

Corporate reporting and communication during the COVID-19 crisis



The coronavirus (COVID-19) pandemic has rapidly transformed the corporate landscape and made it all but impossible for companies to disclose their results on a normal basis.

Regulators in the UK have responded to this unprecedented uncertainty with a series of measures to ease the reporting burden on companies and auditors, while endeavouring to preserve the quality of information provided to the investor community.

At the same time, effective communication and tireless stakeholder engagement will be crucial for companies navigating this volatility over the coming weeks, months and even years ahead.

Here are the latest developments and our guidance on how to respond to this crisis.



How have reporting regulations changed?



1 Listed companies have two extra months to publish their annual report

On 26 March 2020, the Financial Conduct Authority (FCA) published a [statement](#) temporarily permitting listed companies to publish their audited financial statements within six months of their year end, rather than within the four-month window normally required by the Transparency Directive.

- + The extension applies to companies required to comply with DTR 4.1
- + It does not apply to markets not regulated under MiFID – meaning that it does not apply to AIM companies
- + It is the responsibility of issuers to comply with legislation in other jurisdictions they fall under
- + The extension does not currently extend to half yearly financial reports (interims)
- + The FCA will keep the application of the extension under review and consider how best to end the policy in a fair, orderly and transparent way when disruption has abated

2

AIM companies have three extra months to publish their annual report

26 March 2020, the London Stock Exchange (LSE) published an [Inside AIM update](#) permitting certain AIM companies to publish their audited financial statements within nine months of their year end, rather than within the six-month window normally required by the AIM Rules.

- + The extension applies to companies required to comply with AIM Rule 19
- + The extension is available for AIM companies with year ends between 30 September 2019 and 30 June 2020
- + Companies must formally request an extension via their nominated adviser (Nomad) prior to their original reporting deadline
- + LSE will keep under review the operation of the AIM Rules and, in particular, the requirements for reporting of half yearly reports under AIM Rule 18

3

Listed companies are requested to withhold prelims for two weeks

On 21 March 2020, the FCA requested that companies observe a [moratorium](#) of two weeks on the publication of their preliminary statements in order to alleviate unnecessary pressure on reporters and auditors. It has since been confirmed that this moratorium will be lifted on 5 April 2020.



4

Companies have three extra months to file their accounts with Companies House

On 25 March 2020, the Department for Business, Energy and Industrial Strategy published a [statement](#) permitting UK businesses to file their accounts with Companies House three months later than they traditionally would be required to do so.

- + The extension applies to all 4.3 million businesses registered in the UK
- + Companies must formally request an extension using an online form that takes 15 minutes to complete and will be automatically approved if they cite COVID-19



5

Gender pay gap reporting has been suspended

On 24 March 2020, the UK Government Equalities Office [announced](#) that it would suspend enforcement of the gender pay gap deadline for the 2019/20 reporting year. Under normal circumstances, public and private companies with 250 or more employees would have faced deadlines of 30 March 2020 and 4 April 2020 respectively for publishing six gender pay gap measures.

6 Companies are encouraged to prepare AGM contingency plans

New guidance from the Investment Association, Quoted Companies Alliance (QCA) and GC100 has encouraged companies to consider contingency plans for their AGMs. In light of quarantine and social distancing measures, it has been suggested that companies should:

- + Consider virtual AGMs: where allowed by their articles of association, companies can conduct an electronic meeting using video, audio and voting technology.
- + Consider hybrid AGMs: where allowed by their articles of association, companies can conduct a combination of a physical and electronic meeting
- + Adapt: where possible under lockdown rules, companies can enforce strict distancing rules at their meeting and encourage electronic proxy voting rather than attendance
- + Delay: in the case that the AGM notice has not already been issued to the market, companies can reschedule their meeting
- + Postpone: where allowed by their articles of association, companies can temporarily postpone their meeting
- + Adjourn: where postponement is not allowed by their articles of association, companies will often have the final option of adjourning their meeting

The Government is currently consulting various market participants on the best solutions for addressing the impact on AGMs.



What we recommend



When extending your publication

- + If you feel it is appropriate to make use of the extensions, you are urged to do so.
- + Market participants are being urged to accept timetable changes without making unfair assumptions about the impact of COVID-19 on individual companies. Consider supporting this by announcing a clear and concise rationale for your decision to extend.



Report strategically

- + Review the draft content of your unpublished reports or upcoming communications and consider whether you can provide further information in relation to some of the key areas that investors are seeking information on during this time. In particular, information relating to liquidity, viability and solvency.
- + While addressing the unprecedented near-term impact of COVID-19, try not to neglect the stakeholder engagement priorities that will continue to be critically important for listed companies both during and after this crisis.
- + Ensure that you are clearly communicating your company's ESG credentials, corporate purpose and culture development, particularly in relation to the impact of the pandemic.
- + Be as transparent and comprehensive as possible in your viability, risk and going concern disclosure.
- + Ensure that you continue to fulfil disclosure obligations not impacted by the extensions, particularly those relating to insider information under the Market Abuse Regulation.

What we recommend

Communicate effectively

- + Communicate clearly, directly and concisely with your stakeholders during this time, opening as many lines of engagement as possible. However, steer clear of contributing to the current information overload by avoiding market announcements when you do not have new material information to disclose.
- + Create a dedicated web page to house all your COVID-19 communications and promote it via RNS, social media and press releases.
- + Prepare and publish video messages from senior management and the board to most effectively convey leadership through your communication during this time.
- + Ensure consistency in your COVID-19 disclosure and messaging across all communication channels.

Plan proactively

- + Immediately commence work on an AGM contingency plan if you have not already done so, beginning with a discussion with your company secretary of what's possible under your articles of association.
- + Speak to your communication partners about the logistics of a hybrid AGM in preparation for possible updated guidance from the Government.

How we will support you during this time

- + We will work closely and proactively with you to reshape your project timetable. In particular, it will be critical to quickly secure a new print slot should you decide to extend the timings of your publication.
- + We are available to provide guidance on how to address and report on COVID-19 in the narrative sections of your annual report, in your investor presentations, on your corporate website and on your social media.
- + We will keep you informed of the latest regulatory developments regarding COVID-19, along with best practice trends in relation to how companies are communicating to stakeholders on a range of issues during this time.
- + We can support you in preparing for a hybrid AGM using video, audio and voting technology.

Here to video chat

We're working tirelessly to support our clients during this challenging time, with our full team on hand to provide content, creative and channel guidance for your disclosure and stakeholder affairs. If you have any questions, we're here to help.



Times like these give us immense pride in the strength, spirit and resilience of our people and our clients. This is the inspiration that drives us to work harder than ever in championing transparency, storytelling and stakeholder engagement for the benefit of our clients and those who rely on them. We are here to make your communication as simple, straightforward and relevant as possible during this crisis.



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Additional resources

- + [FRC guidance for companies on corporate governance and reporting](#)
- + [FRC guidance for auditors](#)
- + [FRC guidance on questions investors are currently seeking information on](#)
- + [ICAEW resources](#)
- + [COVID-19 and what it means for your ESG communications](#)
- + [Communicating in the COVID-19 world. What can we learn?](#)

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