Private Equity
Reporting Group

Fifteenth Annual Report

February 2023

The independent body promoting **enhancements in transparency and disclosure** within the UK private equity industry

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Private Equity Reporting Group

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Executive Summary

The Private Equity Reporting Group (the "PERG") has reviewed the private equity industry's conformity with the Guidelines for Disclosure and Transparency in Private Equity (the "Guidelines"). The Guidelines, recommended by Sir David Walker in 2007, seek to increase transparency through enhanced reporting and disclosure by the largest UK portfolio companies and their private equity owners. The PERG was established in March 2008 to monitor the industry's compliance with the Guidelines and make periodic recommendations to the British Private Equity and Venture Capital Association (the "BVCA").

1.1 The requirements of the Guidelines

The Guidelines have four main components – three that apply to portfolio companies and a fourth that applies to the private equity firms managing or advising funds that own the portfolio companies:

Portfolio Companies			Private Equity Firms
Annual report and financial statements should include the additional/ enhanced disclosures that normally apply to quoted companies (as set out in the Guidelines). A mid-year update should also be produced.	The reports should be published in a timely and accessible manner on the company website: - Annual report and financial statements – 6 months after the year end. - Mid-year update – 3 months after mid-year.	Data from the financial statements and other metrics should be provided to EY. The data is presented in an aggregated performance report by EY to illustrate the contribution of private equity to the UK economy.	Private equity firms should publish certain disclosures (as set out in the Guidelines) on their own website.
The Guidelines operate on a 'comply or explain' basis so there is an opportunity to explain instances of non-compliance. The PERG may not always accept these explanations.			

The full Guidelines requirements can be found in Appendix 3. These have been summarised in the compliance checklist in Appendix 6.

1.2 Key findings

- This report covers 73 portfolio companies (2021: 64) that fall within the scope of the Guidelines and the 64 firms (2021: 56) that back them (private equity firms and those operating in a private-equity like manner).
- The war in Ukraine, Covid 19, Brexit and the associated rise in inflation and the cost of living has had an adverse impact on many businesses both globally and in the UK. The impact on UK companies is brought out in some of the narrative reporting, with increased disclosure on liquidity, loan covenants and forecasting. This disclosure is both understandable and encouraging to see as businesses adapt to the economic climate.
- The Covid-19 pandemic is still having an impact on some sectors of the economy, however, we have seen a shift back more broadly to 'normal' reporting timelines. As expected, a number of annual reports still contain significant levels of commentary on the impact of Covid-19 on business results and liquidity, given their reporting periods cover all periods up to and including the end of April 2022.

- All of the portfolio companies reviewed in the sample (2022: 25, 2021: 21) complied with the disclosure requirements in the annual report (2021: 100%).
  - 60% prepared disclosures to at least a good standard which is a drop on prior year (2021: 67%, 2020: 60%). The drop in the level of good reporting is disappointing yet understanding given the continued increase in the size of the sample due to the significant proportion of new companies reviewed for the first time. No companies produced excellent disclosures overall this year (2021: None), however, a significant number of companies did produce excellent individual disclosures.
  - Unfortunately, there has not been a notable increase in the quality of disclosure on non-financial key performance indicators. Many companies have still identified only one or two indicators and lack the level of analysis required for a deeper understanding of why they are strategic priorities. It is positive to note however, that none of the companies included in the sample this year used the "comply or explain" basis of the Guidelines to explain non-compliance with disclosure requirements.
  - A statement of compliance with the Guidelines is a requirement for portfolio companies, as this statement is viewed as a proxy for the "fair, balanced and understandable" requirement under the UK Corporate Governance Code. Only 52% of companies have included such a statement in their annual report which is disappointing given that this is a straight forward requirement (2021: 62%).
  - The number of addendums required to meet all of the disclosure requirements is increasing year on year. While these are generally used by new companies in the population, this trend will be monitored closely. Addendums to accounts should only be used as a last resort to address areas of omission. Portfolio companies should strive for higher standards of disclosure in their annual report, thus removing the need for such addendums.

We would encourage private equity firms to engage with the BVCA earlier on in the reporting process to ensure timely compliance. It was positive to note that all addendums were prepared, approved and uploaded to the company websites in a matter of weeks, which demonstrates a commitment to complying with the Guidelines. Appendix 4 contains further information on the review process and addendums.

- 78% of portfolio companies have published an annual report in a timely manner on their website (2021: 75%). 86% of portfolio companies have published a mid-year update in a timely manner on their website (2021: 87%). Given the ongoing pressure on UK businesses, it is encouraging that compliance rates have remained broadly comparable to the previous reporting year.
- 86% of portfolio companies provided data, which is presented in aggregate in the EY performance report published alongside this report (2021: 89%).
- 11% of portfolio companies have not complied with any of the three components of the Guidelines that apply to them – enhanced disclosures, publication of reports and provision of data (2021: 9%). All of these portfolio companies are backed by non-BVCA members, four are either new or re-entering the population.
- It was positive to note that all BVCA members published sufficient disclosures on their own websites, to meet the requirements of the Guidelines on publishing information about themselves, their portfolio companies and their investors, albeit that there were differences in the standard of reporting as between firms.

- The Guidelines are currently being reviewed. This work will take into account changes in the broader narrative reporting landscape for both private and listed companies and the increased focus on climate change and societal challenges. A key aim of this review is to enhance the level of understanding of the Guidelines amongst the private equity industry's stakeholders and their value.
  - The PERG and the BVCA will continue to engage with external stakeholders to highlight the important role private equity plays in the UK economy, especially given the increased interest in high-profile transactions in the UK.
  - The implementation timeframe for revisions to the Guidelines is projected to be 2023-24, but this is dependent on the finalisation of legislation which will bring forward proposals from the Restoring trust in audit and corporate governance White Paper published in 2021.
  - Last year PERG published recommendations on disclosure to be included in the financial reporting period covered by this report, which were intended to help improve the quality of reporting by portfolio companies. These are reflected upon in this report.

1.3 The Private Equity Reporting Group

The members of the PERG are:

Nick Land

Chair & independent member

Baroness Drake

Independent member

Glyn Parry

Independent member

Ralf Gruss

Industry representative (Apax)

Tony Lissaman

Industry representative (3i)

Meetings of the PERG are attended by the BVCA including Michael Moore (BVCA Director General), Gurpreet Manku (Deputy Director General and Director of Policy) and Ciarán Harris (Policy Manager). The PERG reports on its review to the BVCA Chair and members of the BVCA Council (board of directors). PwC and EY, both advisers to the PERG and the BVCA, are also invited to attend meetings.

1.4 Portfolio companies required to comply with the Guidelines

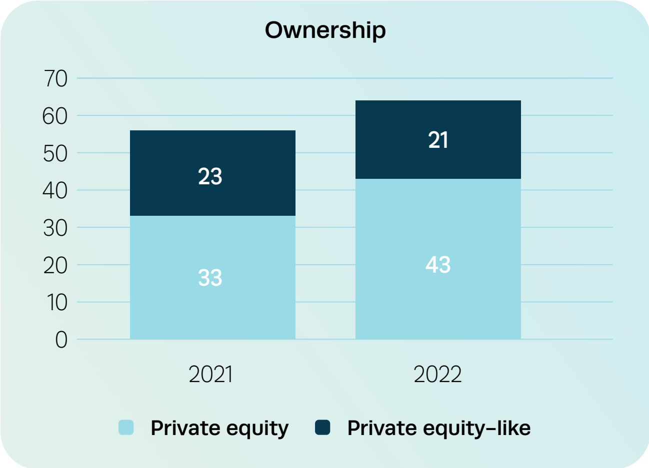
The Guidelines apply to the largest private equity-backed companies with a significant presence in the UK. The number of portfolio companies covered by the Guidelines this year is 73 (2021: 64). Since the last report, there have been 7 exits (including IPOs), 3 re-entrants (three sales to other private equity funds) and 13 new companies within the scope of the Guidelines.

Further details on the portfolio companies are included in Appendix 2. The definition of a portfolio company is set out in Appendix 3.

1.5 Private equity firms within scope of the Guidelines

Private equity firms managing or advising funds that own portfolio companies (that are within the scope of the Guidelines) are responsible for ensuring compliance with the Guidelines. This includes "private equity-like" firms, being firms that conduct their business in a manner that would be perceived by external stakeholders to be similar to that of other participants in the private equity industry. This may include, but is not limited to, infrastructure funds, sovereign wealth funds, pension funds and credit/debt funds.

64 firms are covered by the Guidelines this year (2021: 56). This number is large as it includes co-investors in the companies. The full definition is set out in Appendix 3, and Appendix 1 explains how minority and other shareholders are monitored.



1.6 Overall compliance with the Guidelines

Based on our detailed review of the sample and our knowledge of the full population, the majority of the population does comply with all of the requirements of the Guidelines set out in section 1.2.

Eight portfolio companies, however, have not complied in full with any of the core components of the Guidelines. All of these companies are backed by non-BVCA members and some of these companies (marked with a *) are new to the population this year:

- Acacium Group (owned by Onex)*;
- Equiniti Group (owned by Siris Capital)*;
- Energy Assets Group (owned by Asterion Industrial Partners);
- Global Risk Partners (owned by Searchlight Capital Partners);
- London City Airport (owned by OMERS Infrastructure, Ontario Teachers' Pension Plan, Alberta Investment Management Corporation and Wren House Infrastructure Management);
- McCarthy & Stone (owned by Lone Star Funds)*;
- PureGym (owned by Leonard Green & Partners); and,
- Punch Taverns (owned by Patron Capital).

The Walker refresh process and the forthcoming industry engagement will give the PERG and the BVCA the opportunity to re-engage with their owners in 2023.

1.7 Compliance with the disclosure requirements in the Guidelines

Sample selection

Each year, a sample of approximately a third of the population of portfolio companies is reviewed for compliance with the disclosure requirements. PricewaterhouseCoopers LLP ("PwC") was reappointed as an independent advisory firm to assist the PERG in carrying out this year's review. The members of the PwC team that are appointed to review the sample population are financial reporting specialists who review the annual report and financial statements of FTSE 350 clients or have experience reviewing annual reports for large PE backed businesses.

PwC has reviewed a sample of 25 portfolio companies this year (2021: 21). The sample size has increased again this year due to the large amount of transaction activity, and includes companies with accounting years ending up to and including 30 April 2022.

Through annual sampling, the PERG aims to ensure that all portfolio companies are reviewed at least once every three years, and will continue with its policy of re-reviewing companies where their reporting does not comply with the Guidelines.

Measuring compliance

Compliance is measured by PwC using the following approach agreed by the PERG:

- PwC first checks if portfolio companies have included the disclosures required by the Guidelines.
- Secondly, PwC forms a view on the quality and standard of the disclosures. These are classified as being excellent, good or meeting the level of basic compliance. This is a subjective judgement made by PwC from assessing how many of the expected attributes of good quality reporting are included in the disclosures. This is assessed for each of the Guideline's criteria, utilising expectations set out in the PwC Good Practice Guide.
- To help inform this assessment and determine the level required to obtain a "good" rating, PwC also performs a read across of the portfolio companies' disclosures to the standard typically seen in the financial statements of companies within the FTSE 250. PwC also considers other developments in good corporate reporting.

Companies in the FTSE 100 are not generally considered to be comparable to the portfolio companies covered by the Guidelines due to their size and geographical reach as they are generally multinational whereas the portfolio companies have significant UK operations. Therefore the FTSE 100 does not form part of this assessment. Further detail on how compliance is measured is included in Appendix 4.

Quality of disclosures by portfolio companies in their annual report

All portfolio companies reviewed in the sample of 25 companies complied with the disclosure requirements in their annual reports (2021: 100%). 60% prepared disclosures to at least a good standard (2021: 67%), and while no companies reviewed prepared excellent disclosures overall (2021: None), many did produce excellent individual disclosures. The use of the "comply or explain" basis of the Guidelines was not used this year to explain non-compliance with requirements (2021: Three).

The key findings and areas for improvement are summarised below, with more detail included in section 2 of this report. This feedback relates to the sample reviewed in 2022 and comparisons to the prior year's review therefore relate to a different sample of companies.

The war in Ukraine, Covid 19 and the resulting rising inflation and the cost of living has impacted the current reporting cycle and understandably has had an effect on the narrative reporting in a large proportion of the annual reports reviewed. There has been increased narrative to provide context on how inflation and other macro challenges have impacted business performance in the period and the wider impact on company stakeholders. Reporting on environmental and social matters continued to evolve, and clearly the recent focus on net zero and regulation will drive increased interest and scrutiny in these areas.

Areas with a higher incidence of good quality disclosures:

- **Details of board composition:** The quality of disclosures in this area continued to be high.
- **Balanced and comprehensive analysis of development and performance:** The good quality continued in this area of disclosure as companies focused on the wider market trends and impacts from Covid 19.

Areas where there were significant improvements from prior year:

- **Environmental matters:** We have seen improved standards of disclosure compared to the quality reported in previous years' reviews, largely driven by the number of companies providing Streamlined Energy and Carbon Reporting in the UK. Given the importance of climate change, and the reporting requirements due to be implemented in the UK, this is an area where portfolio companies will need to continuously improve year on year.
- **Business model:** Standards of disclosure by companies revealed continued improvements since the 2020 and 2021 reviews. Good examples included a dedicated discussion on specific inputs that contribute to operations and how these create value.
- **Gender diversity:** There was a significant improvement in the quality of disclosure this year which was pleasing given the prevalence of only basic disclosures in previous years and the importance of diversity within companies.

Areas requiring improvement:

- **Financial position:** It was disappointing to see the fall in the standard of disclosure this year, given the economic climate and the importance of transparency in this area.
- **Employees:** It was also disappointing to see the drop in standard of disclosure and the significant improvement reported in last year's review has not been sustained. Employees are an integral part of any business, and the standard of disclosures should reflect this.

A large proportion of the portfolio companies reviewed achieved a 'good' overall assessment across the Guidelines again this year. In the prior years this was closer to an even split in the population.

A statement of compliance in the annual report of the portfolio company is a requirement of the Guidelines. 52% of companies have included such a statement in their annual report which is disappointing given that this is a straightforward requirement (2021: 62%). The PERG views this statement as a proxy for the "fair, balanced and understandable" requirement under the UK Corporate Governance Code. This governance statement and the continuing scrutiny placed on FTSE 250 companies by wider stakeholders (such as the media, investors, regulators and employees) have driven significant improvements to the standard of reporting by FTSE 250 companies, and portfolio companies need to strive to continually improve their reporting each year.

Feedback for private equity firms and portfolio companies

Private equity firms need to spend more time familiarising themselves and their portfolio companies with the requirements of the Guidelines, and should consider including a process whereby relevant individuals are notified when a company may come into scope. This could involve relevant individuals from the legal and accounting professions involved in the transaction and the auditing of accounts.

The various parties should ensure knowledge of the Guidelines' requirements is embedded in the annual reporting cycle, and that companies seek to continuously improve the quality of the disclosures they provide. This is especially true for new companies in the population that have to comply with the Guidelines for the first time.

We understand that compliance with the requirements might not be the area of expertise for an individual responsible in a private equity firm for reporting, and would therefore encourage engagement with the BVCA earlier in the year.

Portfolio companies should be aware that producing the same disclosures year-on-year will not necessarily result in the same grading in future years as listed companies generally improve their disclosures continuously due to shareholder, regulatory and other stakeholder pressure. A disclosure measured as being good three years ago, may now be judged as only being basic when compared to listed companies. It should be ensured that when an addendum is required, that the company proceeds in the following year to include the subject contents of the addendum in the annual report.

Following the review, the PERG provides detailed feedback to private equity firms including recommendations for improvements. Alongside this report, PwC has published an update to its Good Practice Guide, based on its findings from this year's review. It sets out expectations for compliance with the Guidelines and shares examples of both good and excellent practice to assist firms and portfolio companies.

1.8 Compliance with the portfolio company publication requirements

Portfolio companies are subject to two publication requirements:

Requirement	Results of review
Publication of annual reports: Portfolio companies should publish their annual audited reports on their websites no more than 6 months after the company year-end.	78% of portfolio companies published an annual report within 6 months of year-end on their website (2021: 75%).
Mid-year update: Portfolio companies should publish a summary mid-year update giving a brief account of major developments in the company within 3 months of mid-year.	86% of portfolio companies published a mid-year update within 3 months of mid-year on their website (2021: 87%).

1.9 Compliance with the private equity firm disclosure obligations

The PERG reviewed the websites and/or annual reports of private equity firms covered by the Guidelines to assess compliance with their disclosure obligations, including details on their investment approach, UK portfolio companies, and leadership of the firm. The information published varied with some firms opting for succinct and clear statements and others providing extended information on strategy and detailed case studies. All members of the BVCA have met the requirements.

BVCA members have also signed a statement of conformity with the Guidelines confirming compliance with their own disclosure and data provision requirements, and those of their portfolio companies.

1.10 Performance of portfolio companies

Each year the BVCA commissions research into the performance of portfolio companies compared to public benchmarks and a returns attribution analysis in respect of exits. EY LLP was reappointed by PERG in 2022 to undertake this research. PERG has reviewed the results and the report has been published at www.bvca.co.uk/Research. There are 73 portfolio companies in the population with a compliance rate for the provision of data of 86% (2021: 89%).

Key findings from the report include:

- The average timeframe of private equity ownership of portfolio companies is 5.9 years and the current portfolio companies have been owned for an average of 4.2 years.
- The equity return from portfolio company exits is 3.0x the public company benchmark when measured over the same period of time; c.60% of the additional gross return can be explained from the higher levels of financial leverage employed, with the balance being private equity strategic and operational improvement.
- Annual employment growth of the portfolio companies is below (i) the private sector benchmark of growth at 0.0% versus 0.3% growth (organic), and (ii) the public company benchmark at 1.5% versus 1.7% growth (reported). At the sector and company level, there is a wide range of movements in organic employment (presumably reflecting several factors, including the impact of the global Covid-19 pandemic in 2020 and 2021). The consumer and infrastructure sectors outperformed other sectors in terms of year-on-year organic employment growth.
- Average employment cost-per-head in the portfolio companies has increased by 6.5% per annum under PE ownership (2020: 1.8%), consistent with the long-term trend and the UK private sector benchmark of 2.1% growth over the same period.
- 57% of the current portfolio companies have made net bolt-on acquisitions while 11% have made net partial disposals. This continues to support the view that PE companies are focused on growing their portfolio companies, both through acquisition and organically, rather than selling off their component parts.
- Capital productivity growth is 10.1% which exceeds the public company benchmark of (1.9)% per annum.
- Labour productivity has increased under PE ownership by (i) 3.1% (2020: 1.3%) as measured by growth in Gross value added ("GVA") per employee and (ii) 4.2% (2020: 2.4%) as measured by growth in EBITDA per employee. Annual increase in labour productivity in the portfolio companies is lower than the public benchmarks for EBITDA per employee (at 4.2% vs. 7.5%) but higher than the economy-wide benchmarks for GVA per employee (at 3.1% vs. 2.0%). This differs from 2020 results where portfolio companies were higher than public company benchmarks for EBITDA per employee (at 2.4% vs. 0.8%) but lower than the economy-wide benchmarks for GVA per employee (at 1.3% vs. 1.9%).
- The portfolio companies outperformed the public company benchmarks at a revenue increase of 7.8% versus 2.3% and EBITDA increase at 6.0% versus 4.3% per annum respectively. There is a wide range of results in 2021 trading performance in the current portfolio companies at both a sector and company level, with the outperformance driven by the consumer sector achieving higher growth in profitability than other sectors.
- Data on gender diversity was collected again this year. Female representation is 51% at an overall employee level across the current portfolio companies and 26% at the director level. 37% of FTSE 250 board positions are held by females (source: Hampton-Alexander Review).

The research is based on the data received and further interpretative analysis cannot be easily performed given the number of companies included in the dataset and the sector bias contained therein e.g. if a metric has increased, the specific reasons behind this cannot be inferred simply based on other data received as there may be other internal and external factors to consider, as well as the sector that the company operates in. It is important to note that the year referred to in the key findings relates to the year in which the data relates, as opposed to the other findings in this report which refer to the report year.

1.11 Recommendations and 2023 activities

Over 2023, the PERG and the BVCA will continue to undertake a detailed review to update the Guidelines. This will take into consideration current and forthcoming changes to the narrative reporting landscape, as well as increased stakeholder interest in the private equity industry following high-profile transactions involving well-known businesses in the UK. Work on the refresh includes:

- An updated PERG website – the PERG website has been updated to include clear information on the review process and the findings, with the aim of increasing the searchability of the Guidelines and as such, the understanding of them.
- A restructured EY report – the EY report has been updated to improve its readability for a non-financial audience, notably in the section that contains the returns attribution analysis.
- As part of the communications and launch plan, which promotes the Guidelines and the findings in a particular year, media and other stakeholders have the opportunity to interact with the PERG and the BVCA.

In this report, we have published an updated roadmap for reviewing the Guidelines (section 3):

- This sets out all of the areas impacting corporate reporting in the UK, including the government's proposals set out in its 2021 consultation Restoring trust in audit and corporate governance.
- Over 2023, the PERG and BVCA will consult with private equity firms and external stakeholders including government departments, regulators, trade unions and the media.

The 2022/23 Walker Guidelines review provides the private equity industry with an excellent opportunity to engage with stakeholders and articulate its value to society, as well as the economy. As majority owners in major businesses, private equity firms are well placed to be amongst the leaders on the response to challenges such as climate change and supporting sustainable growth and employment. The PERG was pleased to see improvements in certain areas this year, but the increased scrutiny from high-profile deals shows that higher levels of transparency and the standard of disclosure need to be achieved and sustained. There are a number of areas for improvement: more companies should include a compliance statement in their annual reports, and the increased number of addendums is a negative development that will continue to be monitored.

Private Equity Reporting Group

2

Review of conformity with the Guidelines

73 portfolio companies were within the scope of the Guidelines in 2022 (2021: 64). The PERG notes that all BVCA members and some non-members in scope of the Guidelines and their portfolio companies are compliant with the Guidelines or have provided appropriate explanations. Non-BVCA members back all of the companies that are non-compliant this year.

2 Review of conformity with the Guidelines

This section details the findings of the PERG's review of conformity with the Guidelines.
It considers compliance across four areas:

<table>
<tr><th>Disclosures by portfolio companies</th><th>Publication of portfolio company reports</th><th>Communication by private equity firms</th><th>Other requirements and recommendations</th></tr>
<tr><td>The requirements to include enhanced disclosures in the audited annual report and financial statements, and prepare a mid-year update.</td><td>The requirement to publish the audited annual report and financial statements, and a mid-year update in a timely and accessible manner.</td><td rowspan="2">The requirement to make information about the firm available in an annual report on, or through regular updating of, the firm's website.</td><td rowspan="2">The requirements for firms and companies to provide data to the BVCA, to follow established reporting and valuation guidelines and to ensure timely and effective communication. There are recommendations for the BVCA relating to research, engagement with "private equity-like" entities and fund performance measurement.</td></tr>
<tr><td colspan="2">This covers portfolio companies with accounting years ending up to and including 30 April 2022.</td></tr>
</table>

The Guidelines operate on a comply or explain basis. Therefore, firms have an opportunity to explain why they have not complied with the Guidelines or an element of the Guidelines. The PERG may not accept these explanations.

2.1 Overall compliance

73 portfolio companies were within the scope of the Guidelines in 2022 (2021: 64). The PERG notes that all BVCA members and some non-members in scope of the Guidelines and their portfolio companies are compliant with the Guidelines or have provided appropriate explanations. Non-BVCA members back all of the companies that are non-compliant this year.

Eight portfolio companies have not complied with any of the three components of the Guidelines this year (enhanced annual report disclosures and preparation of a mid-year update, the publications of these reports, and the provision of data to EY):

- Acacium Group (owned by Onex) – This company is new to the population and Onex opted not to comply this year. Note that the minority owners (Towerbrook Capital Partners) do comply with the Guidelines.
- Energy Assets Group (owned by Asterion Industrial Partners) – the PERG has been unable to engage with its owner to date.
- Equiniti Group (owned by Siris Capital) – This company is new to the population and the PERG will engage with Siris in 2023.
- Global Risk Partners (owned by Searchlight Capital Partners) – the PERG was unable to engage with its owner to date.
- London City Airport (owned by OMERS Infrastructure, Ontario Teachers' Pension Plan, Alberta Investment Management Corporation and Wren House Infrastructure Management) – the company continues to not comply, with no single owner having a controlling stake in the company.
- McCarthy & Stone (owned by Lone Star Funds) – This company is new to the population and the PERG will engage with Lone Star in 2023.
- PureGym (owned by Leonard Green & Partners) – the PERG has been unable to engage with its owner to date.
- Punch Taverns (owned by Patron Capital) – Patron Capital owned the company for majority of the year. New owners (Fortress Investment Group) purchased the business in December 2021, and we will engage with them in next year's process.

2.2 Disclosures by portfolio companies in annual reports

A snapshot of the reporting requirements for portfolio companies is found below, including those required by law.

Guidelines – specific disclosures	
- Identity of private equity firm - Details of board composition - Statement of conformity with the Guidelines	- Financial review – position - Financial review – financial risks
Business review – these are included in the Strategic Report for UK companies and could be included in the Directors' Report or another appropriate report for non-UK companies	
Applicable to all companies[1]	**Enhanced disclosures normally applicable to quoted companies that are required by the Guidelines**
- Balanced and comprehensive analysis of development and performance during the year and position at the year-end - Principal risks and uncertainties facing the company - Key performance indicators – financial - Key performance indicators – non-financial	- Strategy - Business model - Trends and factors affecting future development, performance or position - Environmental matters - Employees - Social, community and human rights issues - Gender diversity information

2.2.1 Overview of portfolio company disclosure findings

The PERG's objective is to ensure that all companies covered by the Guidelines strive to report to a level equivalent to FTSE 250 companies. To clarify how this review is carried out, the PERG's definitions for measuring compliance are included in Appendix 4.

Overall quality of disclosures	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed (% and number)	0%	60%	40%	0%	0%	67%	33%	0%
	0	17	8	0	0	14	7	0

It was positive to see all companies reviewed in the sample comply with the disclosure requirements. 60% of the sample reviewed achieved at least a good standard of disclosure, which is a drop on prior year (2021: 67%, 2020: 60%).
No companies prepared excellent disclosures overall in this year's review (2020: Two), however, many did produce excellent individual disclosures.

[1] This is applicable to all companies (including private companies) except those eligible for the small companies' exemption per Companies Act 2006. Medium-sized companies per Companies Act 2006 are also eligible for an exemption to provide non-financial information.

Private equity firms need to continue to spend further time with their portfolio companies to ensure knowledge of the Guidelines' requirements is embedded in the annual reporting cycle, and that companies seek to continuously improve the quality of the disclosures they provide. To do this, portfolio companies should keep in mind the following:

- Whilst all companies in the sample provided disclosure on gender diversity and employees, the standard or quality of these topical and increasingly important disclosures tended to be basic when expectations to disclose more around policy and practice in these areas is increasing. There may be some misunderstanding about how these requirements interplay with other legal requirements. In addition, a number of key disclosures (financial and non-financial KPIs for example) continue to be provided to a basic level in many company accounts. Firms are reminded to refer to the Good Practice Guide for examples of the disclosures expected.
- The quality of reporting by listed companies continues to improve given the particular focus on changes in financial and narrative reporting in recent years. Portfolio companies should therefore be aware that producing the same disclosures year-on-year will not necessarily result in the same grading in future years. For example, a disclosure measured as being good three years ago, may now only be judged as being basic when compared to listed companies.
- A statement of compliance with the Guidelines is a requirement for portfolio companies, as this statement is viewed as a proxy for the "fair, balanced and understandable" requirement under the UK Corporate Governance Code. This is a straightforward requirement and portfolio companies should ensure that it is included, as only 52% of companies have done so this year.

Other key findings are summarised below. This feedback relates to the sample reviewed in 2022 and comparisons to the prior year's review therefore relate to a different sample of companies.

Areas with good quality disclosures or significant improvements from previous years	Additional feedback
Environmental matters	■ We have seen a higher proportion of good or excellent disclosure in this area, largely driven by the number of companies providing Streamlined Energy and Carbon Reporting. This includes substantial disclosure, with quantified metrics, in relation to the environmental impact of the business.
Business model	■ This was an area that also improved in 2022. ■ Attention and a dedicated discussion is required on the specific inputs that contribute to portfolio companies' operations and how these create value. ■ Excellent examples include a simple diagram setting out the above, alongside how the business sits in the wider market.
Gender diversity	■ Improvements in reporting were through discussion on: – employee engagement including details of policy; – action plans to promote diversity; and – a definition of a "senior manager".
Principal risks and uncertainties facing the company	■ Detailed risks and uncertainties were identified by management, referencing their impact on strategic plans. ■ The disclosures covered important narrative around: – the mitigations; – net risk; and – the risk appetite of management..
Details of board composition:	■ The quality of disclosures in this area continued to be high. ■ These detailed the experience of board members and why this was relevant to the business.

Areas requiring improvement	Additional feedback
Financial risks	▪ There needs to be a greater effort to provide sufficient information on financial risk, given its importance. In order to improve, key elements of financial risk analysis should be included in the front half of the annual report. It should add context to the business performance. ▪ Quantitative information should be included to support financial risk analysis and magnitude or movement of the risk in the year.
Employees	▪ Many of the employee disclosures simply included statutory information required within the Directors' and Strategic reports. More information is needed in these reports, including on strategy, targets and plans. ▪ Better alignment of the information with the overall strategy of the business is required. ▪ Further discussion and improvement around the policies a company has in place and the actions they are taking is required.
Social, community and human rights	▪ The disclosures in respect of social, community and human rights issues are basic and this should be a key area of focus in the coming year. ▪ Annual reports should include specific explanation of which issues impact the group, alignment of those issues to the underlying strategy and the policies and actions taken to address the risks relating to those issues.

All companies in the sample that did not initially comply with all of the disclosure requirements sought to address their exceptions this year through provision of additional disclosure on their website (2021: 100%). This was with the understanding that the additional disclosures would be included in the company's next annual report.

2.2.2 Portfolio companies reviewed

In relation to the disclosures in the annual report, the PERG has established a policy that all portfolio companies within the population will be reviewed:

- at least once within a three-year cycle; and
- more frequently if a company's reporting has been found to not comply with, or only just meets, the requirements in the Guidelines.

25 portfolio companies were selected for review this year (2021: 21), representing a third of the total population. This sample consists of:

- 9 portfolio companies that have not been previously reviewed, being new entrants to the population (2021: 13); and
- 16 portfolio companies that have been previously reviewed and assessed as compliant (2021: 8).

Portfolio companies have differing year-ends and the annual reports with years ending on or after 1 May 2021, and up to and including 30 April 2022 have been reviewed.

Eight companies listed in section 2.1 were not compliant in 2022.

Pizza Express (owned by Bain Capital Credit, Cyrus Capital Partners and senior bondholders) has been removed from the population as a second review of its restructuring and further engagement with the company and its owners concluded that the company did not meet the tests for inclusion. The company was compliant up until its exit from the population in 2020.

HC-One was reviewed this year after being deemed non-compliant in 2020. It is now compliant with the Guidelines.

The following companies were given a first-year grace from the review process and have committed to comply fully next year:

- ASDA (TDR Capital) – due to the nature of the transaction (secondary carve out) and limited time post acquisition once control of the company was gained (post CMA review), the company was onboarded in 2022 and will be fully involved in 2023.
- Morrisons (Clayton, Dubilier & Rice) – Due to a CMA review into the acquisition, the owners did not gain control of the company in time to include the additional disclosures.

The following companies have been given a first-year grace due to their financial year end. Each year, when the PERG reviews the transactions from the preceding period, there are new portfolio companies where the annual accounts will have been signed or the period of private equity ownership before the company's financial year end is minimal, meaning that the additional disclosures could not be included to be reviewed by PERG and PwC.

- Davies Group (BC Partners);
- Medivet Group Ltd (CVC Capital Partners);
- Interpath Advisory (H.I.G Capital); and
- Witherslack (Mubadala).

All these companies' annual reports will be reviewed in 2023.

2.2.3 Measuring compliance

The basic requirements are set out in the next section along with a link to the Good Practice Guide. In the first part of its review, PwC checks if portfolio companies have included the disclosures required by the Guidelines.

For the second part of the review, the PERG commissions PwC to form a view on the quality and standard of the disclosures and classify them as excellent, good or as meeting the level of basic compliance. In practice, this is a subjective judgement made by assessing how many of the expected attributes of good quality reporting in each of the guideline's criteria are included in the disclosures, utilising those expectations set out in the PwC Good Practice Guide.

To inform this assessment and determine the level required to obtain a "good" rating, PwC also performs a read across of the portfolio companies' disclosures to the standard typically seen in the financial statements of companies within the FTSE 250 and consider other elements of good corporate reporting such as the:

- level of information and the way in which it is disclosed;
- clarity of the narrative;
- cohesiveness and linkage of different disclosure areas;
- use of text and visuals; and
- overall user-friendliness.

The companies in the FTSE 100 are not generally considered to be comparable to the portfolio companies covered by the Guidelines due to their size and geographical reach (the FTSE 100 companies are generally multinational whereas the portfolio companies have significant UK operations) and therefore do not form part of this assessment. Further detail on how compliance is measured is included in Appendix 4.

Fair, balanced and understandable	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed (% and number)	0%	60%	40%	0%	0%	57%	43%	0%
	0	15	10	0	0	12	9	0

The quality and level of disclosure by the FTSE 250 has increased in the last few years due to new narrative reporting and corporate governance requirements in the UK. In particular, further detail is expected in relation to the risk, viability and going concern aspects of the UK Corporate Governance Code ("the Code") that applies to premium listed companies. The Code also requires listed companies to confirm the financial statements are "fair, balanced and understandable". This governance statement, and the continuing scrutiny placed on FTSE 250 companies by wider stakeholders (such as the media and employees) has driven significant improvements to the standard of reporting by FTSE 250 companies.

To assess the quality of compliance more effectively, the PERG is also monitoring how companies are performing in relation to the "fair, balanced and understandable" requirement. Note that there is no requirement in the Guidelines to confirm this, as it is a requirement of the Code. Instead, portfolio companies are required to state compliance with the Guidelines as a proxy (see below). There has been a slight change in the quality of "fair, balanced and understandable" disclosures this year with 60% of companies achieving at least a good standard (2021: 57%). No company reviewed was non-compliant or excellent in this area.

2.2.4 Feedback for private equity firms and portfolio companies

The PERG will explain where improvements can be made in feedback letters sent to private equity firms and their portfolio companies. To promote good practice, these will highlight areas where disclosures could be improved beyond the basic requirements, as well as flagging where portfolio companies have not included a statement of conformity in their annual report.

Alongside this report, an updated Good Practice Guide has been published by the PERG and PwC, showcasing examples of good practice based on the findings of this year's review.

The PERG is also looking at other activities to improve the quality of disclosures such as working closely with portfolio companies from an early stage.

2.2.5 Disclosure by a portfolio company – detailed findings

The following section sets out how the sample of portfolio companies reviewed have performed against the individual requirements assessed for compliance and whether the quality of disclosure provided was excellent, good, basic (i.e. the minimum level expected) or non-compliant.

It is important to note that each year the sample that is reviewed, and therefore the quality of the disclosures, differs (as the sample is not directly comparable year on year). As noted in section 1.7, PwC reviews approximately a third of the population, with new companies and companies not reviewed in three years included in the sample.

Guidelines specific disclosures

Identity of the private equity firm	Expectations for compliance
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.	See section 1 of the Good Practice Guide (page 4).

Identity of the private equity firm	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	12%	48%	40%	0%	5%	52%	43%	0%

60% of the sample reviewed achieved at least a good standard (2021: 57%), which is a continued increase from last couple of years. Three companies were considered excellent this year.

Weaker examples referenced the private equity firm and failed to give any history of the ownership or the private equity firms' involvement. This resulted in limited references to the private equity firm through the identity of the directors on the board and the controlling party disclosure within the financial statements. The better performers provided some further insight, such as the firm's history, background, an explanation of its role or a more detailed ownership structure including the name of the fund.

Details of board composition	Expectations for compliance
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.	See section 2 of the Good Practice Guide (page 5).

Details of board composition	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	8%	64%	28%	0%	5%	62%	33%	0%

This criterion continues to be well adhered to by portfolio companies with all companies compliant, and the quality of disclosure has increased year on year. 72% of the companies reviewed produced good or excellent quality disclosures (2021: 67%), clearly articulating the experience of the board members, and demonstrating why they are appropriate for that role. The weaker examples only listed the directors for the period, which is the Companies Act 2006 requirement, and identified which directors represented the private equity house. They did not elaborate further by adding the role and experience of each director.

8% of companies achieved an excellent disclosure compared to 5% in 2021. These included a significant level of additional disclosure, similar to a listed company, covering the wider aspects of governance and committees in place, as well as how the board members form part of this.

Financial review	Expectations for compliance
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.	See sections 3 and 4 of the Good Practice Guide (pages 6 and 7).

Compliance with this requirement was measured by reference to two areas: the financial position of the company at the year-end and the identification and analysis of financial risks.

Financial position at year-end	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	8%	48%	44%	0%	0%	71%	29%	0%

It was disappointing to see the quality of disclosures fall this year, with only 56% of companies achieving at least a good standard (2021: 71%). Two companies provided excellent disclosure however (2021: 0%).

Given the variety of funding structures in place across the portfolio companies reviewed, there was a range of presentations to facilitate the readers' understanding of the financial position. The majority of companies articulated the year-end debt position, providing sufficient disclosure for the user to understand the profile of the debt, the types of covenants in place and performance against these. Financing arrangements along with details on capital structure and the profile of the debt repayments were positive features of some disclosures.

Where portfolio companies only met the basic requirement there was generally a lack of clarity over the financial position, and little or no information on whether covenants were in place and if they had been met. More detailed information was needed on movements in the year and on the terms of the loans, as well as the financial health of the company.

Financial Risks	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	4%	36%	60%	0%	0%	57%	43%	0%

The quality of disclosures is lower this year with only 40% of companies achieving at least a good standard (2021: 57%).

Although portfolio companies will have differences in the specific financial risks linked to their operations, this is a Guidelines criterion that can be easily evaluated across the population on an even basis. Portfolio companies achieved a good level of disclosure by avoiding boiler plate and simplistic disclosures (which would only achieve a basic level of compliance) and by including detail on how risks are addressed as well as quantitative information which enhances the disclosure. More work needs to be put into this section due to the significant fall in good disclosures.

Where portfolio companies went into their mitigation strategies and provided quantitative information to support the risk assessment, this was beneficial for the users of the accounts and provided the appropriate level of insight.

Strategic report disclosures required by UK Companies Act.

Balanced and comprehensive analysis of development and performance during the year and position at the year end	Expectations for compliance
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 end. The purpose of this is to inform the members of the company and help them assess how the directors have performed their duty.	See section 5 of the Good Practice Guide (page 8).

Balanced and comprehensive analysis of development and performance during the year and position at the year-end	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	8%	60%	32%	0%	0%	67%	33%	0%

The quality of disclosures has improved slightly year on year with 68% of companies achieving at least a good standard this year (2021: 67%).

Good levels of disclosure require a balanced discussion on the development and performance during the year, fairly reflecting the business and its divisions. Some of the stronger performers were able to narrate this succinctly and provide a direct insight into operations in a distinctive and strategic way that is relevant. The annual reports expanded beyond the income statement to give detailed insights. A notable inclusion in many annual reports was the impact on results by the Covid-19 pandemic.

The minority of companies that achieved a basic level of disclosure did not provide greater insight into their operations, largely summarised the primary financial statements, and did not include detailed comparisons.

Principal risks and uncertainties facing the company	**Expectations for compliance**
The report must contain a description of the principal risks and uncertainties facing the company.	See section 6 of the Good Practice Guide (page 9).

Principal risks and uncertainties facing the company	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	16%	60%	24%	0%	9%	48%	43%	0%

Portfolio companies that performed reasonably well this year produced disclosures on the principal risks and uncertainties they face covering the alignment between the risk and strategy, providing an assessment of their risk profile, as well as management and mitigation processes. The quality of disclosures has increased with 76% of companies achieving at least a good standard this year (2021: 57%). A positive increase in both excellent and good disclosure.

Basic disclosure presented a limited view on movements in risks and uncertainties in the year and did not include quantitative information to support the risks and magnitude or movement of the risk in the year.

Key performance indicators (KPIs) – financial and non-financial	Expectations for compliance
The 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, and 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.	See sections 7 and 8 of the Good Practice Guide (pages 10 and 11).

Financial KPIs	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	4%	32%	64%	0%	5%	52%	43%	0%

The quality of disclosures has dropped with only 36% of companies achieving at least a good standard this year (2021: 57%).

Measures that generally appear in most reports are revenue, EBITDA and profit before tax, although sophisticated financial measures are reported in a number of reports to analyse the performance of the business in real detail. Basic disclosures would benefit from aligning the KPIs to the strategic objectives and targets, and by explaining why they are key.

A number of companies included quantified current year performance and comparatives, as well as providing an explanation of why the KPI was included. The companies that did achieve an excellent standard defined the KPIs, provided trend data over a number of years, and explained the movements.

Non-financial KPIs	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Explanation for non-compliance
All companies reviewed	4%	28%	68%	0%	5%	33%	48%	14%

The quality of disclosures has dropped again this year with only 32% of companies achieving at least a good standard (2021: 38%). One positive aspect is that no companies included an explanation for non-compliance this year. However, this led to a large number being deemed to be basic. These basic disclosures simply included high level boiler plate information with little detail on why there were selected, how they are calculated and the targets the company has set.

Where value is well delivered in annual reporting these non-financial KPI measures are linked to key strategic priorities, often relating to delivery of goods and services. They are presented alongside the financial key performance indicators and shown to have a similar level of importance and management focus. Basic disclosures did not include an analysis of performance against the KPIs presented.

Enhanced Business Review

Strategy	Expectations for compliance
The report should clearly articulate how the business intends to achieve its objectives.	See section 9 of the Good Practice Guide (page 12).

Strategy	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	12%	44%	44%	0%	5%	52%	43%	0%

The quality of disclosures has largely remained the same with 56% producing at least a good standard of disclosure. These included a strategy that ran throughout the narrative, focused on priorities and how to enact them.(2021: 57%).

Linkage between strategies, risks and KPIs was an important part of a coherent narrative that delivered a fair, balanced and understandable report. This ensures that strategy is focused across all aspects of the business and at all levels in the reporting.

44% of companies disclosed a basic level of disclosure on strategy, presenting a generic and isolated statement, which in many cases lacked focus, clear articulation of targets and timing, and an understanding of how this could be delivered (2021: 43%). The disclosure would be better presented if clearly stated upfront.

Business model	Expectations for compliance
The report must include a description of the business model.	See section 10 of the Good Practice Guide (page 13).

Business Model	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	24%	40%	36%	0%	14%	38%	48%	0%

This requirement continues to be met in a number of ways with the standard of disclosure improving year on year. It was very positive to see 24% of companies include an excellent disclosure.

Good or excellent examples of business models (64% of portfolio companies; 2021: 52%) articulated clearly and simply how the business generates revenue and value, often through a simple diagram, to show where the business sits in the wider market and how this creates value for the end user of the annual report, including the inputs and outputs that are identified as important. Less developed discussions allowed the reader to understand the segments of the business, but left them to extract how value is created.

The weakest companies relied on the narrative of their operations in a wider context. Taking this approach tended to result in a basic level of compliance (2022: 36%; 2021: 48%).

Trends and factors affecting future development, performance or position	Expectations for compliance
The 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.	See section 11 of the Good Practice Guide (page 14).

Trends and factors affecting future development, performance or position	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	12%	48%	40%	0%	0%	52%	48%	0%

60% of companies this year achieved at least a good level of compliance and provided analysis and clear disclosure specific to the portfolio company and/or the market in which it operates and provided context to the portfolio company's current and expected performance (2021: 52%). The disclosures were forward looking and explained the companies' expectations. There was clear linkage included between trends and changes in the external market and the results of the business in the period.

Basic disclosures included statements that were general, did not include quantitative information where relevant and lacked information on internal and external factors driving the growth of the company. The statements provided little additional information for the users of the accounts, although included sufficient appropriate references to comply with the basic guideline requirements. 40% of companies produced such basic disclosures (2021: 48%).

Environmental matters	Expectations for compliance
The report 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.	See section 12 of the Good Practice Guide (page 15).

Environmental matters	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	20%	44%	36%	0%	0%	57%	43%	0%

Overall, compliance with this disclosure has improved this year, with 44% receiving a good rating, and a further 20% receiving an excellent rating (2021: 57% good / 0% excellent). Where portfolio companies have specific policies for measuring their performance in this area and have included these metrics, it significantly assists the user in understanding what has and/or will be achieved. Many reports contained substantial disclosure, with quantified metrics in relation to the environmental impact of the business, and included information on environment committees which focus on addressing the environmental matters of the company. Other companies scored well as they adopted Streamlined Energy and Carbon Reporting requirements. In addition to these, there was discussion on the principal energy efficiency actions that have been undertaken by the company.

Basic disclosures included a broad statement not supported by applicable evidence. This disclosure can be improved by including actions, policies and quantifiable measures to support the discussion.

Employees	Expectations for compliance
The 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.	See section 13 of the Good Practice Guide (page 16).

Employees	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	4%	44%	52%	0%	0%	76%	24%	0%

Employees are essential for nearly all businesses, and it is vital that portfolio companies are able to articulate the importance of their employees and comply with the Guidelines in this area. To achieve a good level of compliance in this area, disclosures should set out the clear alignment between overall strategy and employee policies, detailing employee engagement, community, and training and development. Only 48% of companies reviewed provided at least a good level of disclosure (2021: 76%), which is a significant drop in standard on prior year and is disappointing.

The basic disclosures tended to make blander statements on employee areas without giving details of how the policies were practically put into action. They were generally based off required statutory disclosures within the Directors' and Strategic Reports, and did not include alignment of the information presented to the overall business strategy or targets.

Social, community and human rights issues	Expectations for compliance
The 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.	See section 14 of the Good Practice Guide (page 17).

Social, community and human rights issues	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	0%	36%	64%	0%	10%	42%	48%	0%

To achieve basic compliance a section in the annual report should include, 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 are not a material issue for the company. The majority of disclosures were basic this year (2022: 64%, 2021: 48%), which was disappointing to note given the improvement last year.

Where the annual report included the above as well as an explanation of the actions taken to address the issues with quantifiable evidence, the company would have produced a good disclosure.

Gender diversity	Expectations for compliance
The report must include a breakdown at the end of the financial year to show: • the number of each sex who were directors of 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 for the role of a senior manager.	See section 15 of the Good Practice Guide (page 18).

Gender diversity	Quality of disclosures 2022				Quality of disclosures 2021			
	Excellent	Good	Basic	Non-compliant	Excellent	Good	Basic	Non-compliant
All companies reviewed	8%	40%	52%	0%	0%	19%	81%	0%

The level of compliance on gender diversity disclosures improved year on year as 48% of disclosures were rated as good compared to 19% in 2021.

This is pleasing as it is an area of increasing focus in the wider corporate reporting environment due to gender pay gap reporting requirements for large companies. Portfolio companies should be aware that the Guidelines requirements differ from the gender pay gap reporting requirements and production of disclosures for one requirement will not be sufficient to be compliant with the other.

Disclosures are considered basic where they provide a summary of the gender split across the various levels of the company, but are not supported by details of the relevance of the diversity statistics, the policies in place and how these link to the overall strategy of the company. It is disappointing to see that the majority of the population reviewed still only achieve basic compliance given the importance of this topic to society more broadly. The PERG continues to recommend that companies pay greater attention to this requirement and go beyond providing just the minimal level of disclosure.

Statement of compliance	Expectations for compliance
The report should include a statement by the directors of the portfolio company confirming compliance with the Guidelines or setting out explanations for areas of non-compliance.	See page 3 of the Good Practice Guide.

Statement of compliance	2022		2021	
	Included	Not included	Included	Not included
All companies reviewed	52%	48%	62%	38%
	13	12	14	7

52% of companies reviewed included a specific statement of compliance with the Guidelines in the annual report (2021: 62%). The PERG believes a statement of compliance with the Guidelines can be incorporated into a company's annual report with relative ease and it should not be contentious to comply with this requirement. It is disappointing that 48% of the sample reviewed did not include a statement.

2.3 Publication of portfolio company reports

The Guidelines require portfolio companies' audited report and accounts to be readily accessible on the company website no more than six months after the company year-end. Additionally, a summary mid-year update giving a brief account of major developments in the company (but not requiring updated accounts) should be placed on the website no more than three months after mid-year.

Publication of annual reports

Portfolio companies should publish their annual audited reports on their websites no more than six months after the company year-end. Annual reviews or similar narrative reports are not acceptable alternatives to a portfolio company's annual report and financial statements within which the Guidelines disclosures should be found in the front half. Additionally, it should be readily accessible on the portfolio company's website, and not behind a login page. To calculate the compliance rates below, we have not included the eight companies (noted in section 2.1) that are not complying with any aspect of the Guidelines, or those companies given a first year grace. Further improvements are required on this aspect of the Guidelines as the compliance rates should be higher. 76% of portfolio companies have published an annual report within six months of year-end on their website (2021: 77%):

- A first-year grace was given to:
  - ASDA (TDR Capital)
  - Davies Group (BC Partners)
  - Medivet Group Ltd (CVC Capital Partners)
  - Morrisons (Clayton Dublier & Rice)
  - Interpath Advisory (H.I.G Capital)
  - Witherslack (Mubadala Capital).
- The following portfolio companies did not publish their annual reports within six months of year-end, however, did so subsequently:
  - Advanced Computer Systems (BC Partners)
  - Alexander Mann Solutions (OMERS PE)
  - Care UK (Bridgepoint)
  - CityFibre (Goldman Sachs)
  - Citation Limited (KKR)
  - KCOM (Macquarie Asset Management)
  - PIB (Apax Partners)
  - Parkdean Holidays (Onex)
  - MyDentist (Carlyle)
  - Village Hotels (KSL Capital)
  - Vue Cinemas (OMERS PE)
- Ambassador Theatre Group (Providence Equity) and Williams Lea Tag (Advent International) have provided an explanation to the PERG as to why the company has been unable to publish its annual report on its website.

Mid-year update

Portfolio companies should publish a summary mid-year update giving a brief account of major developments in the company within three months of mid-year. 84% of portfolio companies published a mid-year update within three months of mid-year on their website (2021: 87%).

- A first-year grace was given to:
  - Citation Limited (KKR)
  - Hermes Group (Advent International)
  - Viridor Limited (KKR).

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- The following portfolio companies missed the deadline to publish their mid-year updates on their respective websites. However, all companies have subsequently published their mid-year updates.
  - Alexander Mann Solutions (OMERS PE)
  - Citation Limited (KKR)
  - Cityfibre (Goldman Sachs)
  - M Group Services (PAI Partners)
  - QA Training (CVC Capital Partners)
- Ambassador Theatre Group (Providence Equity), Parkdean (Onex) and Williams Lea Tag (Advent International) have provided explanations to the PERG as to why the companies have been unable to publish a mid-year update on their respective websites.

2.4 Communication by private equity firms

Review of disclosure by private equity firms	Expectations for compliance
A private equity firm should publish an annual review accessible on its website or ensure regular updating of its website to communicate information about itself, its portfolio companies and its investors along with a commitment to the guidelines.	The requirement allows firms to either prepare a separate annual report or include the information generally within the firm's website.

The PERG has reviewed the websites and/or annual reports of all private equity firms covered by the Guidelines to assess if they met the disclosure requirements above. This includes the publication of information covering details on their investment approach, UK portfolio companies, and leadership of the firm (see Appendix 3 for further detail). Private equity firms were also required to sign an annual statement of conformity to the Guidelines.

All members of the BVCA have met the requirements. This is not the case for all non-BVCA member firms covered by the Guidelines. In practice, it is difficult to compel non-members to provide this information even though the PERG and BVCA strongly encourage it.

Our review of private equity firms' disclosures considered:

a) the extent to which firms complied with the separate criteria; and

b) the accessibility of the information and the clarity of their commitment to the Guidelines.

- The detail included in annual reports and/or websites varied with some firms opting for succinct statements to ensure compliance, and others providing extended information on strategy and detailed case studies. Since the Guidelines were first implemented the level of disclosure by firms has generally increased, and with some firms now listed, the detail of some of these disclosures is much higher.
- As in previous years, the disclosures that are most difficult to find are the statement of investment holding periods, and confirmation that arrangements are in place to deal with conflicts of interests. We continue to see "boiler plate" statements which reference the long-term nature of the investments in portfolio companies. The conflicts of interest policy requirement is somewhat outdated as private equity houses are regulated and so this is implicit in their operations.
- More firms are now providing case studies, however this is not a compulsory requirement.
- Firms provided these disclosures through regular updating of the website or an annual report or another publication. Some firms included these disclosures in prior years' publications still accessible on the website and it is recommended to re-confirm these each year. Other firms provide the same level of commitment; however, the disclosure requirements are spread through a large website (particularly for global firms or those with different investment strategies including private equity) and are less straightforward to locate. Those firms' websites that dedicate a page or section to state their commitment to the Guidelines and to demonstrate their compliance with the criteria appear to be more accessible and make the process of monitoring compliance much easier.

- Some firms display their commitment to the Guidelines in what might be considered an "unusual" place. For example, international firms may include this information in a "Global reach" section. The expected and common area for these disclosures would be under any of the following headings: transparency, disclosure, governance, ESG or reports. In a minority of examples, the Guidelines are referenced in the small print of the website, alongside links to terms and conditions and the sitemap.

Statement of conformity with the Guidelines

The statement of conformity requests the private equity firm to confirm which companies are within scope of the Guidelines and confirm they are aware of the various disclosure recommendations made in the Guidelines. BVCA members have signed the statement, which is an annual requirement.

Private equity firms are encouraged to share the Guidelines checklist (see appendix 6), which accompanies the statement of conformity, and discuss all of the detailed requirements with their portfolio companies on a regular basis. This, coupled with the PERG's findings, will ensure compliance levels and the quality of disclosures are maintained and improved.

2.5 Other requirements and recommendations

The Guidelines include additional requirements for private equity firms and portfolio companies regarding the provision of data to the industry association, the adoption of established valuation and reporting guidelines and timely and effective communication at a time of significant strategic change. They also include recommendations for the industry association regarding research capabilities and activities, engagement with "private equity-like" entities and fund performance measurement.

Findings

- The private equity firms apply guidelines published by Invest Europe, the International Private Equity and Venture Capital Valuation Guidelines Board or applicable accounting standards and reporting requirements agreed with their investors.
- The PERG did not identify any instance where a private equity firm had not ensured timely and effective communication of a significant strategic change in a portfolio company.

2.5.1 Performance of portfolio companies

The annual review of the performance of portfolio companies, undertaken by EY at the request of the BVCA, has been published alongside this report. Its purpose is to present an independently prepared report on several measures of performance of the portfolio companies whilst under the ownership of private equity investors, in order to assess the effect of private equity ownership on key areas of stakeholder interest.

The Walker refresh process has seen the EY report restructured to make it more accessible to a general audience. This has not, however, changed the data collection process nor the data collected.

The research states the results based on the data received and further interpretative analysis cannot be easily performed given the number of companies included in the dataset e.g. if a metric has increased, the specific reasons behind this cannot be inferred simply based on other data received as there may be other internal and external factors to consider. It is important to note that the year referred to in the key findings relates to the year in which the data relates, as opposed to the other findings in this report which refer to the report year.

Key findings from the report include:

- The average timeframe of private equity ownership of portfolio companies is 5.9 years and the current portfolio companies have been owned for an average of 4.2 years.
- The equity return from portfolio company exits is 3.0x the public company benchmark when measured over the same period of time; c.60% of the additional gross return can be explained from the higher levels of financial leverage employed, with the balance being private equity strategic and operational improvement.
- Annual employment growth of the portfolio companies is below (i) the private sector benchmark of growth at 0.0% versus 0.3% growth (organic), and (ii) the public company benchmark at 1.5% versus 1.7% growth (reported). At the sector and company level, there is a wide range of movements in organic employment (presumably reflecting several factors, including the impact of the global Covid-19 pandemic in 2020 and 2021). The Consumer and Infrastructure sectors outperformed other sectors in terms of year-on-year organic employment growth.
- Average employment cost-per-head in the portfolio companies has increased by 2.1% per annum under PE ownership (2020: 1.8%), consistent with the long-term trend and the UK private sector benchmark of 2.1% growth over the same period.
- 57% of the current portfolio companies have made net bolt-on acquisitions while 11% have made net partial disposals. This continues to support the view that PE companies are focused on growing their portfolio companies, both through acquisition and organically, rather than selling off their component parts.
- Capital productivity growth is 10.1% which exceeds the public company benchmark of (1.9)% per annum.
- Labour productivity has increased under PE ownership by (i) 3.1% (2020: 1.3%) as measured by growth in Gross value added ("GVA") per employee and (ii) 4.2% (2020: 2.4%) as measured by growth in EBITDA per employee. Annual increase in labour productivity in the portfolio companies is lower than the public benchmarks for EBITDA per employee (at 4.2% vs. 7.5%) but higher than the economy-wide benchmarks for GVA per employee (at 3.1% vs. 2.0%). This differs from 2020 results, published in 2021, where PCs were higher than public company benchmarks for EBITDA per employee (at 2.4% vs. 0.8%) but lower than the economy-wide benchmarks for GVA per employee (at 1.3% vs. 1.9%).
- The portfolio companies outperformed the public company benchmarks at a revenue increase of 7.8% versus 2.3% and EBITDA increase at 6.0% versus 5.6% per annum respectively. There is a wide range of results in 2021 trading performance in the current portfolio companies at both a sector and company level, with the outperformance driven by the consumer sector achieving higher growth in profitability than other sectors.
- Data on gender diversity was collected again this year. Female representation is 51% at an overall employee level across the current portfolio companies and 26% at the director level. 37% of FTSE 250 board positions are held by females (source: Hampton-Alexander Review).

The report is available on the BVCA website at **www.bvca.co.uk/Research**.

The majority of companies complied with this requirement to provide data for the purpose of this report (2022: 86%, 2021: 89%). The following companies did not comply with this requirement: Acacium Group (Onex), Camelot (Ontario Teachers' Pension Plan), Energy Assets Group (Asterion Industrial partners), Equiniti Group (Siris Capital), Global Risk Partners (Searchlight Capital Partners), Interpath Advisory (H.I.G Capital), London City Airport (OMERS Infrastructure, Ontario Teachers' Pension Plan, Alberta Investment Management Corporation and Wren House Infrastructure Management), McCarthy & Stone (Lone Star), Punch Taverns (Fortress Investment Group) and PureGym (Leonard Green & Partners).

2.5.2 Engagement with "private equity-like" entities

The Guidelines extend to firms that conduct their business in a manner that would be perceived by external stakeholders to be similar to that of other participants in the private equity industry. The PERG and the BVCA continue to engage with "private equity-like" firms, including sovereign wealth funds and pension funds, with the purpose of enlisting their voluntary conformity with the Guidelines.

The PERG will continue to encourage and work with entities that remain in the population and are considered private equity-like. This includes infrastructure fund managers like Global Infrastructure Partners and Macquarie Asset Management, pension funds such as OMERS Private Equity, and those that operate in the credit opportunities sector. These owners are compliant with the Guidelines and have engaged with the BVCA throughout this year's process.

The full definition of what the PERG considers a private equity firm under the Guidelines can be found on the Q&A page on the PERG's website (**www.privateequityreportinggroup.co.uk**).

2.5.3 Fund performance measurement

The Guidelines recommended that the BVCA should participate proactively with private equity trade associations beyond the UK and with the limited partner community to develop a consistent methodology for the content and presentation of fund performance information. The BVCA is continuing to hold discussions with other European private equity trade associations covering a number of areas including fund performance measurement.

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Refreshing the Walker Guidelines

In 2022, the PERG and the BVCA began the process of updating the Guidelines. This has taken into consideration current and forthcoming changes to the narrative reporting landscape, as well as increased stakeholder interest in the private equity industry following high-profile transactions involving well-known businesses in the UK. This work will continue into 2023 as we build on the recent developments and changes to various aspects of the Guidelines.

3.1 Overview

The Guidelines were last updated in July 2014 to incorporate new narrative reporting requirements applying to quoted companies in the Strategic Report. Given the period of time since the last update, the PERG recommended to the BVCA that a fuller review begin in 2022 to update the Guidelines. This is to be accompanied by a broader programme of engagement with interested and relevant stakeholder groups such as government departments, regulators, trade unions and the media. Despite the application of the Guidelines to large UK PE-backed companies, and the increased reporting requirements applying to private companies more generally under UK law, the perception that the industry is not transparent still persists. The review process is therefore well-timed and can re-initiate a dialogue to allay concerns and introduce improvements to the Guidelines to address issues on specific areas.

<table>
<tr><th>2022</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td rowspan="2">Publish Roadmap setting out plans and current and incoming areas that will affect private company reporting in the future.

Interim enhancements recommended by PERG to enhance the quality of disclosures and transparency of reporting: environmental matters; gender diversity; non-financial KPIs; timeliness of publications and accessibility; and references to FRC guidance and linkage to s172 reporting requirements.</td><td rowspan="2">The PERG website and brand has been updated, with the website including a new page to showcase the results from the most recent set of reports. The EY report has been restructured to improve its readability.</td><td>Consultation process with membership. Publish report at end of year.</td><td>Revised guidelines come into effect.</td></tr>
<tr><td colspan="2">This timeframe is dependent on the finalisation of proposals and legislation on corporate reporting in the UK. Further confirmation and clarity is expected in 2023/2024.</td></tr>
</table>

The following sections focus on the reporting requirements that apply to portfolio companies. As part the review process, the disclosure obligations that apply to private equity firms themselves should also be reviewed. The disclosure requirements for PE firms are from 2007 edition of the Guidelines. Private equity firms are heavily regulated now compared to how they were when the Guidelines were first created. Some of the Guidelines' disclosure requirements may not seem relevant. Furthermore, private equity firms include much more information on their websites compared to 2007 such as sustainability/ESG reports, case studies and information about the organisations.

Parties interested in participating in the review and providing feedback to the BVCA should contact:
Ciarán Harris (**charris@bvca.co.uk**).

3.2 Narrative reporting landscape

Since 2016, there have been several additional mandatory narrative reporting requirements implemented for large private companies that complement the Walker requirements. Further changes are expected in the UK which will align reporting requirements for large private companies with Public Interest Entities (listed companies, banks, insurers).

All of the areas below should be taken into consideration when updating the enhanced disclosure requirements that apply to portfolio companies:

Other legal requirements – currently apply	**Future UK legal requirements**
The following requirements currently apply to large private companies in the UK – in addition, and often complementary with, the Walker Guidelines. - Modern Slavery Act 2015 - Gender Pay Gap Information Regulations 2017 - Reporting on section 172 and engagement with employees, suppliers, customers and others - Corporate governance arrangements reporting - Streamlined energy and carbon reporting - Tax strategy reporting - Payment practices and performance Although the exact thresholds vary, many requirements will likely cover the companies included in the Walker Guidelines. The placement of the disclosures vary – some are in financial statements, others are on the company's website (or both). Further detail can be found in a **BVCA member briefing** from May 2019.	The following areas are being consulted on by the UK government and regulators. With the exception of TCFD, the implementation dates are to be confirmed and further detail on the proposals is included below. - Task force on climate-related financial disclosures (TCFD) for large private companies - Sustainability Disclosure Requirements regime (SDR) and UK green taxonomy - BEIS consultation on corporate governance, reporting and audit reform Expectations and reporting on diversity on boards also continues to grow.

Summary of future legal requirements

- Task force on climate-related financial disclosures (TCFD) for large private companies
  - Mandatory across large sectors of the UK economy by 2023
  - **Scope:** UK registered companies which have more than 500 employees and a turnover of more than £500m. (Large PE firms will be caught under the FCA rules for asset managers.)
  - **Timing:** Accounting periods starting on or after 6 April 2022.
  - **Impact**: Companies will be required to report under 4 headings: governance, strategy, risk management, metrics & targets.
- Sustainability Disclosure Requirements regime (SDR) and UK green taxonomy:
  - UK government's recent roadmap set to align financial system with UK net zero strategy.
  - **Scope:** UK registered companies including relevant financial services firms (banks, insurance companies). The definition is yet to be confirmed.
  - **Timing:** Consultation occurred in 2022. Implementation 2-3 years after.
  - **Impact:** Annual reports disclosures in line with standards set by (recently established) International Sustainability Standards Board. Also report on the extent to which activities align with UK green taxonomy.

It is important to note that disclosure around environment, and climate more generally, is becoming increasingly demanding for both publicly quoted companies and their private company equivalents. Many will find this area challenging as new regulations come into force.

- BEIS consultation on corporate governance, reporting and audit reform:
  - BEIS' 2021 consultation Restoring trust in audit and corporate governance covered a wide range of reforms to make directors of the country's biggest companies more accountable, and to improve the audit market. Collapse of Carillion and BHS often cited.
  - **Scope:** The largest UK private companies, which are deemed to be the most economically and systemically important and have over 750 employees or more than an annual turnover of at least £750 million, will be classified as Public Interest Entities (PIEs).
  - **Timing:** c. 2–3 years to finalise, phased implementation. More clarity expected H1 2023, with a draft Bill to be published by BEIS.
  - **Impact:** Large private companies that become PIEs need to meet a number of requirements that apply to quoted companies (mostly included in Walker). New requirements also apply to PIEs.
    - Explicit directors' statement about the effectiveness of the company's internal controls (following consultation by the regulator).
    - Resilience Statement (combining the going concern and viability statements).
    - Audit and assurance policy.

3.3 2022 developments and achievements

Throughout 2022 the PERG and the BVCA have been working on updating the Guidelines in a number of ways. This has, so far, resulted in:

- An updated PERG website – the PERG website has been updated to include clear information on the review process and the findings, with the aim of increasing the searchability of the Guidelines and as such, the understanding of them.
- A restructured EY report – the EY report has been updated to improve its readability for a non-financial audience, notably in the section that contains the returns attribution analysis.
- As part of the communications and launch plan, which promotes the Guidelines and the findings in a particular year, media and other stakeholders have the opportunity to interact with the PERG and the BVCA.

3.4 The roadmap for 2023

Each year the PERG monitors developments in narrative reporting for listed and other large companies to assess how they might affect portfolio companies. Where these developments lead to significant improvements in FTSE 250 reporting, it raises the bar for judging the quality of compliance for portfolio companies.

The government has committed to publishing the long awaited Corporate Governance and Audit Reform Bill in 2023. The proposals included in this Bill will set the ground work for changes in narrative reporting under the Guidelines. For example, if there is more required of FTSE 250 companies on policies to improve gender diversity, portfolio companies also need to provide further disclosure if they want to achieve a good rating.

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Appendix 1: Private equity firms covered by the Guidelines

The following private equity firms and 'private equity-like' firms were in the scope of the Guidelines for 2021, being the period covered by this report.

Where more than one private equity firm is involved in a transaction and they collectively own a controlling stake in a portfolio company, those firms will be jointly and severally responsible for ensuring that the portfolio company applies the Guidelines, and each of those firms will be assessed for compliance with the requirements that apply to them.

Subject to prior approval by the PERG, the Guidelines do not apply to minority shareholders which invest alongside other majority shareholder(s) where both the majority shareholder(s) and the portfolio company comply with the Guidelines. The PERG's approval will depend on the specific facts and circumstances and the extent to which control is exercised.

The first table sets out the firms we have monitored for compliance with the Guidelines.	
3i Infrastructure	Lone Star Funds[1,2,#]
Advent International	Macquarie Asset Management[#]
Apax Partners[2]	Mubadala Capital[2,#]
Ardian[3]	OMERS Private Equity[#] and OMERS Infrastructure[3,#]
Asterion Industrial Partners[1]	Onex[1]
Bain Capital	Ontario Teachers' Pension Plan[1,#]
BC Partners	PAI Partners
Blackstone	Palamon Capital Partners
Bridgepoint	Partners Group
Cinven	Patron Capital[1]
Clayton Dubiler & Rice	Providence Equity
CVC Capital Partners	Safanad[1,#]
Formation Capital[1,#]	Searchlight Capital Partners[1]
Fortress Investment Group[1,2,#]	Silver Lake
Global Infrastructure Partners[#]	Siris Capital[1,2]
Goldman Sachs[1,#]	TDR Capital
Hg Capital	Towerbrook Capital Partners[2]
H.I.G Capital[1,2]	Vista Equity Partners[1]
iSquared Capital[1,#]	Vitruvian
KKR	Warburg Pincus[1,2]
KSL Capital[1]	Wren House Infrastructure Management[3,#]
Leonard Green & Partners[1]	

The second table sets out other minority investors in the portfolio companies covered by this report. For this reason, these firms have not been reviewed by the PERG as other larger investors in the portfolio companies have taken responsibility for complying with the Guidelines.	
Abu Dhabi Investment Authority[1,#]	Intermediate Capital Group
Alberta Investment Management Corporation[1,#]	The Issa Brothers[1,2,*]
Antin Infrastructure[1,#]	Otto GmbH[1,2,*]
Astorg Partners	May Capital LLP[1]
Avenue Capital Group[1,#]	Nestlé[1,*]
Canada Pension Plan Investment Board (CPPIB)[#]	Pollen Street[1]
The Carlyle Group	PSP Investments[1,#]
GoldenTree Asset Management[1,#]	Q Super Fund[1,#]
Future Fund Board of Guardians[1,#]	Walmart[1,2,*]
GIC[#]	USS[#]
Kirkbi Invest[#]	

[1] Not a member of the BVCA
[2] Addition this year
[3] Individually not a member of the BVCA although it is an affiliate of one
[#] Private equity-like entity
[*] Corporate investor

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Appendix 2: Portfolio companies covered by the Guidelines

The following portfolio companies either met the criteria set out in the Guidelines, or have committed to conform to the Guidelines on a voluntary basis during the period under review.

Owners disclosed in brackets do not need to comply with parts of the Guidelines for the reasons set out in Appendix 1.

Portfolio company	Owners during 2021
Acacium Group[2]	Onex (Towerbrook Capital Partners)
Advanced Computer Systems	Vista Equity Partners, BC Partners
Alexander Mann Solutions	OMERS Private Equity
Ambassador Theatre Group	Providence Equity Partners
ASDA[2]	TDR Capital (Issa Brothers, Walmart)
Automobile Association (AA)[1,2]	Towerbrook Capital Partners (Warburg Pincus)
Bourne Leisure[1,2]	Blackstone
Constellation Automotive Group (previously BCA Marketplace)	TDR Capital
Camelot	Ontario Teachers' Pension Plan
Care UK	Bridgepoint
Chime Communications	Providence Equity Partners
Citation Limited (The Citation Group)[1]	KKR (Hg Capital)
CityFibre[1]	Goldman Sachs, (Antin Infrastructure)
Civica	Partners Group
Clarion Events[1]	Blackstone
Cobham Limited	Advent International
David Lloyd Leisure	TDR Capital
Davies Group[2]	BC Partners
Domestic and General	CVC Capital Partners, (Abu Dhabi Investment Authority)
Edinburgh Airport[1]	Global Infrastructure Partners (Future Fund Board of Guardians, Q Super Fund)
Energia Group (previously Viridian Group)	iSquared Capital
Energy Assets Group	Asterion Industrial Partners
ESP Utilities[1]	3i Infrastructure
esure Group	Bain Capital
Equiniti Group[2]	Siris Capital
Evri (previously Hermes)[1,2]	Advent International (Otto GmbH)
Farnborough Airport	Macquarie Asset Management
Froneri	PAI Partners, (Nestlé)
Global Risk Partners	Searchlight Capital Partners
HC-One[1]	Safanad, Formation Capital
Hyperoptic	KKR
Huws Gray[1,2]	Blackstone
Infinis[1]	3i Infrastructure
Interpath Advisory[2]	H.I.G Capital
IRIS Software Group	Hg Capital, ICG
JLA	Cinven
Kantar	Bain Capital
KCOM	Macquarie Asset Management

Portfolio company	Owners during 2021
LGC	Cinven, (Astorg)
London City Airport	Ontario Teachers' Pension Plan, OMERS Infrastructure, (Alberta Investment Management Corporation, Wren House Infrastructure Management)
M Group Services[1]	PAI Partners
McCarthy & Stone[2]	Lone Star Funds
Medivet Group[2]	CVC Capital Partners
Merlin Entertainments	Blackstone, (CPPIB, Kirkbi Invest)
Morrisons[2]	Clayton Dubiler & Rice
Moto[1]	CVC Capital Partners, (USS)
Motor Fuel Group[1]	Clayton Dubiler & Rice
MyDentist	Palamon Capital Partners
NewDay[1]	CVC Capital Partners, Cinven
Parkdean Resorts	Onex
PIB Group[1,2]	Apax Partners
Premium Credit[1]	Cinven
Punch Taverns	Patron Capital (May Capital LLP)
PureGym	Leonard Green & Partners
QA Training[1]	CVC Capital Partners
RAC	CVC Capital Partners, (GIC, USS and PSP Investments)
Rubix	Advent International
Shawbrook Bank[1]	BC Partners, (Pollen Street Capital)
Stonegate Pub Company	TDR Capital
Study Group International[1]	Ardian
Sykes Holiday Cottages[1]	Vitruvian
Travelodge[1]	Goldman Sachs, (GoldenTree Asset Management, Avenue Capital Group)
VetPartners	BC Partners
Village Hotels[1]	KSL Capital
Viridor Limited[1]	KKR
Voyage Care[1,2]	Wren House Infrastructure
Vue Cinemas	OMERS Private Equity, (Alberta Investment Management Corporation)
Westbury Street Holdings	Clayton Dubiler & Rice
Williams Lea Tag	Advent International
Witherslack[2]	Mubadala Capital
Zellis (previously NGA Human Resources)	Bain Capital
Zenith	Bridgepoint
ZPG	Silver Lake

[1] Accounts reviewed this year
[2] Additions this year

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Appendix 3: Guidelines requirements for enhanced disclosures

The Guidelines on enhanced disclosure obligations placed upon portfolio companies and private equity, as amended in July 2014, are set out below.

The PERG has published a Q&A on the most frequently asked questions when navigating the Guidelines on the PERG website (**www.privateequityreportinggroup.co.uk**). The compliance checklist found in appendix 6 summarises the key requirements for private equity firms and their portfolio companies.

1. **Conformity with each of the Guidelines** should be on a **comply or explain** basis.

Where an explanation is given for "non-compliance", this should be posted alongside other related relevant disclosures called for under these Guidelines on the website of the private equity firm or portfolio company.

2. Definition of a **private equity firm** for the purpose of the Guidelines:

Private equity firms for the purposes of the Guidelines include private equity and 'private equity-like' firms (together "PE firms"). PE firms include those that manage or advise funds that either own or control one or more companies operating in the UK and the company or companies are covered by the enhanced reporting guidelines for companies. PE firms include those that acquire portfolio companies: i) with funds provided by one or more investors; ii) an exit/disposal of the company is envisaged and iii) may play an active management role in the company. This would therefore include, but is not limited to, other types of investment funds including infrastructure funds, pension funds, sovereign wealth funds and credit/debt funds. It also applies to firms that may be headquartered outside of the UK. Banks and credit institutions, other than their asset management operations, are specifically excluded.

3. Definition of a **portfolio company** to be covered by enhanced reporting guidelines (as amended by the Group in April 2010):

A UK company:

a) 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

b) 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.

4. Content of enhanced disclosure by a portfolio company

A portfolio company should include as part of its audited annual report and accounts the following enhanced 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.

a) 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.

b) 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.

c) The report should include a review that, subject to points i and iv below, meets the requirements of Section 414C of the Companies Act 2006 including sub-sections 7 and 8 (which are ordinarily applicable only to quoted companies). Section 414C is reproduced in Annex 1 of this document and replaces Annex D of the Guidelines.

i. For a UK portfolio company, this review is required to be included in the strategic report under the Companies Act 2006. A non-UK portfolio company may include this review in a directors' report or equivalent in line with applicable legal requirements in the non-UK country.

ii. When considering the level of detail and nature of information to be included in the review, the portfolio company should have regard to the guidance set out in the Financial Reporting Council's Guidance on the Strategic Report.

iii. Section 414C(7) provides:

'(7) In the case of a quoted company 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.'

When preparing disclosures in respect of environmental matters under section 414C(7)b)(i), a portfolio company may, to the extent it is significant, include in the directors' report the disclosures concerning greenhouse gas emissions as set in Part 7 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This is not a mandatory requirement of the Guidelines.

iv. Section 414C(8) provides:

'(8) In the case of a quoted company 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.'

When preparing disclosures in respect of gender diversity under section 414C(8)c)(ii), a portfolio company may apply its own definition of "senior manager" that differs from the definition and requirement provided in sections 414C(9) and (10) as long as it is clearly explained. A reconciliation to the disclosure using the statutory definition will not be required.

d) 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.

e) To the extent that the Guidelines at 4. a) and c) above are met by existing market disclosures in respect of debt or equity issuance on public markets, this should be explained with the relevant material made accessible on the company's website; and where compliance with these Guidelines, in particular in respect of any forward-looking statement, might involve conflict with other regulatory obligations, the reason for non-compliance should similarly be explained on the company website.

f) The report should include a statement by the directors of the portfolio company confirming compliance with the Guidelines or setting out explanations for areas of non-compliance.

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

a) The audited report and accounts should be readily accessible on the company website;

b) The report and accounts should be made available no more than six months after the company year-end; and

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

6. Data input by a portfolio company to the industry association

As input for the enhanced role in data collection, processing and analysis is to be undertaken on an industry-wide basis by the BVCA, portfolio companies should provide to the BVCA (or to a professional firm acting on its behalf) data for the previous calendar or company accounting year on:

- trading performance, including revenue and operating earnings;
- employment;
- capital structure;
- investment in working and fixed capital and expenditure on research and development; and
- such other data as may be requested by the BVCA after due consultation and where this can be made available without imposing material further cost on the company.

7. Communication by a private equity firm

A private equity firm should publish an annual review accessible on its website or ensure regular updating of its website to communicate:

- a description of the way in which the FCA-authorised entity fits into the firm of which it is a part with an indication of the firm's history and investment approach, including investment holding periods, where possible illustrated with case studies;
- a commitment to conform to the guidelines on a comply or explain basis and to promote conformity on the part of the portfolio companies owned by its fund or funds;
- an indication of the leadership of the UK element of the firm, identifying the most senior members of the management or advisory team and confirmation that arrangements are in place to deal appropriately with conflicts of interest, in particular where it has a corporate advisory capability alongside its fiduciary responsibility for management of the fund or funds;
- a description of UK portfolio companies in the private equity firm's portfolio; and
- a categorisation of the limited partners in the funds or funds that invest or have a designated capability to invest in companies that would be UK portfolio companies for the purpose of these guidelines, indicating separately a geographic breakdown between UK and overseas sources and a breakdown by type of investor, typically including pension funds, insurance companies, corporate investors, funds of funds, banks, government agencies, endowments of academic and other institutions, private individuals, and others.

8. Reporting to limited partners

In reporting to their limited partners on their interests in existing funds and for incorporation in partnership agreements for new funds, private equity firms should:

a) follow established guidelines such as those published by Invest Europe (formerly the European Private Equity and Venture Capital Association) (or otherwise provide the coverage set out in such guidelines) for the reporting on and monitoring of existing investments in their funds, as to the frequency and form of reports covering fund reporting, a summary of each investment by the fund, detail of the limited partner's interest in the fund and details of management and other fees attributable to the general partner; and

b) value investments in their funds using either valuation guidelines published by the International Private Equity and Venture Capital Board or applicable accounting standards.

9. Data input by private equity firms to the industry association

Data to be provided on a confidential basis to an accounting firm (or other independent third party) appointed by the BVCA to cover:

a) In respect of the previous calendar year:

- the amounts raised in funds with a designated capability to invest in UK portfolio companies;
- acquisitions and disposals of portfolio companies and other UK companies by transaction value;
- estimates of aggregate fee payments to other financial institutions and for legal, accounting, audit and other advisory services associated with the establishment and management of their funds; and
- such other data as the BVCA may require for the purpose of assessment of performance on an industry-wide basis, for example to capture any material change over time in the terms of trade between general partners and limited partners in their funds.

b) In respect of exits from UK portfolio companies over at least the previous calendar year to support the preparation on an aggregate industry-wide basis of an attribution analysis designed to indicate the major sources of the returns generated by private equity. In broad terms, these are the ingredients in the total return attributable respectively to leverage and financial structuring, to growth in market multiples and market earnings in the relevant industry sector, and to strategic direction and operational management of the business. The relevant data, which will unavoidably involve important subjective assessment, will involve content and format at the outset as in Annex F to the guidelines, to be reviewed and refined as appropriate in the light of initial experience and discussion between the BVCA, with the third-party professional firm engaged for this and related analysis, and the relevant private equity firms.

10. Responsibility at a time of significant strategic change

A private equity firm should commit to ensure timely and effective communication with employees, either directly or through its portfolio company, in particular at the time of a strategic initiative or a transaction involving a portfolio company as soon as confidentiality constraints cease to be applicable. In the event that a portfolio company encounters difficulties that leave the equity with little or no value, the private equity firm should be attentive not only to full discharge of its fiduciary obligation to the limited partners but also to facilitating the process of transition as far as it is practicable to do so.

11. Interaction with the Alternative Investment Fund Managers Directive

Private equity firms and portfolio companies covered by the Guidelines are not expected to provide disclosure in respect of the applicable additional transparency requirements in the Alternative Investment Fund Managers Directive (the "Directive") if they do not fall within the scope of the Directive. Having performed a gap assessment, the Group was of the view that the Guidelines include the information required under the Directive in respect of disclosure in the annual reports of portfolio companies except for details on transactions in own shares. The Group expects this information to be included in the financial statements of the portfolio company where significant.

The disclosures expected by private equity firms on acquisition of portfolio companies under the Directive are more prescriptive than those set out above. The Group has decided not to amend the Guidelines in respect of these specific requirements as they are still within the spirit of the Guidelines for this particular area. Firms that are covered by the Directive may find the Guidelines and examples of good practice reporting by portfolio companies published by the Group as a useful source of guidance but are responsible for taking appropriate advice to ensure they are fully compliant with their obligations.

The tables below set out examples of how the Guidelines interact with the AIFMD's transparency requirements in respect of the annual reports of portfolio companies and the disclosure expected on acquisition of control. The requirements apply to non-listed companies with registered offices in the EU.

a) Annual report disclosures

AIFMD requirements – annual report disclosures	Guidelines requirements
Regulation 42 of the AIFM Regulations (Annual report of AIFs exercising control of non-listed companies)	*Part V Sections 4 and 5 of the Guidelines (Guidelines for enhanced disclosure by portfolio companies and private equity firms)*
The following disclosures are required about each non-listed company over which an AIF individually or jointly has control. They can be included in the annual report of the AIF and/or the non-listed company.	The following disclosures are required to be included in the annual report of the portfolio company and not the private equity fund.
▪ A fair review of the development of the company's business representing the situation at the end of the period covered by the annual report;	Part V section 4 requires portfolio companies to prepare a strategic report which includes provisions in the Companies Act 2006 normally applicable to quoted companies. The strategic report requirements set out in s414C(2) and s414C(3) of the Companies Act 2006 will assist firms to comply with this requirement. They require "a fair review of the company's business" and a "balanced and comprehensive analysis of the development and performance of the company's business" during the financial year and the position at the end of that year. s414C(4) also requires the disclosure of financial and non-financial key performance indicators to support the analysis.
▪ Any important events that have occurred since the end of the financial year;	The Group expects this information to be included to comply with the requirements of the strategic report as the report should have forward looking orientation. Further, this information is expected to be disclosed under UK and international accounting standards.
▪ The company's likely future development; and	The strategic report requirements set out in s414C(7) of the Companies Act 2006 will assist firms to comply with this requirement. It requires information on "the main trends and factors likely to affect the future development, performance and position of the company's business."
▪ Details of any acquisitions or disposals of own shares.	The Group expects this information to be included in the financial statements of the portfolio company where significant and has chosen not to incorporate this disclosure requirement as it was removed by the government from the directors' report as it was not considered a significant disclosure. This approach is in line with Guidelines which do not prescribe disclosures that go beyond those required of quoted companies.
The disclosures must be made within six months of the year-end of the AIF.	Part V, section 5b) of the Guidelines requires the annual report of the portfolio company to be made available no more than 6 months after the company year end. Where the year end of the portfolio company and the AIF are the same then the AIFMD requirement is likely to be fulfilled. Where the year end of the portfolio company differs to that of the AIF then firms may need to amend the timing of reporting of the portfolio company accordingly.
If the information is included in the AIF's annual report, then the AIFM must use best efforts to ensure the board of the company makes the information available to all employee representatives or (where there are none) to the company's employees directly.	Part V, section 5a) of the Guidelines requires the annual report of the portfolio company to be readily accessible on the company website. This ensures that employees and other stakeholders are able to access this information publicly.

b) Disclosures required on acquisition of control

AIFMD requirements – disclosures on acquisition of control	Guidelines requirements
Regulation 39 of the AIFM Regulations (Disclosure in case of acquisition of control)	*Part V Sections 4, 5, 7 and 10 of the Guidelines (Guidelines for enhanced disclosure by portfolio companies and private equity firms)"*
When control is acquired, the AIFM must disclose its intentions to the regulator, the company and its shareholders about the future of the business and likely repercussions on employment by the company and material change in the conditions of employment.	Part V section 10 of the Guidelines sets out the responsibilities of the private equity firm at a time of significant strategic change. It requires a commitment to ensure "timely and effective communication with employees, either directly or through its portfolio company, in particular at the time of a strategic initiative or a transaction involving a portfolio company." Although the precise wording is not the same, the AIFMD requirements are in the spirit of what is intended by the Guidelines. The Guidelines, however, do not include the obligation to disclose information to regulators.
Other areas where disclosure is required:	
▪ The identity of the AIFM(s) with control.	Part V sections 4a) and 4b) of the Guidelines require disclosure of the fund(s) that own the company, details on executives or advisers of the private equity firm that have oversight of the company and details on board composition, identifying those directors from the private equity firm.
▪ The policy for preventing and managing conflicts of interest and information about the safeguards established to ensure any agreement between the AIFMs or the AIFs and the company is at arm's length.	Part V section 7 requires the private equity firm to disclose on its website (through an annual review or regular updates) a "confirmation that arrangements are in place to deal appropriately with conflicts of interest, in particular where it has a corporate advisory capability alongside" its fund management business. Details of the policy and applicable safeguards may be disclosed by the private equity firm although the Guidelines do not explicitly require this.
▪ The policy for external and internal communication relating to the company, in particular as regards employees.	Part V section 4 requires portfolio companies to prepare a strategic report which includes provisions in the Companies Act 2006 normally applicable to quoted companies. Portfolio companies therefore include extended information about the company, and this occurs throughout the year. Section 5c) of the Guidelines requires the portfolio company to publish "a summary mid-year update giving a brief account of major developments in the company...no more than 3 months after mid-year." s414C(7) of the Companies Act 2006 requires information to be disclosed on the company's employees and the Group expects this to include policies related to employees. Further, Part V section 10 sets out the responsibilities of private equity firms in times of strategic change, including to employees.

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Appendix 4: Assessing the quality of disclosures by portfolio companies

The PERG's objective is to ensure that all companies covered by the Guidelines report to at least a good level. In the first part of its review, PwC checks if portfolio companies have included the disclosures required by the Guidelines.

For the second part of the review, the PERG commissions PwC to form a view on the quality and standard of the disclosures and classify them as excellent, good or as meeting the level of basic compliance. In practice, this is a subjective judgement made by assessing how many of the expected attributes of good quality reporting in each of the guidelines criteria are included in the disclosures, utilising those expectations set out in the PwC Good Practice Guide.

To inform this assessment and determine the level required to obtain a "good" rating, PwC also performs a read across of the portfolio companies' disclosures to the standard typically seen in the financial statements of companies within the FTSE 250 and consider other elements of good corporate reporting such as the:

- level of information and the way in which it is disclosed;
- clarity of the narrative;
- cohesiveness and linkage of different disclosure areas;
- use of text and visuals; and
- overall user-friendliness.

The companies in the FTSE 100 are not generally considered to be comparable to the portfolio companies covered by the Guidelines due to their size and geographical reach (the FTSE 100 companies are generally multinational whereas the portfolio companies have significant UK operations) and therefore do not form part of this assessment. The PERG's definitions for measuring compliance is included below.

Quality of disclosure	Explanation of how assessment is reached
Excellent	An assessment against any criterion as excellent confirms this disclosure stands out over and above the requirements of the Guidelines, akin to examples of transparency and disclosure in the higher end of the listed reporting space. A company would be expected to include all relevant attributes of the Guidelines requirements as covered in the PwC Good Practice Guide and go beyond this in order to achieve this classification. We would typically only expect to see one or two examples achieve this categorisation in any one category.
Good	A company would include most of the relevant attributes of each of the relevant Guidelines requirements as covered in the PwC Good Practice Guide. We would expect the narrative to be fair, balanced and understandable throughout.
Basic but complaint	A company would include many attributes of each of the relevant Guidelines requirements as covered in the PwC Good Practice Guide. However, there would be room for improvement, especially in including more areas that could be considered applicable for the business. However, there would be clear and sufficient disclosure in the key areas to be considered compliant. Although the report will be fair, balanced and understandable there is likely to be areas where improvements could be made in this area.
Non-compliant	Either a company would not have sufficient disclosure in one or more areas of the Guidelines, or when taken as a whole the report is not considered fair, balanced and understandable and therefore fails to be sufficiently transparent to comply with the standards.
Comply or explain	The Guidelines provide the portfolio companies with an option to comply, or explain the rationale for non-compliance in a certain area. Where a company has explicitly taken this approach and confirmed this in their annual report we have identified this.

These classifications are inherently judgemental and considered in the context of the detailed review of the annual report of the portfolio company taken as a whole. The review has found that portfolio companies do prepare disclosures for the individual requirements to an excellent standard, but there have been few examples over the years where the portfolio company achieved an excellent standard overall.

The PERG will ask portfolio companies to remedy exceptions noted prior to the publication of this report via the drafting of an addendum, and therefore considers disclosures subsequently uploaded to a company's website when determining the final level of compliance. In order to remedy exceptions, a portfolio company is required to take the feedback from PwC and prepare an addendum to the accounts, which is subsequently reviewed by PwC before being uploaded to the company website, to sit alongside the annual report. This is in line with the principle of transparency as this additional information is available to supplement the disclosures in the accounts.

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Appendix 5: Recommendations for the industry association

The original recommendations for initiative by the BVCA cover:

- the BVCA's industry-wide reporting and intelligence function;
- the establishment of a guidelines review and monitoring capability;
- for engagement with major investors and their associated entities or affiliates which, though "private equity-like", do not require authorisation by the FCA; and
- for engagement in discussion with relevant private equity groupings outside the UK in the development of common standards, in particular in respect of fund performance.

These recommendations have been implemented by commissioning the EY report on the performance of portfolio companies and other BVCA activities. Further information is available on both the BVCA and PERG websites.

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Appendix 6: Compliance checklist for private equity firms and their portfolio companies

For the benefit of those in scope of the Guidelines, a checklist of requirements for private equity firms and their portfolio companies is found below.

Private Equity firm requirements

Requirement	Completed?
Have the following disclosures been published in an annual review accessible on your website **or** disclosed via regular updating of your website?	
■ A description of the way in which the FCA-authorised entity fits into the firm of which it is a part	
■ An indication of the firm's history	
■ An indication of the firm's investment approach	
■ An indication of the firm's investment holding periods	
■ Case study illustrations (optional)	
■ A commitment to conform to the Guidelines on a comply or explain basis and to promote conformity on the part of the portfolio companies owned by your fund(s)	
■ An indication of leadership of the UK element of the firm, identifying the most senior members of the management or advisory team	
■ Confirmation that arrangements are in place to deal appropriately with conflicts of interest	
■ A description of UK portfolio companies in the portfolio	
■ A categorisation of the limited partners in your fund(s) that invest, or are capable of investing, in companies that would be considered UK portfolio companies for the purpose of the Walker Guidelines, indicating separately:	
– A geographic breakdown between UK and overseas sources, **and**	
– A breakdown by type of investor e.g. pension funds, insurance companies, corporate investors, fund of funds, banks, government agencies, endowments of academic and other institutions, private individuals	
Has the statement of conformity been completed, signed and returned to the BVCA?	

Portfolio company requirements

Disclosure requirements	Completed?
Have the following disclosures been included in the company's audited annual report and accounts (or an explanation provided where they have been omitted)? *Companies should refer to the PERG and PwC good practice guide, which illustrates basic compliance and examples of good practice*	
1. Identity of the private equity firm owner	
2. Details on board composition	
3. Financial review of the company's position	
4. Financial review of the company's financial risks	
5. Balanced and comprehensive analysis of development and performance during the year and position at the year end	
6. Principal risks and uncertainties facing the company	
7. Financial key performance indicators	
8. Non-financial key performance indicators, including environmental matters and employees	
9. The company's strategy	
10. The company's business model	
11. Trends and factors affecting the company's future development, performance or position	
12. Environmental matters	
13. Employee matters	
14. Social, community and human rights issues	
15. Gender diversity information	
16. A statement by the directors of the company confirming compliance with the Guidelines or setting out explanations for areas of non-compliance.	

Transparency requirements	Completed?
1.a) The company should publish its annual audited report on its website within 6 months of year end	
1.b) The Walker disclosures should be produced in the front half of the annual audited report, not in an annual review or similar.	
1.c) The annual audited report should be readily accessible on the company website, and not behind a log-in or similar.	
2. The company should publish a summary mid-year update on its website giving a brief account of major developments in the company within three months of mid-year.	

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