when the information is deemed material. Companies will, nevertheless, need to make disclosures relative to their strategy irrespective of the board's view of the materiality of such disclosures to ensure compliance with the 2006 Act disclosure requirements.

		reference (e.g. page [ ] / ✓, x, n/a or ?)
	GOVERNANCE	
TCFD REC 1	**Disclose the organisation's governance around climate-related risks and opportunities**	
Supporting Disclosure – 1A	Describe the board's oversight of climate-related risks and opportunities.	
All Sector Guidance	*Organisations should consider including a discussion of the following:*	
	- processes and frequency by which the board and/or board committees (e.g. audit, risk, or other committees) are informed about climate-related issues.	
	- whether the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organisation's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures.	
	- how the board monitors and oversees progress against goals and targets for addressing climate-related issues.	
Supporting Disclosure – 1B	Describe management's role in assessing and managing climate-related risks and opportunities.	
All Sector Guidance	*Organisations should consider including the following information:*	
	- whether the organisation has assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the board or a committee of the board and whether those responsibilities include assessing and/or managing climate-related issues.	
	- a description of the associated organisational structure(s).	
	- processes by which management is informed about climate-related issues.	
	- how management (through specific positions and/or management committees) monitors climate-related issues.	

CORPORATE GOVERNANCE STATEMENT – DISCLOSURE REQUIREMENTS

This section assumes that a company will comply with the DTR 7.2.1 R requirements by including its corporate governance statement as a specific section within its Directors' Report. Where a company chooses to set out its corporate governance statement in a separate report or document as permitted by DTR 7.2.9 R, a number of additional factors should be considered. **(Note 1)**

		reference (e.g. page [ ] / ✓, x, n/a or ?)
	GENERAL	
	Chair's annual statement	
	Does the Annual Report include an annual statement by the chair? **(Note 2)**	
	Governance arrangements and public availability	
	Does the corporate governance statement contain a reference to the following where applicable: **(Note 3)**	
DTR 7.2.2 R(1)	- the corporate governance code to which the company is subject (i.e. the FRC's UK Corporate Governance Code (July 2018))?	
DTR 7.2.2 R(2)	- any corporate governance code which the company has voluntarily decided to apply?	
DTR 7.2.2 R(3)	- all relevant information about the corporate governance practices applied over and above the requirements of national law?	
	Does the company: **(Note 3)**	
DTR 7.2.3 R(1)(a) and (2)	- state where the corporate governance code to which it is subject (or any other code which it has voluntarily decided to apply) is publicly available or, where relevant, make details of its corporate governance practices publicly available and state where they can be found?	
DTR 7.2.3 R(1)(b)	- explain, where it departs from the corporate governance code to which it is subject (or any other code which it has voluntarily decided to apply), any departures and the reasons for doing so?	
DTR 7.2.3 R(3)	- explain the reasons for any decision that it has taken not to refer to any provisions of a corporate governance code referred to under DTR 7.2.2 R(1) and DTR 7.2.2 R(2) above?	
	APPLICATION OF CODE PRINCIPLES	
	Statement of application	
LR 9.8.6 R(5)	Is there a statement of how the company has applied the Code Principles set out in the FRC's UK Corporate Governance Code (July 2018) "in a manner that would enable shareholders to evaluate how the principles have been applied"? **(Note 4)** The Code Principles are as follows:	

		reference (e.g. page [ ] / ✓, x, n/a or ?)
Accounts Regulations Sch 7 para 11(1)(b)(ii)	- the effect of that regard, including on the principal decisions taken by the company during the financial year?	
	Engagement with suppliers, customers and others in a business relationship with the company	
Accounts Regulations Sch 7 para 11B(1)	Unless the company is exempted, does the Directors' Report contain a statement summarising: **(Notes 21, 23 and 24)**	
Accounts Regulations Sch 7 para 11B(1)	- how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others?	
Accounts Regulations Sch 7 para 11B(1)	- the effect of that regard, including on the principal decisions taken by the company during the financial year?	
	Share capital structure, transfer restrictions and takeover bid related disclosures, etc.	
Accounts Regulations Sch 7 paras 13 and 14	Does the Directors' Report contain detailed information by reference to the financial year-end (together with all "necessary explanatory material") on:	
Accounts Regulations Sch 7 para 13(2)(a)	- the structure of the company's capital, including the rights and obligations attaching to each class of shares and, where applicable, the percentage of the total share capital represented by each class?	
Accounts Regulations Sch 7 para 13(2)(b)	- any restrictions on the transfer of securities in the company, including limitations on the holding of securities and requirements to obtain approval for a transfer of securities?	
Accounts Regulations Sch 7 para 13(2)(e)	- where the company has an employees' share scheme in relation to which there are shares with rights with regard to control of the company which are not exercisable directly by employees, how those rights are exercisable?	
Accounts Regulations Sch 7 para 13(2)(g)	- any agreements between holders of securities known to the company which may result in restrictions on the transfer of securities or on voting rights?	
Accounts Regulations Sch 7 para 13(2)(j)	- any significant agreements to which the company is a party that take effect, alter or terminate on a change of control following a takeover bid, and the effects of any such agreements? **(Notes 25 and 26)**	
Accounts Regulations Sch 7 para 13(2)(k)	- any agreements between the company and its directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid? **(Note 26)**	
	Greenhouse gas emissions (Notes 27 to 29)	
Accounts Regulations Sch 7 para 15(5)(a) **NEW**	<u>Where the company **(Note 30)** consumed more than 40,000 kilowatt hours of energy **(Note 31)** during the period in respect of which the Directors' Report is prepared</u>, does the Directors' Report: **(Notes 32 and 33)**	

ANNUAL REPORT ON REMUNERATION – DISCLOSURE REQUIREMENTS

		reference (e.g. page [ ] / ✓, x, n/a or ?)
	Elements of remuneration and single total figure	
Accounts Regulations Sch 8 paras 4-12 and Sch 5 para 1(1)(a) and (d)	Is there a table in the prescribed form setting out the prescribed information on the various elements of pay for each director in respect of his performance of, or agreement to perform, qualifying services for the financial year and the previous financial year? **(Note 1)** Does the table include:	
	- a single total pay figure;	
NEW	- <u>a "total fixed remuneration" figure</u>; and	
NEW	- <u>a "total variable remuneration" figure?</u>	
GC100 Remuneration Guidance	*Information for non-executive directors can be set out in a separate table and it may be clearer for investors if two tables are produced.*	
LR 9.8.4 R(5)	Does the Remuneration Report give details of any arrangements under which a director has waived or agreed to waive any emoluments from a group undertaking? **(Note 2)**	
LR 9.8.4 R(6)	If a director has agreed to waive future emoluments, does the Remuneration Report give details of the waiver and the emoluments waived during the financial year? **(Note 2)**	
	Total pension entitlements	
	Does the disclosure of any prospective pension entitlement (whether to defined benefits or cash balance benefits or to benefits under a hybrid arrangement which includes such benefits) disclosed for each director during the financial year contain the following: **(Note 3)**	
Accounts Regulations Sch 8 para 13(1)(a)	- details of pension rights as at the end of the financial year, including normal retirement date?	
Accounts Regulations Sch 8 para 13(1)(b)	- a description of any additional benefit receivable on early retirement?	
Accounts Regulations Sch 8 para 13(1)(c)	- if the director has rights under more than one type of pension benefit, separate details for each type of benefit?	
Accounts Regulations Sch 5 para 1(1)(d)	In respect of directors, is the aggregate value disclosed of any company contributions to a pension scheme by reference to which the rate or amount of any money purchase benefits that may become payable will be calculated? **(Notes 4 and 5)**	
Accounts Regulations Sch 5 para 1(2)	Is the number of directors disclosed to whom retirement benefits are accruing under money purchase schemes and defined benefit schemes? **(Notes 4 and 6)**	

		reference (e.g. page [ ] / ✓, x, n/a or ?)
	Payments to past directors	
Accounts Regulations Sch 8 para 15	Are details of any payments of money or other assets to past directors during the relevant financial year disclosed? **(Note 9)**	
GC100 Remuneration Guidance	*Although there is no specific guidance on what constitutes a "de minimis" threshold, investors do not expect immaterial amounts to be included in the Remuneration Report. If the threshold is changed, companies may wish to consider explaining this.* *The vesting of incentive awards after the year of leaving must be disclosed under this section (notwithstanding that the treatment of the outstanding awards must also be disclosed under the loss of office payments section below).* *If a loss of office payment previously disclosed was an estimate or the total amount payable was unknown at the point of leaving, the actual amount paid to the past director must be disclosed under this section.* *Continuing healthcare premiums for past directors would not normally need to be disclosed under this section. However, if they are of significant value (which may be the case for overseas directors), companies may wish to disclose the arrangements in the first Remuneration Report after a director leaves but not necessarily in subsequent reports.* *Where there is a continued employment arrangement with a past director, companies may wish to explain this clearly. A similar disclosure may be considered where a past director obtains a paid role at the company's pension fund trust, charitable foundation or other connected organisation.* *Although strictly a continued consultancy relationship is not required to be disclosed under the Accounts Regulations, investors generally expect companies to consider carefully the adequacy of disclosure to comply with both the Accounts Regulations and best practice.* *Where no payments to past directors have been made, companies may wish to consider making a nil-return – i.e. a one sentence statement confirming this fact.*	
	Loss of office payments (Note 10)	
Accounts Regulations Sch 8 para 16	Does the Remuneration Report include details of any compensation for loss of office paid to, or receivable by, any director (excluding "de minimis" payments below a threshold amount set by the company and stated in the Remuneration Report)? The details are:	
Accounts Regulations Sch 8 para 16(a)	- the total amount broken down into its constituent components with a value for each component;	
Accounts Regulations Sch 8 para 16(b)	- an explanation of how each component was calculated;	

NOTICE OF MEETING AND OTHER CONSIDERATIONS

The requirements in this section of the document have been drafted on the basis that the AGM will be held after 30 March 2021 and that the provisions of the Corporate Insolvency and Governance Act 2020 will, therefore, not apply.

		reference (e.g. page [ ] / ✓, x, n/a or ?)
	Notice of meeting	
s.337(1)	Does the notice specify the meeting as being the AGM?	
s.311(1)(a) and (b) and DTR 6.1.12 R(1)	Does the notice state the time, date and place of the meeting?	
s.336(1)	Is the AGM being held within six months of the financial year-end?	
	Does the notice contain separate resolutions on each substantially separate issue?	
	Ordinary resolutions	
	For details of standard AGM business proposed as ordinary resolutions, see "Ordinary resolutions and Explanatory notes" later in this section of the document.	
	Special resolutions	
	For details of standard AGM business proposed as special resolutions, see "Special resolutions and Explanatory notes" later in this section of the document.	
	Does the notice:	
s.283(6)(a)	- specify the intention to propose each special resolution as such?	
s.283(6)(a)	- include the text of each such proposed special resolution?	
	Compliance with constitution	
	Have the articles of association been checked to ensure any requirements relevant to the notice of meeting have been satisfied (such as the distinction between ordinary and special business)?	
	Does the notice have a statement that it is issued "By order of the board" and is it signed by the secretary and dated? **(Note 1)**	
	Does the notice state the company's registered office?	
	Notice of meeting - notes	
s.311(3)(b) and Uncertificated Securities Regulations 2001 reg 41	Does the notice state that the right of a member to vote at the meeting will be determined by reference to the register of members and does it set a cut-off time (not more than 48 hours before the time for the holding of the meeting) for recognising changes in the register of members for the purpose of determining rights to attend and vote at the AGM? **(Note 2)**	

PROBLEMS. POSSIBILITIES.
COMPLEXITY. CLARITY.
OBSTACLES. OPPORTUNITIES.
THE DIFFERENCE IS IMAGINATION.

PRICE £1,750