

Company reporting

Topping up UK annual reports for the US

Richard Baumann, Jamie A Benson, Mark Taylor and Maweta Odesola of Dorsey & Whitney summarise the major disclosure items that a typical UK company listed on the Main Market of the London Stock Exchange would have to add to its UK annual report to generate an annual report on Form 20-F.

Disclosure items	Principal UK requirements (under UK Listing Rules, Disclosure and Transparency Rules, Combined Code and Companies Act 2006)	Principal additional US requirements (under Form 20-F and the listing rules of the New York Stock Exchange (NYSE) and the NASDAQ stock market (NASDAQ))
<p>Information about the company's business</p>	<p>A statement of the principal activities of the company and that its business is a going concern.</p> <p>A fair review of the company's business, including a balanced and comprehensive analysis of the development and performance of the business during the year and the position of the business at the end of the year (using key performance indicators where necessary to aid understanding of development and performance).</p> <p>Description of the principal risks and uncertainties facing the company.</p> <p>An indication of important events since the end of the year and likely future development.</p>	<p>Risks must be disclosed prominently in a separate section entitled "Risk Factors".</p>
<p>Information about the company's legal organisation and governance</p>	<p>"Comply or explain" statement disclosing the extent of observance of the Combined Code corporate governance provisions (which cover matters such as the constitution of the board, directors remuneration, financial reporting and internal controls and the establishment of remuneration, audit and nomination committees).</p>	<p>Description of any changes to the company's memorandum and articles of association.</p> <p>Additional requirements under the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley) (see "Annual Report on Form 20-F" in Article, "Ongoing reporting obligations: requirements for foreign private issuers", page 67).</p> <p>Items 16A, 16B, 16D, 16G and (for fiscal years ending on or after 15 December 2009) 16F of Form 20-F (see "Annual Report on Form 20-F" in Article, "Ongoing reporting obligations: requirements for foreign private issuers", page 67).</p>

Disclosure items	Principal UK requirements (under UK Listing Rules, Disclosure and Transparency Rules, Combined Code and Companies Act 2006)	Principal additional US requirements (under Form 20-F and the listing rules of the NYSE and NASDAQ)
<p>Information about the company's directors, managers and employees</p>	<p>Names of persons who were directors during the financial year.</p> <p>Details of directors' service contracts and a remuneration report covering company policy on remuneration, amounts of compensation, and termination payments made to former directors, share options, long-term incentive schemes and pensions.</p> <p>Details of any waiver by a director of emoluments or future emoluments.</p> <p>Statement setting out all the interests of the directors (and their connected persons) in the company's securities and derivatives at the end of the period and details of all dealings in those securities or derivatives during the period.</p> <p>Details of directors' interests in any contracts of significance.</p>	<p>Numbers of employees for the last three financial years and breakdown by main activity and geographic location.</p> <p>Additional Sarbanes-Oxley disclosure requirements (see "Annual Report on Form 20-F" in Article, "Ongoing reporting obligations: requirements for foreign private issuers", page 67).</p>
<p>Information about the company's securities</p>	<p>Structure of share capital, including the number of issued, authorised, and outstanding shares, restrictions on transfer of shares, purchases of own shares in the year and outstanding purchase authorities at the year end, certain sales out of treasury, allotments of shares made on a non-pre-emptive basis (and not otherwise specifically authorised) and dividend policy.</p>	<p>Purchases of equity securities by the company and affiliated purchasers, description of offerings during the past year and information regarding share price history, including annual high and low market prices for the last five financial years.</p> <p>Information on any significant trading suspensions in the last three years and disclosure of all exchanges and regulated markets on which the securities listed are traded.</p> <p>Disclosure of the fees and other charges paid by holders of American Depositary Receipts (ADRs) to depositaries, as well as any incentive and other payments made by depositaries to the foreign private issuer whose securities underlie the ADRs.</p>
<p>Information about the company's security holders</p>	<p>Details of substantial shareholders (being direct or indirect holders of securities representing 3% or more of the company's voting capital not more than one month prior to the date of the annual general meeting).</p> <p>Details of the identities of such shareholders, the size of their holdings and the nature of their holdings.</p>	<p>Disclosure required only in respect of beneficial owners of 5% or more of each class of the company's voting securities.</p> <p>Disclosure of names of such shareholders, the number of shares and percentage of outstanding shares held by such shareholders as of the most recent practicable date and any significant change in their percentage ownership during the past three years.</p> <p>Disclosure of the portion of each class of securities held in US and the number of record holders in US.</p>
<p>Information about related party transactions</p>	<p>Particulars of related party transactions effected during the year.</p>	<p>Disclosure must cover related party transactions in the last three financial years.</p>

Disclosure items	Principal UK requirements (under UK Listing Rules, Disclosure and Transparency Rules, Combined Code and Companies Act 2006)	Principal additional US requirements (under Form 20-F and the listing rules of the NYSE and NASDAQ)
Information about the company's home country	None required save as to compliance with the company's local corporate governance regime.	<p>Description of rules that may affect import or export of capital and remittance of dividends.</p> <p>Information regarding home country taxes, including withholding provisions, to which shareholders may be subject.</p> <p>If the company is listed on the NYSE or NASDAQ, disclosure of how home country corporate governance practices differ from those required of US companies listed on that exchange.</p>
Financial information	<p>Annual financial statements covering the financial year, and including the corresponding figures for the previous financial year. If consolidated accounts are required under the 7th Company Law Directive (83/3491/EEC), the company must prepare consolidated accounts in accordance with International Financial Reporting Standards (IFRS) and the accounts of the parent must be prepared in accordance with UK generally accepted accounting principles (UK GAAP) or IFRS.</p> <p>The audit reports must, in addition to covering the annual accounts, also cover specified parts of the directors' report.</p> <p>Disclosure of off-balance sheet arrangements.</p>	<p>Substitute:</p> <p>Annual financial statements covering, generally, last three financial years, comprising consolidated accounts prepared in accordance with or reconciled to US generally accepted accounting principles (US GAAP), or prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), and audited in accordance with US generally accepted auditing standards. (There is no need for parent company financial statements.)</p> <p>Audit reports covering the financial statements. Auditor must comply with US standards for auditor independence.</p> <p>"Operating and Financial Review and Prospects" section, discussing financial matters for periods covered by financial statements. Generally, more structured and elaborate than a UK Operating and Financial Review due to rules and market custom. Requirement to disclose known forward-looking trends.</p> <p>"Selected Financial Data" section showing, generally, past five years of key financial statement information (although full financial statements are required to be included for fewer years; see above) and reporting currency/USD exchange rate information for last six months and last five full years.</p> <p>Capitalisation and indebtedness statement or table.</p> <p>Additional quantitative and qualitative disclosures about market risk.</p> <p>Disclosure of off-balance sheet arrangements.</p> <p>Tabular disclosure of ongoing contractual obligations.</p> <p>Disclosure of auditors' fees and services.</p>

Disclosure items	Principal UK requirements (under UK Listing Rules, Disclosure and Transparency Rules, Combined Code and Companies Act 2006)	Principal additional US requirements (under Form 20-F and the listing rules of the NYSE and NASDAQ)
<p>Other information</p>	<p>Details of any contracts of significance subsisting during the period under review.</p> <p>Statements to be given by the responsible persons within the company that the financial statements and management reports were prepared in accordance with the applicable rules, to the best of the responsible person’s knowledge (contrast to Sarbanes-Oxley Section 302 and Section 906 certifications requirements (see “Exhibits” below)).</p>	<p>Description of SEC staff comments on prior public disclosure documents, if those comments remain unresolved.</p> <p>Warnings in respect of forward-looking statements, if company wishes to invoke benefit of liability safe harbor.</p>
<p>Exhibits</p>	<p>Memorandum and articles of association and directors’ service contracts must be on display at the company’s registered office.</p> <p>Annual accounts and reports must be made available on the company’s website.</p>	<p>To such items, add:</p> <p>Copies of all material contracts.</p> <p>Memorandum and articles of association and any amendments.</p> <p>All instruments defining the rights of holders of long-term debt issued by the company.</p> <p>Any voting trust agreements and any amendments.</p> <p>Any code of ethics.</p> <p>A list of all the company’s subsidiaries, their jurisdictions of incorporation and the names under which they do business.</p> <p>Sarbanes-Oxley Section 302 and Section 906 certifications by CEO and CFO. Personal knowledge qualifier is not allowed in such certifications.</p>

