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Improving transparency and disclosure

Good practice reporting by portfolio companies

Guidelines Monitoring Group

Private Equity Monitoring Group

On Transparency and Disclosure

July 2014

Contents

Introduction

The objective of this guide is to assist private equity owned portfolio companies to improve the transparency and disclosure in their financial and narrative reporting by highlighting good practice examples.

The Guidelines Monitoring Group (the ‘Group’) was established to monitor conformity of the UK private equity industry with the Guidelines for Disclosure and Transparency in Private Equity (the ‘Guidelines’). The Guidelines resulted from an independent review of the adequacy of disclosure and transparency of reporting by private equity owned companies undertaken by Sir David Walker at the request of the British Private Equity and Venture Capital Association (‘BVCA’). The Group is also responsible for making recommendations to the BVCA for changes to the Guidelines as needed.

After consultation with the market, the Guidelines have been refreshed for the first time in seven years in order to reflect recent developments in corporate reporting. The need for this has arisen largely from the implementation of The Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013 (the ‘Strategic Report Regulations’). This legislation removes the requirement for a Business Review in the directors’ report which was the foundation of the Guidelines’ enhanced disclosure requirements. The areas previously covered in the ‘Business Review’ are now covered in a new ‘Strategic Report’ together with some new reporting matters. The disclosure requirements differ between quoted companies, large private companies and other companies.

The Group has taken the view that the Guidelines should be aligned with the requirements for quoted companies, with a few exceptions, in order to continue to meet our expectation for large private equity corporate reporting to be in line with that of the FTSE 350 Group.

In setting out the Guidelines for Disclosure and Transparency in Private Equity revised July 2014 (the ‘updated Guidelines’) we have continued to make it clear which areas are specific to the Guidelines due to private equity ownership, which would be required by large private companies in any case, and which areas are incremental due to our aspiration of matching the standard of quoted company reporting.

The updated Guidelines are applicable to relevant portfolio companies for September 2014 year ends onwards although early adoption is encouraged where possible for earlier year ends.

The Group has commissioned PwC to produce this guide to illustrate how the updated Guidelines should be implemented and to share examples of good practice from both the world of private equity and also other companies that have produced disclosures relevant to strategic reports. The Group has also asked PwC to examine the compliance of a sample of portfolio accounts with the updated Guidelines for September 2014 year ends onwards. Our first report on compliance with the updated Guidelines will be issued in December 2015.

The examples on the following pages highlight some of the good disclosures observed within portfolio companies’ accounts in the last two years and in the wider business community. They are not a comprehensive analysis of how any individual company complied with any particular guideline criterion.

The Group would like to thank PwC and the BVCA for their continued efforts in assisting the Group with the review of the portfolio companies and the production of this guide.

Nick Land Chairman – Guidelines Monitoring Group

Applying the updated Guidelines – guiding principles

The updated Guidelines requirements are split into fifteen sections in three broad areas. However when determining what to include in the annual report and constructing its look and feel, in addition to compliance with the individual criteria, the annual report should be fair, balanced and understandable to a user of the accounts. Good annual reports are:

- Tailored to the business and avoid boiler plate language;
- Provide useful and specific information, avoiding generic terms and superficial references;
- Are not cluttered with erroneous or repeated information and help the reader focus on and understand the key relevant information; and
- Are consistent throughout and demonstrate linkage between each area.

No two annual reports will look the same, as no two businesses are the same; but these principles, along with the specific criteria below will enhance understanding and comparability of annual reports. The updated Guidelines are summarised below and set out in more detail on the following pages where examples of good reporting are included:

Guidelines specific

Disclosures focussed on the features that occur from being under private equity ownership:

Strategic report – Large private

Disclosures required for all large private companies in order to comply with the Strategic Report Regulations and included in the updated Guidelines regardless of whether the portfolio company meets the criteria of being a large private company:

Strategic report – Quoted

Additional elements from the Strategic Report Regulations for quoted companies that have been adopted into the updated Guidelines for portfolio companies to further explain the business and offer comparability to those disclosures often seen in listed groups:

Additional guidance for disclosing greenhouse gas emissions

Disclosures concerning greenhouse gas emissions are not a mandatory requirement under the updated Guidelines. However where this information is available and is significant to the understanding of the portfolio company and its operations, its inclusion could only improve the transparency and quality of reporting. Further guidance can be found on pages 35 and 36.

Statement of compliance

A statement of compliance with the updated Guidelines should be presented in the annual report to demonstrate the updated Guidelines have been addressed. This does not need to be substantial and can be presented wherever seems most relevant.

A suggestion for this statement would be 'The Directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.'

Where the annual report does not fully comply with the updated Guidelines this should be referenced.

Comply or explain requirement

The extracts of 'Good Practice' shown through this guide are examples of disclosures that we see as being consistent with that standard. Where elements of the requirements are not applicable to the specifics of that company, our view is that the updated Guidelines encourage explanation as to why they are not relevant and why the disclosure may be omitted, under the 'comply or explain' philosophy.

Most companies will find they include these requirements within their strategic report. Where there is any cross over between the director's report and other areas of the annual report, appropriate cross references may be used to ensure compliance whilst optimising the most appropriate and clear structure for the accounts.

1. Identity of private equity firm

Requirement

The report should identify the private equity fund or funds that own the company and the senior executives or advisers of the private equity firm in the UK who have oversight of the company on behalf of the fund or funds.

Basic compliance

To comply with this requirement, the identity of the private equity firm managing the fund should be disclosed in the annual report together with the identity of the relevant senior executives of the firm.

Good practice

Attributes of good practice include:

- Name of the fund as well as the name of the private equity firm;
- Background on the private equity firm and explanation of its role; and
- History of the ownership of the company, including that of previous private equity owners.

Worldpay – 31 December 2012

The Ultimate Holding Company and the Company were set up by Advent International and Bain Capital (the Investors) to acquire the WorldPay merchant acquiring businesses from The Royal Bank of Scotland Group plc (RBS) on 30 November 2010. RBS retains a non-controlling interest in the Group. The Group receives ongoing funding and liquidity resources from the Investors, which coupled with other sources of funding and liquidity, enable the Group to meet its obligations as they fall due.

Ship Luxco 3 S.à r.l. is a subsidiary of the Company and is responsible for providing strategic guidance to the Group. The Board of Ship Midco Limited, an indirect subsidiary of Ship Luxco 3 S.à r.l., is responsible for all matters delegated to it by Ship Luxco 3 S.à r.l., including execution of strategy, operational performance and Group co-ordination. The Boards of the regulated entities, WorldPay (UK) Limited, WorldPay Limited, WorldPay AP Limited and forming the Group Executive Team, are responsible for the day to day management of the Group.

This example clearly demonstrates the ownership of the company with a history of how the company became private equity owned and who has managerial responsibility on a day to day basis.

John Laing – 31 December 2012

GROUP ACTIVITIES

John Laing is a specialist investor in and manager of infrastructure assets in the UK and internationally.

The share capital of John Laing plc is wholly-owned by Henderson Infrastructure Holdco Limited, on behalf of two funds, Henderson PFI Secondary Fund LP and Henderson PFI Secondary Fund II LP, which are managed by Henderson Equity Partners, a subsidiary of Henderson Group plc.

This example clearly sets out the names of the private equity firms owning the portfolio company along with names of the respective funds.

Gatwick Airport – 31 March 2013

OWNERSHIP

The Company is a wholly-owned subsidiary of Ivy Holdco Limited, a United Kingdom ("UK") incorporat company, and is ultimately owned by a consortium through a number of UK and overseas holding compan and limited liability partnerships

Gatwick Airport Limited owns 100% of the share capital of Gatwick Funding Limited, a company incorporat in Jersey but resident in the UK for tax purposes The primary purpose of Gatwick Funding Limited is to rai external funding and provide it to Gatwick Airport Limited This is done through the issuance of exterr bonds and the use of external interest rate and index-linked derivatives, the terms of which are th replicated in a "back-to-back" agreement with Gatwick Airport Limited

Gatwick Airport Limited, its parent entity Ivy Holdco Limited and Gatwick Funding Limited are collective referred to in this Directors' Report and the financial statements as "the Ivy Holdco Group"

The consortium that ultimately owns the Company currently comprises the following parties

Global Infrastructure Partners, LP ("GIP 1")[1]	41 95%
The Abu Dhabi Investment Authority ("ADIA")[2]	15 90%
The California Public Employees' Retirement System ("CalPERS")[3]	12 78%
National Pension Service of Korea ("NPS")[4]	12 14%
Future Fund Board of Guardians ("Future Fund")[5]	17 23%

[1] Global Infrastructure Partners, LP ("GIP 1") is a US$5 64 billion independent, specialist infrastructure fund that invests worldwide in infrastructure assets and businesses in both OECD and select emerging market countries GIP 1 was founded in 2006 by former senior executives from Credit Suisse and the General Electric Company GIP 1 targets investments in power and utilities, natural resources infrastructure, air transport infrastructure, seaports, freight railroad, water distribution and treatment and waste management Global Infrastructure Management, LLC, the manager of GIP 1, has offices in New York and London with an affiliate in Sydney and portfolio operations headquarters in Stamford, Connecticut

[2] The Abu Dhabi Investment Authority ("ADIA"), established in 1976, is a globally diversified investment institution, whose sole mission is to invest funds on behalf of the Government of the Emirate of Abu Dhabi to make available the necessary financial resources to secure and maintain the welfare of the Emirate

[3] The California Public Employees' Retirement System ("CalPERS") manages retirement benefits for more than 1 6 million public employees, retirees, and their families and more than 3,000 employers in the state of California, United States of America CalPERS also manages health benefits for more than 1 3 million members The CalPERS fund invests in a range of asset classes, with a market value of approximately US$255 billion

[4] National Pension Service of Korea ("NPS"), which is a public pension fund for the general public in Korea which has grown to 333 trillion won (US$300 billion), and is the fourth largest pension fund in the world

[5] Future Fund Board of Guardians ("Future Fund") is a financial asset fund established by the Future Fund Act 2006 to assist future Australian governments meet the cost of public sector superannuation liabilities by delivering investment returns on contributions to the fund The fund has approximately A$85 billion assets under management

This example presents full disclosure of the names of the funds and the private equity firm together with a summary background on the private equity firm and fund.

2. Details on board composition

Requirement

The report should give detail on the composition of the board, identifying separately executives of the company, directors who are executives or representatives of the private equity firm and directors brought in from outside to add relevant industry or other experience.

Basic compliance

The Companies Act requires the disclosure of the directors of the company; but this is not, by itself, sufficient to meet this requirement of the Guidelines. Additional disclosures are required to highlight which of the directors are also directors of, or had been appointed by, the private equity firm.

Good practice

Attributes of good practice include:

- Additional explanations of the industry and other relevant experience that external directors bring to the company; and
- Disclosure of other appointments.

Worldpay – 31 December 2012

Humphrey Battcock
Humphrey joined Advent in 1994 and has 28 years of private equity experience. Humphrey has led or co led investments in 28 companies, 12 during his time at Advent, including The Priory Group, Towergate, Moeller, Aviagen, Boart Longyear and WorldPay. Prior to joining Advent, Humphrey spent nine years as a partner with Trinity Capital Partners, a UK private equity firm. From 1976 to 1983, Humphrey worked for Coopers & Lybrand, in London and New York, where he gained experience in international mergers and acquisitions.

James Brocklebank
James joined Advent International in 1997 and has 16 years of private equity experience. Based in London, James is responsible for the European business and financial services sector team and is a member of the Western Europe Investment Advisory Committee. James has led Advent's investments in WorldPay and Equiniti Group and participated in seven others (two as sponsor).

Prior to Advent, James worked on international mergers and acquisitions in the London office of investment bank Baring Brothers and then its affiliate Dillon, Read & Co. in New York.

Robin Marshall
Robin joined Bain Capital in 2009 and is a Managing Director. Prior to joining Bain Capital, Robin was a Partner at 3i where he completed transactions in the healthcare, business services, and consumer sectors. Robin was the founding partner of 3i's US Private Equity business and prior to that was a Managing Director of 3i's UK business. Previously, he was with McKinsey & Company and Procter & Gamble. Robin is currently a Director of WorldPay and Securitas Direct.

Bruce van Saun
Appointed to the Board of the Royal Bank of Scotland Group in October 2009 as Group Finance Director, Bruce has extensive leadership experience with 30 years in the financial services industry. From 1997 to 2008 he held a number of senior positions with Bank of New York and later Bank of New York Mellon, most recently as vice chairman and chief financial officer and before that was responsible for Asset Management and Market Related businesses. Prior to that he held senior positions with Deutsche Bank, Wasserstein Perella Group and Kidder Peabody & Co. He is currently a non-executive director of Direct Line Insurance Group plc, WorldPay (Ship Midco Limited) and Lloyd's of London. He previously served on several corporate Boards in the US and has been active in numerous community organisations.

Chris Sullivan
See biography on page 22.

David Yates
David most recently joined VocaLink as CEO in 2012 with nearly 30 years of experience in the payments and transaction processing industries. Prior to that, David was President of Western Union with responsibility for Business Development and Innovation. At Western Union, David oversaw the development of strategy for eCommerce, Mobile Payments, Business Payments and Pre-Paid Cards. Previously he spent six years at First Data Corporation (FDC), most recently as Executive Vice President managing all of FDC's activities outside of the US, including merchant acquiring, merchant transaction processing, issuer processing and ATM network solutions business units. David has also served in executive roles with several major international corporations, including IBM, General Electric and American Management Systems.

This example provides good biographical disclosure of the board of directors of the portfolio company and their business and industry experience.

Consolidated Pastoral Company – 31 December 2012

Chris Evans
Non-Executive Director

Chris is Chairman of Agricultural Management Company Pty Ltd, one of Australia's largest rural consultancy and management companies. Chris has been involved in agribusiness for over 35 years and was formerly Managing Director of Taylor Byrne and then Rural Management Partners, rural valuation and agribusiness consultancies. Chris began his working life as a Jackaroo, Overseer, Station Manager and Research and Development Officer for Stanbroke Pastoral Company. Over the eleven years of employment with Stanbroke, he was based on a number of cattle properties and the head office. Chris is a Fellow of the Australian Property Institute and former Chairman of the Valuation Professional Board (Qld) and member of the Australian Property Institute Council (Qld).

John Stevenson
CFO and Executive Director

John was appointed as CPC's Chief Financial Officer in May 2010. John is an Australian Chartered Accountant, with over 25 years working experience in Australia and Asia. Prior to joining CPC in June 2010, John was a Finance and Managing Director for Jardine Matheson Limited in Indonesia for 10 years and has extensive experience as a Financial Manager throughout the Southeast Asian region.

In Australia, John practiced as a CA with Coopers and Lybrand and Deloitte's and his pastoral experience includes working as the Financial Controller for Heytesbury Beef in the mid 1990's.

Steven Webber
Non-Executive Director

Steven has worked on some of Terra Firma's most successful investments including transactions as diverse as Annington Homes – one of the very first for the group – Tank & Rast and the group's pub businesses. More recently, Steven worked on the AWAS deal and the acquisition of Pegasus by AWAS, and has focussed on the leisure, leasing and transportation sectors. He currently is responsible for Terra Firma's investments in Annington, AWAS and CPC.

Steven joined PFG, the forerunner to Terra Firma, in 1996 following his graduation from the University of Reading with a Masters degree in International Securities, Investment and Banking (MSc).

This example provides the background of each director's previous roles and experience as well as identifying links to the private equity owners.

3. Financial review – position

Requirement

The financial review should cover risk management objectives and policies in the light of the principal financial risks and uncertainties facing the company, including those relating to leverage, with links to appropriate detail in the footnotes to the balance sheet and cash flow section of the financial statements.

To cover the financial review requirement the analysis has been split into two parts. The first looks at information on the position of the entity at year end. The second looks at the financial risks identified (see page 11).

Basic compliance

The review of financial position should include an explanation of the year end debt and capital structure of the company and its funding requirements. This should be linked into the financial statements and notes through appropriate cross referencing.

Good practice

Attributes of good practice include:

- An analysis of the components of debt and the repayment schedule;
- Discussion and quantification of debt covenants;
- A discussion of gearing and leverage;
- A reconciliation of the year end net debt position to the prior year (or to free cash flow);
- Where non-GAAP measures (for example, net debt and free cash flow) are used to support the discussion in the financial review these are appropriately reconciled to the financial statements; and
- Proforma information, where appropriate, to enable meaningful comparatives to be provided (for example where the portfolio company is a NewCo acquisition vehicle in its first years of reporting).

Findus Group – 30 September 2012

Refinancing

The Group is backed by institutional investors and as is common with this business model a high proportion of the value of the business is accounted for by external debt. Following a period of declining EBITDA lenders waived the financial covenants for December 2011, March and June 2012. On 28 September 2012, several investors including Lion Capital, Highbridge Capital, and JP Morgan acquired control of the issued share capital of the Company and contributed £150m of new shareholder debt. The proceeds of the £150m shareholder debt have been used to repay £100m of senior bank debt in September 2012, fund a further repayment of £25m in December 2012 and pay costs incurred on the refinancing. As part of the refinancing, the former mezzanine lenders have agreed to release all guarantees and security and to convert the mezzanine debt to unsecured shareholder loans and equity. The vendor loan notes have also been converted to equity as part of the refinancing. Following the refinancing, the outstanding net bank debt, before the deduction of capitalised debt issue costs, at 30 September 2012 was £341.0m (*2011: £683.5m*).

New financial covenants have been agreed and the financial covenants for the period to 29 December 2012 were met with comfortable levels of headroom.

This example clearly describes the changes in debt during the period and the final year end position.

Garden Centre Group – 30 December 2012

Financial position

The Group's Balance sheet as at 30 December 2012 can be summarised as follows:

	Net assets £'000
Non-current assets	332,326
Cash and cash equivalents	31,645
Other current assets	41,923
Current liabilities (excluding borrowings)	(48,912)
Retirement benefit obligations	(2,433)
Deferred tax	(13,065)
Borrowings - external	(137,038)
Borrowings - shareholder loan	(149,479)
Other non-current liabilities	(27,702)
Total as at 30 December 2012	**27,265**

Capital structure

Strong financial capital management is an integral part of the Directors' strategy to achieve the Group's stated objectives. The Group's treasury function is controlled on a day-to-day basis by senior management within defined guidelines and limits as set out by the Board, which ensures that the Group has adequate liquidity in place on both a short term and long term basis.

The Group has external bank debt of £137.0 million and also has £149.5 million of shareholder loans.

The Group has net debt of £254.9 million, which includes a shareholder loan of £149.5 million (includes accrued interest of £11.4 million). Excluding the shareholder loan, the Group's net debt is £105.4 million. During the period bank loans of £134.1 million were drawn down, together with loans from the shareholders of £138.1 million. The Group is able to borrow at competitive rates and therefore currently deems this to be the most effective way of raising finance.

Gearing (net debt/equity) including shareholder loans equated to 10.5:1. Gearing excluding shareholder loans equated to 4.3:1. The Directors consider that the Group's current gearing is appropriate.

Further information on the Group's capital structure is provided in note 22 to the financial statements, including details of how the Group manages risk in respect of capital, interest rates, foreign currencies and liquidity. A debt maturity profile is included in note 21.

Trellis Capital Limited, the ultimate UK parent company in which the results of the Company and all of its subsidiaries are consolidated, has share capital of £24.4 million, being 24.4 million of £1 ordinary shares.

This example provides a clear presentation of the financial position and the capital structure in place.

4. Financial review – financial risks

Requirement

The financial review should cover risk management objectives and policies in the light of the principal financial risks and uncertainties facing the company, including those relating to leverage, with links to appropriate detail in the notes to the balance sheet and the cash flow section in the financial statements.

To cover the financial review requirement the analysis has been split into two parts. The first looks at information on the position of the entity at year end (see page 9). This second section looks at the financial risks identified.

Basic compliance

The review of financial position requirements should include the following:

- Discussion in the financial statements of the overall risk management objectives and policies of the company; and
- Discussion of the risk management policies relating to the company's leverage.

Good practice

Attributes of good practice include:

- More detailed discussion in the financial statements of the overall risk management objectives and policies;
- Discussion focused on the key financial risks identified (see page 13 for principal risks), for example liquidity and cash flow, credit, interest rate, and how the risk management policies address these risks;
- Quantitative information to support the discussion on risks; and
- Disclosure of the likelihood and impact of these risks and clear linkage to how they are managed and monitored.

AWAS – 30 November 2012

Interest rate risk

Interest rate risk is the risk (variability in value) borne by an interest-bearing financial instrument, such as a loan or a bond, due to variability of interest rates. The Group has entered into derivative contracts for some of its loan facilities which swap variable interest rates for fixed; therefore any increase or decrease in interest rates on the loan will lead to a decrease or increase in the differential on the swap. The Group's floating rate loans partially offset the floating rate nature of our lease rental contracts, where by an increase in interest rates will be expected to be offset by higher rentals earned.

The effect on profit before tax of a 50 and 100 basis point change in interest rate, assuming all other variables are held constant, would be as follows:

In thousands of USD	50 BPS	100 BPS
2012	694	1,387
2011	569	1,138

Whereas, a decrease of 50 and 100 basis points change in interest rates, would have had the equal but opposite effect, on the basis that all other variables remain constant.

The Group also has loans and borrowings that bear fixed interest rates determined at the inception of the agreement. A significant change in interest rates could have a material adverse impact on the fair value of the Group's loans and borrowings. However, the company records these loans at the amortised cost and therefore the company's future performance would not be impacted by any future rate changes.

This example provides good analysis of the foreign currency exchange risk facing the group.

Anglian Water Limited – 31 March 2013

High leverage

As at the date of these financial statements, the company's indebtedness is substantial in relation to its RCV. Under the external financing agreements, the company is entitled to increase its leverage to 90 per cent. However, a percentage exceeding 85 per cent for the company will result in a restriction on certain payments, such as dividends. The ability of the company to improve its operating performance and financial results will depend upon economic, financial, regulatory and other factors, including fluctuations in interest rates and general economic conditions in the United Kingdom.

The company is subject to a number of covenants in relation to its borrowings, which would result in its loans becoming immediately repayable if breached. These covenants specify certain limits in terms of key ratios such as net cash flow to debt interest and net debt to regulatory capital value. At the year end the group was not in breach of any financial covenants.

This example provides good disclosure of the risks associated with the company's leverage position and how this is managed.

John Laing– 31 December2012

LIQUIDITY The Group's liquidity risk is managed centrally and the bank facilities available to it are regularly reviewed by the Board to ensure that there are sufficient funds to cover current and forecast equity and loan commitments in respect of investments in projects which have reached financial close. These commitments are mostly backed by letters of credit issued under the Group's borrowing facilities. The letters of credit support the Group's share of the equity and subordinated debt of projects generally up to the completion of construction, following which funds are injected.

At 31 December 2012, the Group had committed borrowing facilities of £324.6 million comprising a three year revolving credit facility of £305 million (2011 – £305 million) and coterminous bilateral facilities of £19.6 million (2011 – £19.9 million), as well as a £5 million overdraft facility. Of the Group's committed facilities, £137.3 million was undrawn at 31 December 2012 (2011 – £138.4 million). Net available financial resources at 31 December 2012 were £210.6 million (2010 – £194.0 million).

This example shows part of the disclosure relating to liquidity, providing quantative information to support the discussion.

5. Balanced and comprehensive analysis of development and performance during the year and position at the year end

Requirement

The strategic report must contain a balanced and comprehensive analysis of development and performance of the company's business during the year and position at the year end. The purpose of this is to inform the members of the company and help them assess how the directors have performed their duty.

Basic compliance

In order to provide sufficient insight into a company's development and performance during the year and its position at the end of the year, this should be a fair reflection of the performance and provide appropriate context to the discussion such as the market environment in which the company operates.

Good practice

Attributes of good practice include:

- Strategy used to structure the content of the discussion to provide a clear alignment of strategic priorities, development and performance;
- Explanation of the performance in the wider market context; and
- Discussion at an appropriate divisional level to demonstrate how different parts of the business are performing.

Center Parcs – 25 April 2013

Progress Against Strategic Objectives

Our business strategy is to be the leading provider of short break holidays in the UK. To achieve this, we focussed on four key elements and during the year we made good progress in each area:

Maintain a market leading position in the UK

Delivering excellent service to our guests is at the heart of what we do and is integral to the success of Center Parcs. During the year, we improved on our guest satisfaction and mystery shopper scores. There is no room for complacency however and we are determined and focussed on maintaining the high standards we have set ourselves.

We maintained our investment in technology and innovation. We launched two new dedicated 'mobile friendly' websites. In June 2012 we launched the mobile accommodation booking website and in November 2012 we launched the mobile leisure activities booking website. These two new websites have made it even easier for our guests to book on line and, as a result, have increased the number of bookings made online.

The introduction of new activities allows us to maintain a fresh and exciting offering, in particular for our repeat guests. For example, we introduced a new caving activity at Whinfell Forest, Segway** experiences at Sherwood and Elveden Forest; extended the Pottery Studios at Longleat and Whinfell Forests and extended the Aerial Adventure at Longleat Forest.

Continue to grow organically through upgrades of central facilities and accommodation

In November 2012, we opened our iconic water ride, 'Tropical Cyclone', at Elveden Forest. Tropical Cyclone, costing over £4 million, has proved extremely popular with our guests who have been thrilled by the world first combination of two separate rides. Tropical Cyclone spans 200m in length and guests reach speeds of up to 30mph.

We continued our upgrade programme across our accommodation, with a further 283 lodges being upgraded to a new style during the year. These upgrades mean that 68% of our accommodation has been upgraded since 2008.

This example provides discussion of performance in the year on specific aspects of the company's strategy.

New Look – 29 March 2014

Multichannel

Our online sales continued their strong growth, advancing by 63.9% (own website 42.3%). This not only reflects our customers' changing shopping behaviour, but also enhancements made to our web platform. We've been investing in IT developments and improving delivery options to realise our goal of a best in class customer experience.

As well as significant enhancements to the design and functionality of our transactional website, we've responded to customers' increasing use of mobile devices such as smartphones and tablets to inform their choices or make purchases. Our upgraded mobile experience ensures customers can browse and buy all products while they're on the move.

Our retail stores remain a core channel to market for us, particularly in the UK, where our 576 locations give us extensive geographical reach. Our stores have also become an integral part of the multichannel shopping experience as more than 1 in 4 of our online shoppers are now using our *Click and Collect* service, and our *Order In Store* option (which counters availability issues and gives easy access to our complete product range) is increasingly popular.

In the light of our successes with our initial partners, we've identified the potential of 3rd Party E-commerce. Most of the sales of New Look product made by our 3rd Party partners come from outside the UK, providing an extremely encouraging validation that the New Look brand resonates with an international audience.

This example shows how the discussion of performance can be used to cover both current performance and continuing activity in line with the strategic priorities.

6. Principal risks and uncertainties facing the company

Requirement

The strategic report must contain a description of the principal risks and uncertainties facing the company.

Basic compliance

To comply with this requirement, the strategic report should contain an explicit identification of the principal risks and uncertainties facing the company. The definition of 'principal' may be unique to a business and the number identified will be dependent on a business size and complexity, however in order to be meaningful long lists of boiler-plate risks should be avoided.

Good practice

Attributes of good practice include:

- Clear alignment between strategy and risks;
- Explanation of how each risk is managed; and
- Assessment of the risk profile – the likelihood versus the impact of each risk – and an explanation of how the profile has changed during the year.

Alliance Boots – 31 March 2014

Our approach is to identify, monitor and assess all significant risks and take steps, where necessary, to mitigate them.

Our risk management process

Our executive Directors and the Director of Internal Audit & Risk Management continue to play the leading role, monitoring the overall risk profile and regularly reporting to the Board through the audit and risk committee. The process of risk identification is facilitated by the use of risk registers for Alliance Boots, and for each business. In addition, the Board, through the executive Directors, is responsible for determining clear policies as to what Alliance Boots considers to be acceptable levels of risk. These policies seek to enable employees to use their expertise to identify risks that could undermine performance and to devise ways of bringing them to within acceptable levels.

Where we identify risks that are not acceptable, we develop action plans to mitigate them with clear allocation of responsibilities and timescales for completion and ensure that progress towards implementing these plans is monitored and reported upon.

Following the formation of the Group's strategic partnership with Walgreens, an additional risk, "not achieving synergies", was added by the Board on the recommendation of the audit and risk committee.

Impact of regulation

Risk

Alliance Boots operates in regulated markets and could be adversely affected by changes to existing regulation, new regulation and/or failure to comply with regulation. Businesses in our Health & Beauty Division could be adversely affected by changes to licensing regimes for pharmacies, prescription processing regimes or reimbursement arrangements. Businesses in our Pharmaceutical Wholesale Division are subject to a range of regulations relating to such things as product margins, product traceability and the conditions under which products must be stored.

Mitigation

We seek to control this type of risk through active involvement in policy-making processes, understanding and contributing to government thinking on regulatory matters and building relationships with regulatory bodies directly and through representation in relevant professional and trade associations. We also seek to mitigate the risk of regulatory changes in any particular market by operating in many countries.

We continue to enhance our policies and procedures to counter the risk of fraud, bribery and corruption.

Changes and trends in consumer behaviour

Competition

Risk

Changes in market dynamics or actions of competitors or manufacturers, including industry consolidation, could adversely impact Alliance Boots.

Businesses in our Health & Beauty Division have a wide variety of competitors, including other pharmacies, supermarkets and department stores. Businesses in our Pharmaceutical Wholesale Division face competition from direct competitors and alternative supply sources such as importers and manufacturers who supply direct to pharmacies.

Mitigation

In our Health & Beauty Division, our strategy is to capitalise on the potential and strength of our leading brands and the trust in which they are held, to build strong relationships with customers and suppliers, and to enhance our buying and promotional activities. In our Pharmaceutical Wholesale Division, we continue to expand the scope of our operations in response to a changing marketplace, including entering into distribution agreements with manufacturers who wish to sell direct to pharmacies. Our successful development of own brand generic medicines and added-value service differentiates our offering to pharmacists and strengthens our competitive position.

This example gives good disclosure of the risks and mitigation across a well thought out range of issues.

Trader Media – 31 March 2013

Summary

- ***The fundamentals of the business remain extremely healthy with the core business metrics going from strength to strength***
- ***The core Digital business delivered solid growth through the success of its product offerings***
- ***The transition to a digital business is now complete in the UK and Ireland***
- ***We want our employees to feel proud to work for a company that values its customers***
- ***The Board remains confident the business can continue to perform strongly.***

Progress

I am pleased to present TMG's results for the year ended 31 March 2013 These results reflect the success of the group's efforts to become the partner of choice for car buyers and sellers in the UK Through the products and services TMG provides, we want to make our independent and franchise dealer customers more successful We also want to help private buyers and sellers find the right vehicle as quickly and efficiently as possible, or dispose of their vehicle easily, with confidence and at a great price Only through the skill, enterprise and hard work of our employees can we achieve this and we want our employees to feel proud of the values and achievements of the company they work for

The core Digital business delivered solid revenue growth through the success of its product offerings to customers The marketplace was challenging for the group with 2012 recognised as being a low point in the used car market, with supply of good quality cars restricted Given these challenging conditions the core business results represent an impressive achievement

Overall, group revenue and EBITDA remained broadly flat year on year This results from a combination of factors The Magazine business continued to decline in line with our expectations This decline, compounded by tougher trading in our international operations, offset the growth we achieved in the core UK Digital business In the current financial year to March 2014, we will no longer be impacted by declines in the Magazine business and expect, consequently, to see a return to overall group growth

However, the fundamentals of the business remain extremely healthy with the core business metrics going from strength to strength This year has been a year of breaking records with monthly website unique visitors reaching levels of over 11 5 million during the year and mobile growing impressively beyond 3 5 million monthly uniques in less than three years In February the autotrader co uk website registered over 50 million page views in a single day for the first time On the same day we also had the busiest ever hour with 4 2 million page views and registered new page view records on our mobile, iPhone and iPad sites[5]

These achievements are the result of the work of our 1,368 employees, who each day apply their talents to make TMG the UK's market leading multi-platform automotive digital business I want to take this opportunity to say thank you to each of them

Not only was 2012 a year for breaking records but also a milestone for the company The group celebrated helping people buy and sell

This example is part of a wider discussion on the progression of the company against its strategy.

Garden Centre Group – 30 December 2012

Weather

The main risk to the Group is the weather due to the nature of the principal activity of the Group which is highly seasonal. The plant area of the business and associated garden products is particularly susceptible to the weather with adverse weather having a negative impact on the performance especially around our peak season, which is spring / summer.

The Directors seek to mitigate this risk by increasing investment in restaurants and concessions which are less weather dependent. Additionally, flexibility has been built in to our cost structure to enable the business to respond to trading levels as necessary. Flexible pricing and specific product line initiati also be used to generate sales and increase footfall.

This example provides detail of how a risk that impacts the industry is managed by the company.

7. *Key performance indicators – financial*

Requirement

The strategic report must, to the extent necessary for an understanding of the development, performance or position of the company's business, include analysis using financial key performance indicators. 'Key performance indicators' means factors by reference to which the development, performance or position of the company's business can be measured effectively.

Basic compliance

For ease of confirming compliance and effective communication we encourage companies to explicitly disclose their KPIs and not leave it up to the readers to deduce what management consider to be 'key'.

Good practice

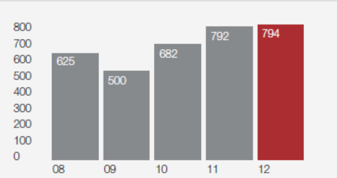
Good practice reporting goes further than just identifying KPIs and also provides:

- A clear alignment of KPIs to the company's strategic priorities and remuneration policies so that their relevance as a basis for management's assessment of strategic success is clear;
- An explanation of why each KPI has been included – it should be clear why this would be considered key;
- A definition of how they have been calculated;
- Quantified trend data; and
- Targets or milestones, whether qualitative or quantitative.

AZ Electronic Materials – 31 December 2013

Financial KPIs

Revenue (US$m)



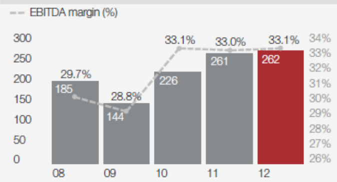
Relevance to strategy

Revenue is an important indicator of customer demand and our activity levels. It applies to all areas of our strategic plan and is assessed in relation to each priority. Revenue records are compared to external measures and forecasts of growth and determine the market positioning of our products, customer and geographical trends and the relative strength of key product areas.

Performance

Group revenue for the year was US$793.9m (2011: US$791.8m), representing a solid trading performance in a challenging global economic environment. The Group maintained its strategic focus on market-leading and innovative niche products (IC Niche and FPD Photoresist), which together represented 69% of the Group's revenue (2011: 67%).

EBITDA and EBITDA margin¹ (US$m)



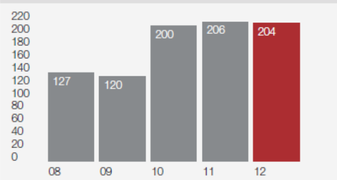
Relevance to strategy

EBITDA¹ and EBITDA margin¹ are measures that are used at all levels of the business to target and monitor operating performance. Realisation of planned EBITDA is the primary source of cash for the Group, and therefore is central to our strategy.

Performance

EBITDA for the IC Materials Division of US$215.8m was 2% lower than 2011 primarily as a result of a 1% reduction in revenues. The Optronics Division EBITDA accounted for US$67.9m (2011: US$62.8m), an increase of 8%, primarily driven by a 6% increase in revenues.

Operating cash flow² (US$m)



Relevance to strategy

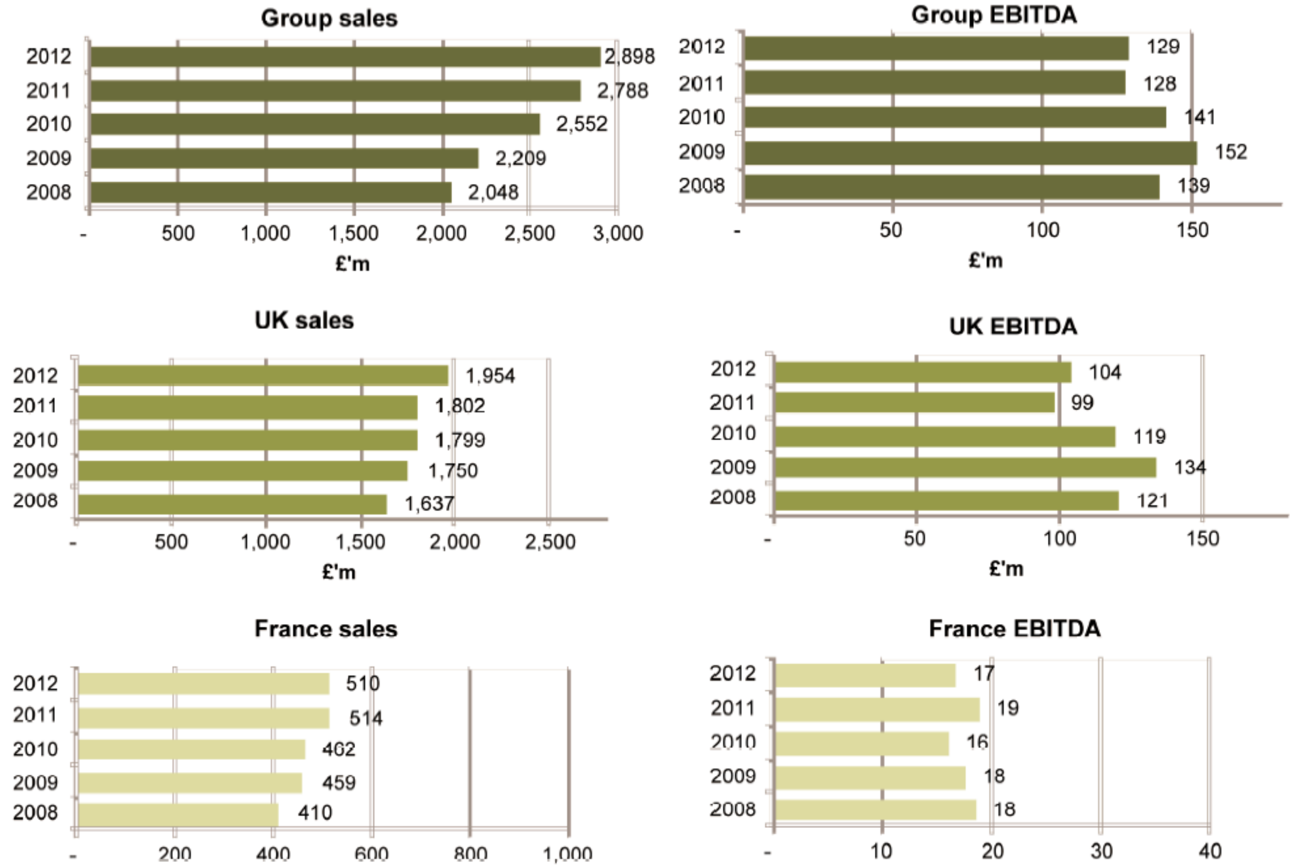
Operating cash flow² is a key indicator of the amount of free cash flow generated by AZ's business before funding and tax costs, and is used to monitor the conversion of profits to cash. This measure is uniformly used across the Group and ensures attentiveness to efficient working capital management. Cash flow is central to our strategy, helping facilitate repayments of debt, future investments and distributions to shareholders.

Performance

In 2012, the conversion of EBITDA into operating cash flow was 78% (2011: 79%). The reduction in the year-on-year cash generation is partly attributable to the increased investment in R&D. Strong cash generation continues to be a key focus for the Group.

This example provides excellent disclosure by aligning KPI's to strategy and assessing performance.

Brakes– 31 December 2012



This example shows the financial KPIs at both the aggregated and divisional level by country to provide further insight on the five year track record.

8. Key performance indicators – non-financial including environmental matters and employees

Requirement

The strategic report must, to the extent necessary for an understanding of the development, performance or position of the company's business, include, where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters. 'Key performance indicators' means factors by reference to which the development, performance or position of the company's business can be measured effectively.

Basic compliance

For ease of confirming compliance and effective communication we encourage companies to explicitly disclose their non-financial KPIs and not leave it up to the readers to deduce what management consider 'key'.

For instance many companies state that their employees, customers or suppliers are important to the ongoing success of their business. In these circumstances there would be a reasonable expectation by the reader to see employee, customer or supplier-based KPIs as a means to demonstrate performance. The relative importance of certain KPIs will differ depending on the company's industry.

Good practice

Attributes of good practice include:

- Clear alignment of strategic priorities and non-financial KPIs;
- An explanation of why each KPI has been included and a definition of how they have been calculated; and
- Quantified trend data, targets and milestones, whether qualitative or quantitative.

Center Parcs – 25 April 2013

Occupancy

Occupancy is the average number of units of accommodation occupied as a percentage of the total number available. Occupancy for the period was 97.2% (2011/12: 97.1%). The average number of units of accommodation was 3,416 during the period (2011/12: 3,403).

ADR (Average Daily Rate)

ADR is the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total number of units of accommodation nights sold. ADR for the period was £148.36 (2011/12: £140.73). The year-on-year increase in the ADR is a strong performance, particularly given the challenging market and economic conditions.

Forward bookings

Forward occupancy at April 2013 was 40% (2011/12: 40%). This gives good forward visibility of future occupancy levels.

Prompted brand awareness

Prompted brand awareness was 99% (2011/12: 99%).

Guest satisfaction

We track guest satisfaction using questionnaires completed by guests online. 96% (2011/12: 95%) of respondents rank their break at Center Parcs as excellent or good.

Employee Turnover

The average labour turnover for the business during the period was 23% (2011/12: 20%).

The example provides a good range of quantified non-financial KPIs that are company specific.

Edinburgh Airport – 31 December 2012

2012 Target	2012 Performance	Commentary
Electricity Electricity target: 24,748,896 kWh - achieve a 2% reduction against 2011	0.4% below target	We consumed 24,857,705 kWh - 396,271 kWh less than in 2011
Gas Gas target: 11,098,219 kWh - no increase in consumption compared to 2011	19% better than target	We consumed 9,023,257 kWh - 2,074,962 kWh less than in 2011
Water 109,407m³ - achieve flat consumption. No increase in usage compared to 2011	27% below target	We consumed 138,719m³ - 29,312m³ more than in 2011*
Waste Divert 80% of waste from landfill	8% better than target	We produced 1,983 tonnes of waste
Noise Implement actions from the five-year Noise Action Plan	Target achieved	All 28 actions from the Noise Action Plan were completed
Community Continue to operate a Community Board, awarding funding to local projects and charity groups meeting selected criteria	Target achieved	We allocated over £100,000
Community Provide work experience placements for students in local schools	Target achieved	24 students completed work experience at the airport
Our stakeholders Understand our stakeholders and their CR and environment issues	Target achieved	We regularly meet with our stakeholders to understand their views

This example provides a good summary of the non-financial KPIs and performance against target.

9. Strategy

Requirement

The strategic report, should clearly articulate how the business intends to achieve its objectives.

Basic compliance

The strategy should underpin the reporting and provide a context for the activities and performance of the company. Strategic statements set in isolation from the rest of the company reporting can appear as hollow statements of intent.

Good practice

Attributes of good practice include:

- Clear statement of the strategy and this is used to underpin the remainder of the report; and
- A clear articulation of the company's strategy will explain the strategic themes, targets, time frames and add further clarity to the reporting.

Alliance Boots – 31 March 2014

Strategic review

Group strategy and objectives

The Group's strategy is to focus on its two core business activities of pharmacy-led health and beauty retailing and pharmaceutical wholesaling and distribution, while increasingly developing and internationalising our product brands to create a third dimension.

Our strategy includes:

- growing our core businesses in existing markets through service, value and innovation
- continuing to deliver productivity improvements and other cost savings
- pursuing growth opportunities in selective new high growth markets
- launching our product brands in new markets
- delivering synergies through our transformational strategic partnerships

This strategy is underpinned by our continued focus on patient/customer needs and service, our work with governments to further their healthcare agendas, selective partnerships, and our strong financial disciplines.

This example clearly articulates the areas of focus for the company with a forward looking focus. This is used as the basis for the layout of the strategic report.

United Biscuits – 28 December 2013

To support this, the Group has embarked on the PACE programme. This comprises four key business drivers that each person across the business will adhere to on a daily basis to enable the vision to be delivered.

A new business structure has been established to support the delivery of the new strategy, including a fully integrated supply chain function. The implementation of initial work streams to reduce costs and improve the effectiveness of our commercial programmes is already under way and will be reported on in 2014.

Performance

Measure against the highest standards of world-class companies. We will reward success and we will act when our performance does not meet our standards.

Ambition

We will compete as a world-class biscuit business as a global competitor. We will make this happen by anticipating future cost base, capacity and people requirements.

Competitiveness

Working together to become a respected and feared competitor. Our customers will acknowledge us as their partner for sweet and savoury biscuit category growth. We will make benchmarking a habit.

Energy

We will exhibit a bias for action. We will take decisions at the right time and at the right level and execute brilliantly. We will solve issues together, sharing in our success and building for the future.

This example outlines the company's overall strategy and the commitment to report against this strategy in the following year.

10. Business model

Requirement

The strategic report must include a description of the business model.

Basic compliance

The business model should as a minimum identify what the company does to create value and how they do it.

Good practice

Attributes of good practice include:

- An explanation of how the business model builds on the strategy that is set out in the strategic report;
- Gives reference to the key capabilities, resources and relationships the company uses to create and sustain value; and
- Where businesses operate distinct business models with divisions, further disclosures may be required to provide meaningful information that aids understanding of how a company operates.

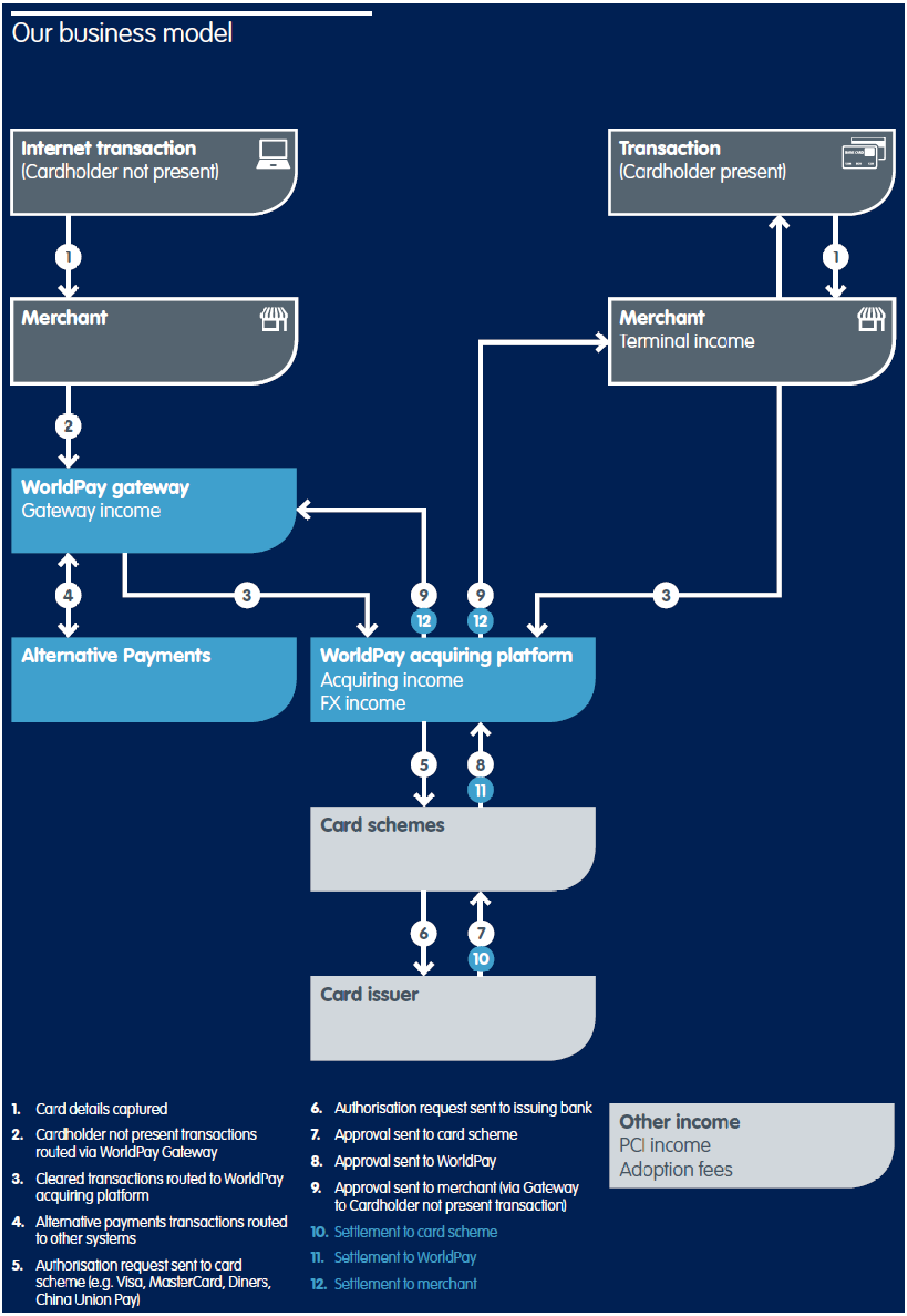
John Laing – 31 December 2012

BUSINESS MODEL As explained above, John Laing is an investor, developer and operator of infrastructure projects either directly for public sector clients, or in sectors such as renewable energy where the public sector acts as a sponsor of projects through some form of subsidy or regulation. We utilise both our balance sheet and our expertise to generate returns. Increasingly, we are able to generate returns by deploying our skills to manage assets for third party investors. Our activities are focused on primary and secondary investments and, increasingly, asset management:

Primary Investment	Secondary Investment	Asset Management
• Activities involve sourcing, bidding for and winning greenfield infrastructure projects	• Activities involve holding operational infrastructure investments, most of which were originally delivered by the primary investment team	• Provision of asset management services to both the primary and secondary investment portfolios and also to projects in which JLIF is a shareholder. Services cover: value enhancement; project delivery during the construction phase; technical input; and managed services through MSAs • Fund management of JLIF through JLCM, our subsidiary regulated by the Financial Services Authority (FSA) • Facilities management through JLIS on behalf of PPP projects as well as directly for public sector clients

This example outlines how a company can describe the business model.

Worldpay – 31 December 2012



This is a good example of a graphical presentation of how the business functions and where value is added.

11. Trends and factors affecting future development, performance or position

Requirement

The strategic report must, to the extent necessary for an understanding of the development, performance or position of the company's business, include the main trends and factors likely to affect the future development, performance and position of the company's business.

Basic compliance

The strategic report should have a high-level forward-looking orientation explaining the trends and factors likely to influence the business including market trends, future strategic priorities or investment in research and development. This could be throughout the annual report or in a specifically headed section.

Good practice

Attributes of good practice include:

- Discussion of drivers shaping the future growth of markets in which a company operates;
- Reference to the macro-economic, competitive or regulatory trends and factors shaping the business and identification of product pipeline and expected market size; and
- Discussion of future trends and factors are supported by quantifiable evidence.

Trader Media – 31 March 2013

Outlook

TMG expect to see a modest increase in new car sales in 2013/14 This increase is expected to come from continued growth in the private sector driven by consumers looking for more fuel efficient, newer cars as they look to reduce their overall monthly outgoings Fleet registrations are also expected to improve following a pick up towards the end of 2012 However, for growth over the next few years to be consistent, the economy needs to recover further and begin to stabilise before we would expect new car registrations to return to 2008 pre-recession levels of over 2 4 million units[13]

The improvement in new car registrations bodes well for the used car sector but it remains a challenging time for our market and our business Flat to moderate growth expectations coupled with reduced stock availability continues to put pressure on dealer margins Consumers are more cautious, have more choice and are spending less All of these factors have led to a consolidation in the number of automotive dealers

TMG faces these challenges with confidence and a competitive advantage We have a history of robust financial performance and leading strategies We have the No 1 consumer brand and strong digital marketing brands The business is forward thinking, leading the industry into online and mobile We have a great talent pool of highly engaged people and know that when we focus and work together we deliver excellence

We will continually improve our business to deliver value to our customers, our shareholders and our people We do not rely on what has worked in the past, we invest in new ways of working and ideas that keep us ahead We will continue to define our customer proposition and support projects that will deliver an unrivalled end to end experience

We remain committed to completing projects that will deliver value We continually strive to improve communication and education for our people We will continue to invest in innovation, marketing and technology to improve our business and that of our customers

This is a good example of disclosure of the factors influencing the business and their expected impact.

New Look– 29 March 2014

International

During FY14, we made significant progress towards our strategic goals in international expansion.

Without doubt, the year's most exciting achievement was our successful launch in China. Our first 5 New Look womenswear stores opened at key mall locations in Beijing, Shanghai and Hangzhou in late February and early March – supported by a storm of editorial coverage, experiential marketing activity, and social media engagement on key Chinese platforms such as Weibo and WeChat.

We're still learning about this market, but media interest and initial performance are confirming an appetite for the New Look brand in China. Our beautiful new store at Glory Mall (Beijing) already ranks within New Look's top 10 performers by density. Further openings in key cities across China are planned for FY15.

Shortly before the year-end we successfully purchased our Polish franchise business from our existing partner. These 10 New Look stores located in Warsaw and other major Polish cities give us an important foothold from which to develop our presence in this market.

Our New Look brand stores in Western Europe saw positive revenue growth in the year.

Performance of our Mim stores has once again proved disappointing, reflecting tough trading conditions in those markets and heavier than anticipated markdown activity. We have also seen changes in senior management. Following the year's strategic review, Mim is not a strategic focus for the Group.

This example provides a clear discussion of the future development of the business internationally.

12. Environmental matters

Requirement

The business review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include information about environmental matters (including the impact of the company's business on the environment), including information about any policies of the company in relation to those matters and the effectiveness of those policies.

Disclosures concerning greenhouse gas emissions are not a mandatory requirement under the updated Guidelines. However where this information is available and is significant to the understanding of the portfolio company and its operations, its inclusion could only improve the transparency and quality of reporting. Further guidance can be found on pages 35 and 36.

Basic compliance

Basic compliance includes a discussion of the environmental matters affecting the business, the policies in place to address them, and the impact of these policies.

The type of disclosure required is, naturally, dependent on the nature of the business. For example it would be expected that water companies would focus on discussions about the level of water wastage and food manufactures would focus on reducing packaging, the levels of salt and hydrogenated fats in food.

Good practice

Good practice includes:

- Discussion of the specific actions taken to address the environmental matters identified, supported by quantifiable evidence and specific targets where applicable;
- Clear explanation, and alignment, of the specific environmental matters and strategy; and
- Extracts from a company's Corporate and Social Responsibility Report often provide the most relevant disclosure; this can be cross-referenced to avoid duplication.

Worldpay – 31 December 2012

Environment

The Group aims to minimise its impact on the environment, through operational policies that result in energy savings, recycling of office waste and paperless work practice.

WorldPay's new Manchester office building has a number of environmentally friendly features and has been assessed as 'Excellent' by BREEAM (Building Research Establishment Environmental Assessment Method).

Waste recycling

The facility management out-sourced provider across the office estate recycles 100% of all waste collected throughout the buildings and works with major organisations to convert waste to energy using specialist equipment.

Energy and Resource efficiency

Energy and Resource efficiency – the introduction of new Multi-Functional-Devices delivers a measurable saving on paper usage. Passive Infra-red lighting systems (PIR) – all new locations acquired are now fitted with lighting systems that use PIR as a method of activation and this will reduce energy consumption but as yet not quantified by WorldPay. Refurbishment projects carried out throughout the existing portfolio are controlled by the same rigorous standards as a new construction thereby ensuring products used comply to sustainability and environmental standards.

This example sets out how a company without a significant environmental impact can still address environmental matters.

Center Parcs – 25 April 2013

Sustainability

Our Villages are built deep within the forest, enabling our guests to enjoy acres of unspoilt woodland where they can interact directly with nature.

This close link with the natural environment means we have always been committed to the protection of our surroundings.

However, our responsibilities go far beyond this. We seek to minimise our environmental impact in many ways, such as encouraging water and energy conservation as well as reducing waste. We are also committed to our social responsibilities – to our customers, our employees and the communities in which we operate.

The Center Parcs experience is built around enabling our guests to enjoy the natural environment. It is therefore vital that we protect it. Through the rigorous adherence to our Environmental Management System, (which is independently audited under ISO14001), we continue to make progress in our efforts to reduce the impact of our business on the environment.

Due to the unusually long and colder winter months, the past year has been a challenging one in terms of making progress towards these targets.

- Electricity usage reduced by 5% during the period, whilst gas usage increased by 14%; (when adjusted for the weather we were less than 1% above the previous year)
- Water consumption remained level with the previous year;
- Waste recycling increased by 34% (672 tonnes); and
- Overall Center Parcs' carbon emissions increased by 4% (driven by the increase in gas consumption).

Center Parcs was again recertified to the Carbon Trust Standard during the year and has also been placed amongst the top 10% on the Performance League Table of all organisations taking part in the UK Government's CRC Energy Efficiency Scheme.

Carbon reduction targets continue to be an important part of our staff bonus schemes, and during the year we launched Home Energy Savers, a scheme designed to help our employees reduce the carbon footprint in their own homes. This pilot scheme is one of the first of its kind in the UK and rewards employees by matching any savings they make on their gas, electricity and water usage over 12 months. The employee who reduces their energy consumption the most will be awarded a cash lump sum to spend on home improvements related to sustainability.

Our fifth Village at Woburn Forest which is due to open to guests in spring 2014 will aim to set a new benchmark with carbon emissions 25% below the average for the four existing Villages.

This example sets the tone for how environmental considerations are part of the business strategy and also provides some specific discussion across a range of environmental measures.

13. Employees

Requirement

The strategic report must, to the extent necessary for an understanding of the development, performance or position of the company's business, include information about the company's employees including information about any policies of the company in relation to those matters and the effectiveness of those policies.

Basic compliance

The Companies Act requires, for all companies with greater than 250 employees, the disclosure of the company's policy in respect of the employment of disabled persons, of the health, safety and welfare at work of employees and of the involvement of employees in the management of the company. To comply with the Guidelines, to the extent that employees are considered a critical resource of the business, disclosures should also include a discussion of the management and development of employees, including recruitment, training and development practices.

Good practice

Attributes of good practice companies include:

- Alignment of strategy and employee policies and actions;
- Detailed discussion of employee policies including benefits, share schemes and performance bonuses and explanations of how these link to performance and development;
- Policies around recruitment, training and development;
- Quantifiable evidence of performance; and
- Disclosure of targets, qualitative or quantitative, and discussion of performance against targets.

Garden Centre Group – 31 December 2012

Workplace

Employment policies

Fair, supportive and ethical people management practices are the cornerstone of the Group's operations. For example recruiting from local areas and providing work experience with local charities, support organisations, colleges and schools links our staff to the local communities that they serve.

As could be expected from the UK's largest garden centre retail organisation, the Group is extremely proud of its diverse and talented workforce and, above all else, values a love of horticulture and commitment to personalised customer service, regardless of background. The Group employs on average 3,300 employees monthly. In 2012, more than 25% of our staff were under the age of 21, this against a backdrop of record levels of nationwide youth unemployment and difficult job-seeking conditions. In addition, over 10% of our staff were over 60, thanks to the Group's progressive anti-default retirement and training policies which have supported the recruitment and retention of our knowledgeable and loyal staff.

Continuous evaluation of our Human Resources policies and procedures is a business priority to ensure that our systems and approaches are fair, consistent and up-to-date. In 2012 a complete review and re-launch of the Company's Employee Handbook was carried out. This has been praised by garden centre managers and staff for its increased clarity, detail and relevance to our operations.

Numerous mechanisms have been created to enable our staff to raise concerns with our management, both confidentially and openly, to achieve our shared goal of a successful, sustainable and ethical business.

Training and development

Training and development is a crucial component of the Group's people management approach and all staff have access to our award-winning[xi] E-Learning which covers topics from induction, Health and Safety, horticulture and administration through to catering and customer service. We also provide training to existing employees and managers on subjects such as human resources, management, IT skills and selling skills.

We have launched two industry-leading apprenticeship programmes, the first in garden centre operations and horticulture, developed in partnership with Pershore College of Horticulture, and the second being a professional cookery apprenticeship, developed in partnership with Westminster Kingsway College. We expect to recruit 200 apprentices during 2013. This will form part of our ongoing succession plan for developing our managers and supervisors of the future. We believe that this will have a positive impact on our communities, providing additional opportunities for young people and boosting youth employment.

Employee support

Our staff are supported by the Group throughout their employment and progressive flexible working and remote working practices are in place to assist individuals in times of personal difficulty or change. The Group recognises that both personal and work-related stress may affect many individuals in their lifetime and has constructed supportive policies and procedures to empower individuals to discuss their circumstances and concerns with our management.

This example provides a good explanation of how employees are managed, communicated with and supported.

United Biscuits – 28 December 2013

People

In 2013, the Group has sought to maintain its commitment to development, career progression and active talent management across its global workforce of approximately 6,597 employees. The reduction in workforce numbers from approximately 7,954 employees reported in 2012 is largely related to the sale of KP Snacks at the beginning of 2013. The Group's employees are principally based in the UK, France, the Netherlands, Belgium and India.

The Group has a comprehensive framework of employment policies. UB upholds the rights and opportunities of all people to seek, obtain and hold employment with dignity and without any form of discrimination. It is the Group's policy that employees at all levels shall not in their dealings harass or discriminate against other individuals on grounds of gender, race, nationality, religion, marital status, sexual orientation, disability, age or for any other reason whatsoever. This policy applies in respect of all conditions of employment.

Equal opportunity is offered to disabled persons, whether registered or not, applying for vacancies having regard to their aptitudes and abilities. Arrangements are made to continue the employment, wherever possible, of those employees who have become disabled. Consideration is also given to arranging appropriate training facilities or providing special aids where necessary. Disabled persons are provided with the same opportunities for training, career development and promotion that are available to all employees within the limitations of their aptitudes and abilities.

As a business, we recognise that there is an ongoing need to increase our gender splits across the business. Currently, 38% of the workforce is female and there is a broad split of ethnicity across the employee population. Over the next 12 months there will be more focus in this area to understand how female employees can be encouraged into the organisation and supported at all stages of their career.

UB operates various graduate and apprenticeship schemes and has provided summer work placements and work experience opportunities to over 100 school and university students to encourage them to consider a career in the industry. In 2013, 36 apprentices entered the business and the business employed a further 23 graduates. There are now 89 graduates working at UB, recruited since the programme was relaunched in 2009. In 2013, 219 NVQs were progressed and 237 completed as part of our ongoing programme of training and development across the workforce.

UB upholds the rights and opportunities of all people to seek, obtain and hold employmen with dignity and without any form of discrimination.

Human rights have rapidly increased in prevalence and are emerging as a new ethical risk priority. UB views human rights primarily as an extension of its determination not only to treat employees with respect but also to obtain assurance about ethics in the supply chain. Across all its countries of operation, UB's goal is not to exploit anyone and the business refuses to work with any individual or organisation that fails to uphold these standards.

In October 2013, UB became a signatory of the Armed Forces Covenant, in particular, supporting ex-service personnel seeking employment.

This example provides a good explanation of the company's policies and approach to managing people.

14. Social, community and human rights issues

Requirement

The strategic report must, to the extent necessary for an understanding of the development, performance or position of the company's business, include information about social, community and human rights issues, including information about any policies of the company in relation to those matters and the effectiveness of those policies.

Basic compliance

Basic compliance includes a section of the annual report describing, at a high level, the social, community and human rights issues affecting the business and the company's policies to address them. A compliance led statement is a minimum, identifying what the company does in these areas and confirming, if appropriate, that human rights is not a material issue for the company.

Good practice

Attributes of good practice include:

- Alignment of social, community and human rights issues to strategy;
- Explanation of the actions taken to address the specific social, community and human rights issues for example, local recruitment, investment in education and overseas employment policies;
- Supply chain management monitoring to ensure social policies are consistent throughout, for example use of labour and the wider impact on society in overseas locations; and
- The discussion is supported by quantifiable evidence.

Extracts from a company's Corporate and Social Responsibility Report often provide the most relevant disclosure and can be cross-referenced to avoid duplication.

Al Noor Hospitals 2013– 31 December 2013

SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES

The Company firmly believes in the dignity and individual rights of every human being as set forth in the Universal Declaration of Human Rights. These principles are reflected in all that we do and are fundamental to the practices of an ethical company. We are committed to supporting human rights through our compliance with laws and regulations in all aspects and geographies of our operations, as well as through our policies and programs. Our guidelines include:

- Encouraging open and honest communication between management and employees at all times.
- Complying with child labor laws.
- Complying with laws prohibiting forced, bonded, or indentured labor.
- Providing compensation and benefits that are competitive and comply with applicable laws for minimum wages, overtime hours, and mandated benefits.
- Providing a healthy and safe work environment, free of harassment and discrimination of any kind.
- Promoting workforce diversity.
- Protecting individual privacy.

The Company's position on human rights is reinforced through our employment and ethics policies which are designed to ensure that we conduct business in a legal and ethical manner at all times.

This example sets out how the company's compliance with legislation in relation to human rights.

New Look– 29 March 2014

Our Ethical Strategy

Achieving a continual improvement in workers' lives and livelihoods remains a primary objective. We also want to help improve factory management skills, systems and safety standards, while empowering factory workers to raise and resolve issues. We're doing all we can to build trust, transparency and shared responsibility throughout our supply chain.

We're also working hard to respond effectively to particular events in our key sourcing countries. Following the tragic building collapse at Rana Plaza and the series of factory fires in Bangladesh, much of our focus there has been on improving fire and building safety.

Improving workplace conditions

New Look supported the Accord in Fire and Building Safety in Bangladesh, and we've delivered fire safety training at factories manufacturing for us.

In China, we've provided Health and Safety training at 135 sites, and the entire workforces at 77 of the factories manufacturing for us are now covered by an accident and injury insurance initiative. We've worked with 13 factories to change thinking about wages and hours as well as build better systems to track and analyse them, and we've trialled peer-to-peer learning to encourage ongoing improvements at a further four sites. In India we've continued partnering with Geosansar to provide bank accounts for a further 387 workers at 3 factories and in Bangladesh we have initiated partnership with BRAC bank to provide bank accounts for 300 workers. This enables workers to start saving, or send money to their families in rural areas without risk.

Empowering workers to raise and resolve issues

We have supported the establishment of worker committees at 66 factories in India and Bangladesh, helping workforces secure enhanced leave benefits, more religious holidays, and changed pay dates to help with budgeting.

In Turkey, we've delivered training on freedom of association and worker-management communication at 8 factories.

Improving factory management systems

At factories where management capacity is poor, workers are more likely to work long hours, and health and safety issues may go unchecked. So, during FY14, we provided management training at 44 sites across Bangladesh, Cambodia, China and India. On completing the UK Aid funded project Benefits for Business and Workers in India and Bangladesh, we followed up with participating factories to support ongoing progress. This has already achieved significant improvements in worker turnover and wage rates. We have now piloted this project in our UK supply chain as well.

Building shared responsibility along the supply chain

We can't expect suppliers to meet our ethical aims without the full support of New Look's buyers, merchandisers and designers. So, we've launched an Ethical Champions programme to spread awareness among our staff, and provided information and training on the principles and benefits of ethical trade on a monthly basis for our buying teams. We're also providing training for all new recruits, and circulating quarterly newsletters with ethical trade tips and updates.

Animal welfare

At New Look, we're committed to ensuring no animals are harmed in the manufacture or testing of our products. Although investigations uncovered no evidence within our supply chain of the shocking animal welfare lapses discovered by PETA (People for the Ethical Treatment of Animals) at Chinese angora farms, we decided to cease production of all products containing angora and ban its future use.

This example clearly identities the tangible actions taken across the business to improve working conditions, impacting both social and community responsibilities as well as addressing human rights.

Grainger – 30 September 2013

We have judged that human rights are not a material risk for the business due to existing regulatory requirements in the UK and Germany and the nature of our supply chain. However, we will consider how Grainger can contribute to the advancement of human rights in 2013/14.

This example provides a clear statement as to why the requirement is not a material issue to address. It also highlights that this continues to be an evolving area and as such will be reviewed again in the next annual report.

15. Gender diversity information

Requirement

The strategic report must include a breakdown at the end of the financial year show the number of people of each sex who were directors the (parent) company, the number of people of each sex who were senior managers of the company (other than those already identified as directors) and the number of people of each sex who were employees of the company. The updated Guidelines allow the portfolio company to apply their own definition in relation to the role of a senior manager.

Basic compliance

Basic compliance includes a section of the annual report describing, at a high level, the gender diversity under the three required headings.

Good practice

Attributes of good practice include:

- Clear overview of diversity statistics identifying the split at the three levels described;
- Policies and actions to promote diversity and actions taken to avoid discrimination;
- Detail about the relevance to the business of diversity and how this links in with the strategy; and
- Explicit detail about the definition of a senior manager to the business.

Mitchell & Butlers – 28 September 2013

The table below provides a breakdown of the gender of Directors and employees at the end of the financial year:

	Men	Women
Company Directors[1]	8	1
Other senior managers[2]	10	3
All employees	19,431	20,194

Notes:

1. Company Directors consists of the Company's Board, as detailed on pages 36 and 37.

2. 'Other senior managers' is as defined in The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, and includes: i) persons responsible for planning, directing or controlling the activities of the company, or a strategically significant part of the company, other than Company Directors; and ii) any other Directors of undertakings included in the consolidated accounts.

This example provides clear identification of the gender diversity at the required level with clarification of how a senior manager is defined.

Aviva– 31 December 2013

	Males	Females
Board membership We remain committed to having a diverse Board in terms of gender as well as diversity of experience, skills and knowledge, background and nationality. There were 11 members on the Board in 2013, of whom nine were male and two were female.	9	2
Group executive In 2013, 21% of Group executive members were female (*2012: 29%*). From April 2014, Monique Shivanandan will be joining the Group executive as Chief Information Officer. We recognise that a diverse senior management team is better for business.	11	3
Senior management There were 638 senior managers at Aviva, including those in Aviva's subsidiary Boards. Of this number, 502 were male and 136 were female.	502	136
Aviva Group employees There were 27,718 employees at Aviva as at 31 December 2013 of whom 13,538 were male and 14,180 were female.	13,538	14,180

This example provides clear identification of the gender diversity at the employee, senior management and director levels that are required, with an additional level of information for the group executive.

Unilever – 31 December 2013

FROM DIVERSITY TO INCLUSION

Women are Unilever's core consumers, controlling nearly two thirds of consumer spending, so it's important that we represent them in our workforce. As at 31 December 2013, 119,139 (68%) of our global workforce of 174,381 employees were male and 55,242 (32%) female. Of these, 115 are considered senior leadership executives (96 male, 19 female). If you include employees who are statutory directors of the corporate entities whose financial information is included in the Group's 2013 consolidated accounts in this Annual Report, the number increases to 681 males and 181 females. 35% (five out of 14) of the Board are female. Our ambition is for 50% of our managers to be women (2013: 42% were female and 58% male).

This example clearly identifies the gender diversity at the required level with some business context.

Additional guidance for disclosing greenhouse gas emissions

Disclosures concerning greenhouse gas emissions are not a mandatory requirement under the updated Guidelines. However where this information is available and is significant to the understanding of the portfolio company and its operations, its inclusion could only improve the transparency and quality of reporting. A quoted company must make various disclosures on the quantity of emissions in tonnes of carbon dioxide equivalent from activities for which that company is responsible and from the purchase of electricity, heat, steam or cooling by the company for its own use.

The following examples are provided as examples of good practice for portfolio companies that voluntarily choose to comply with the greenhouse gas emission disclosure requirements. Further guidance on environmental matters disclosures required by the updated Guidelines can be found on page 27.

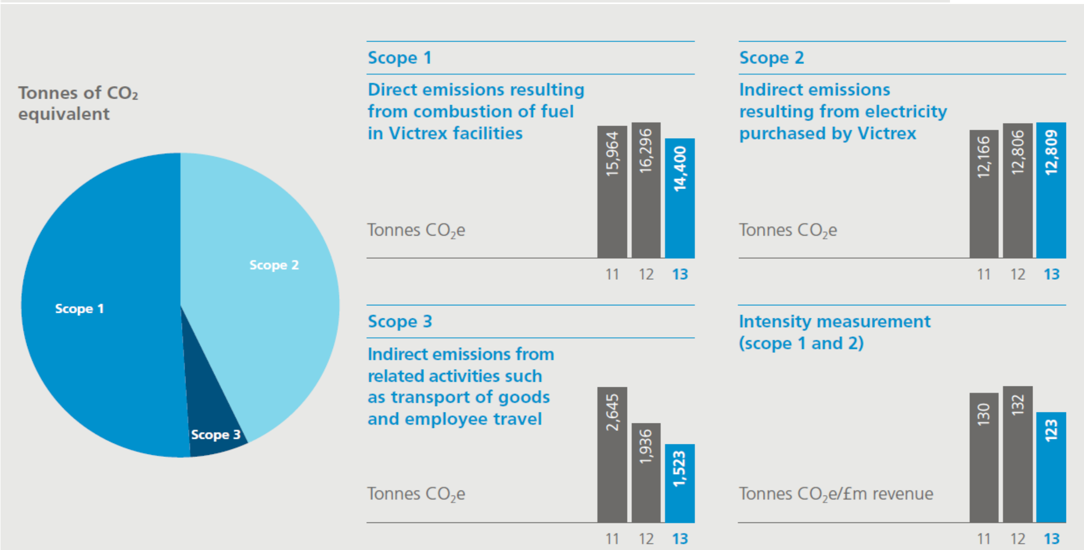
Victrex– 30 September 2013

VICTREX GREENHOUSE GAS EMISSIONS 2013

Greenhouse gas (GHG) emissions

Our emissions have been calculated based on the GHG Protocol Corporate Standard. Emissions reported correspond with our financial year. We have included emissions from both our owned and leased assets for which we are responsible in the UK and overseas. This includes our manufacturing plant, technical centres and offices. No material emissions are omitted. Emissions have been calculated using data gathered to fulfil our reporting requirements under Climate Change Agreements on two of our manufacturing sites. Emission factors are from UK government conversion factor guidance current for the year reported.

Emissions are predominantly from gas and oil combustion and electricity use on our manufacturing plant. Emissions from our overseas technical facilities and offices are low relative to those from our UK activities, hence our focus on UK metrics, reflecting our UK manufacturing footprint.



This example clearly identifies the emissions at each scope level and the basis of the calculation.

TUI Travel– 30 September 2013

FY13 Highlights

- CO_2 per revenue passenger kilometre (RPK) across TUI Travel airlines of 70.7g** vs 73.0g in FY12 (an improvement of 3.2%) – making us one of the most efficient airlines in Europe and beyond.
- TUIfly was ranked the most climate-efficient charter airline worldwide for the second year in a row and most climate-efficient airline in the world with more than one million passengers in the 2013 atmosfair Airline Index. Thomson Airways was ranked second most climate-efficient airline for short haul flights.
- TUIfly achieved ISO 14001 certification (an international environmental management standard).
- 94% of our aircraft are now fitted with fuel-saving blended winglets, reducing fuel burn by up to 5%.

AIRLINE GHG EMISSIONS DATA FOR PERIOD 1 OCTOBER 2012 – 30 SEPTEMBER 2013 INTENSITY (RELATIVE) METRIC*

TUI Travel airlines	gCO_2/Revenue Passenger Km	gCO_2e/Revenue Passenger Km
ArkeFly	73.5g	74.3g
Corsair	80.5g	81.4g
Jetairfly	73.9g	74.7g
Thomson Airways	69.5g	70.2g
TUIfly	65.5g	66.2g
TUIfly Nordic	63.1g	63.7g
TUI Travel airlines (average)	70.7g	71.4g

*For full details on the methodology used to calculate our intensity metrics and PwC's Assurance Report please visit www.tuitravelplc.com/sustainability/carbon

Greenhouse gas emissions

TUI Travel has reported on all of the greenhouse gas (GHG) emission sources required under the Companies Act 2006 (Strategic and Directors' Reports Regulations 2013). The organisational boundary used for its Scope 1 & 2 and, where appropriate, Scope 3 inventory of GHG emissions is operational control and it corresponds to the Company's consolidated financial statements.

For the first time TUI Travel is disclosing carbon dioxide equivalent (CO_2e) data for both its absolute and relative (e.g. airline) emissions, historically we have just disclosed CO_2 emissions. CO_2e refers to CO_2 and the other five Kyoto GHGs: Methane (CH_4); Nitrous oxide (N_2O); Hydrofluorocarbons (HFCs); Perfluorocarbons (PFCs); and Sulphur hexafluoride (SF_6).

All material GHG emissions have been included and disclosed following a thorough review of entities and the emissions sources across the Company's UK and international operations. The methodology for the assessment is based on voluntary and mandatory GHG reporting guidance issued by DEFRA (the UK Government's Environment Department). Please see tables below for our absolute and intensity CO_2e and CO_2 data for FY13.

* An approximate figure of Group savings that have been tracked, gross of any upfront investments required to achieve those savings in 2012. Part of previously identified cost savings.

**The Company's auditors, PricewaterhouseCoopers (PwC), have verified the carbon intensity metrics displayed in the table on page 30 (PwC also assure our airline EU Emissions Trading Scheme data). To read our airline carbon data methodology document and PwC's Assurance Report in full, please visit:
www.tuitravelplc.com/sustainability/carbon

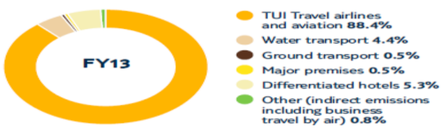
GLOBAL GHG EMISSIONS DATA FOR PERIOD 1 OCTOBER 2012 – 30 SEPTEMBER 2013 ABSOLUTE FIGURES

Source	CO_2 [t] (tonnes of carbon dioxide)	CO_2e [t] (tonnes of carbon dioxide equivalent)
Total scope 1 emissions	5,936,608	5,999,276
Total scope 2 emissions	303,759	305,230
Other (scope 3) emissions	52,084	52,271
Grand total	**6,292,451**	**6,356,777**

Scope 1 covers direct emissions

Scope 2 & 3 covers indirect emissions

BREAKDOWN OF TUI TRAVEL'S CARBON FOOTPRINT



This example discusses both the required output in terms of greenhouse gas emissions but also relative performance.

Appendix

Guidelines for disclosure by portfolio companies and private equity firms

The requirements of the update Guidelines for the form and content of disclosure by portfolio companies within their annual report and accounts are set out below:

1. Definition of a portfolio company to be covered by the updated Guidelines

A portfolio company is a UK company:

- Acquired by one or more private equity firms in a public to private transaction where the market capitalisation together with the premium for acquisition of control was in excess of £210 million and more than 50% of revenues were generated in the UK or UK employees totalled in excess of 1,000 full-time equivalents; or
- Acquired by one or more private equity firms in a secondary or other non-market transaction where enterprise value at the time of the transaction is in excess of £350 million and more than 50% of revenues were generated in the UK or UK employees totalled in excess of 1,000 full-time equivalents.

A private equity firm is a firm authorised by the FSA that is managing or advising funds that either own or control one or more UK companies or have a designated capability to engage in such investment activity in the future where the company or companies are covered by the updated Guidelines for portfolio companies.

A portfolio company of a private equity firm or firms becomes a Walker company, subject to meeting the other criteria as laid out in the updated Guidelines, when any one of the following criteria is met:

- It is evident the private equity firm holds a majority stake (>50% of the ordinary shares) in the underlying business;
- If a private equity firm, in its own financial statements, discloses that it maintains control of the portfolio company;
- A private equity firm has the ability to direct the financial and operating policies of a portfolio company with a view to gaining economic benefits from its activities. Consideration shall include, but not be limited to: management control; board seats; directors indicative of significant influence.

Where more than one private equity firm invests in a portfolio company, those firms will be jointly responsible for ensuring that the portfolio company applies the updated Guidelines.

The Group continues to review whether the transaction size criteria should be lowered to bring more portfolio companies into scope. Further communication will be issued if new criteria become applicable.

2. Content of disclosure by a portfolio company

A portfolio company should include as part of its audited annual report and accounts the following disclosures, none of which call for disclosures beyond those specified for quoted companies in the Companies Act 2006 or other disclosure requirements applicable to quoted companies. Such reporting should throughout focus on substance rather than form and on the economic reality of a company or group rather than its legal structure.

The report should identify the private equity fund or funds that own the company and the senior executives or advisers of the private equity firm in the UK who have oversight of the company on behalf of the fund or funds.

The report should give detail on the composition of the board, identifying separately executives of the company, directors who are executives or representatives of the private equity firm and directors brought in from the outside to add relevant industry or other experience.

The financial review should cover risk management objectives and policies in the light of principal financial risks and uncertainties facing the company, including those relating to leverage, with links to appropriate detail in the footnotes to the balance sheet and cash flow section of the financial statements to explain the financial position of the company and/or group.

The directors of a company must prepare a strategic report for each financial year of the company. The purpose of the strategic report is 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). The report should also include a strategic report that substantially conforms to the provisions of Chapter 4A of Part 15 of the Companies Act 2006 including sub-sections 7 and 8 of section 414C (which are ordinarily applicable only to quoted companies):

- The strategic report must contain— a) a fair review of the company's business, and b) a description of the principal risks and uncertainties facing the company.
- The review required is a balanced and comprehensive analysis of— a) the development and performance of the company's business during the financial year, and b) the position of the company's business at the end of that year, consistent with the size and complexity of the business.
- The review must include— a) analysis using financial key performance indicators, and b) where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters. The term 'key performance indicators' means factors by reference to which the development, performance or position of the company's business can be measured effectively.
- s414C(7) requires in the case of a quoted company and as adopted by the updated Guidelines the strategic report must, to the extent necessary for an understanding of the development, performance or position of the company's business, include —

    a) the main trends and factors likely to affect the future development, performance and position of the company's business, and

    b) information about— i. environmental matters (including the impact of the company's business on the environment), ii. the company's employees, and iii. social, community and human rights issues, including information about any policies of the company in relation to those matters and the effectiveness of those policies. If the report does not contain information of each kind mentioned in paragraphs (b)(i), (ii) and (iii), it must state which of those kinds of information it does not contain.

- s414C(8) requires in the case of a quoted company and as adopted by the updated Guidelines the strategic report must include —

    a) a description of the company's strategy,

    b) a description of the company's business model,

    c) a breakdown showing at the end of the financial year— i. the number of persons of each sex who were directors of the company; ii. the number of persons of each sex who were senior managers of the company (other than persons falling within sub-paragraph (i)); and iii. the number of persons of each sex who were employees of the company.

    In subsection (8), 'senior manager' means a person who — a) has responsibility for planning, directing or controlling the activities of the company, or a strategically significant part of the company, and b) is an employee of the company.

    In relation to a group strategic report a) the reference to the company in subsection (8)(c)(i) is to the parent company; and b) the breakdown required by subsection (8)(c)(ii) must include the number of persons of each sex who were the directors of the undertakings included in the consolidation.

3. Form and timing of public reporting by a portfolio company

The audited report and accounts should be readily accessible on the company website. The report and accounts should be made available no more than six months after the company year end; and

A summary mid-year update giving a brief account of major developments in the company (but not requiring updated financial statements) to be placed on the website no more than three months after mid-year.

4. Conformity by a non-UK portfolio company or group

Where a portfolio company is applying the updated Guidelines in an audited annual report which is not covered by the Companies Act 2006 it should look to ensure all the requirements are met in this annual report but does not need to explicitly produce a separate strategic report.

5. Conformity with each of the updated Guidelines should be on a 'comply or explain' basis.

Where an explanation is given for 'non-compliance', this should discussed with other related relevant disclosures called for under these updated Guidelines in the annual report and financial statements which should be on the website of the private equity firm or portfolio company.

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