

## Contents

---

<i>Preface</i>	<i>page xi</i>
<i>Table of legislation</i>	xv
<i>Table of cases</i>	xix
Introduction	1
<b>PART I: GENERAL ISSUES</b>	
1 Disclosure theory and the limitations of corporate reports	13
Introduction	13
Summary of the disclosure system in English Company Law	13
Is a mandatory corporate disclosure system necessary?	16
Criticisms of corporate information and disclosure	33
Why do these problems exist with company reports?	35
Conclusion	36
2 The regulatory framework	37
Introduction	37
Legislative requirements	39
Non-statutory mandatory requirements	42
Non-mandatory provisions	50
Conclusion	52
3 Persons responsible for presenting corporate reports and information	53
Introduction	53
Those who provide the information: the company secretary and the directors	54
Directors	57
The gatekeepers: non-executive directors and auditors	68
Conclusion	83
4 Users of corporate reports	85
Different potential recipients of company information	86
The predicament involved in recognising a variety of users	91
Possible theoretical and legal models for the company	92
Competing or companion claims to information?	98
Conclusion	103
	vii

viii *Contents*

5	<b>The Companies Register</b>	105
	The role of Companies House	105
	Information required by Companies House when a company is formed	106
	Information required to be sent to the registrar during a company's life	108
	Documents to be delivered to the registrar upon the company's liquidation or insolvency	111
	Information relating to overseas companies	113
	The importance of the companies registrar for disclosure	114
	Modernising the First Company Law Directive	117
	European and international developments on the role of the Companies Registrar	119
	Conclusion	120

**PART II: FINANCIAL REPORTING**

6	<b>Financial reporting</b>	125
	Introduction	125
	Statutory reporting requirements	125
	Professional standards	137
	Conclusion	158
7	<b>International aspects of financial reporting</b>	161
	Introduction	161
	The development of an international financial reporting regime	161
	European steps towards international standards	163
	The new accounting legislation	166
	The new accounting regime	168
	Role of the IASB	172
	International Financial Reporting Standards	173
	Implementation	176
	US standards come closer	176
	Conclusion	177
8	<b>Disclosure in securities markets regulation</b>	179
	Introduction	179
	Reasons for mandatory disclosure in the securities markets	180
	Disclosure requirements in the securities market in the UK	181
	Mutual recognition provisions	185
	Developments under the European Financial Services Action Plan 1999	185
	Remedies for false or misleading information	195
	Conclusion	199

**PART III: NARRATIVE REPORTING**

9	<b>The Operating and Financial Review</b>	205
	Introduction	205
	Development of the new statutory OFR	206
	Policy and theoretical basis for the OFR	208

Contents	ix
Regulatory structure	209
Principles of the OFR	210
Contents of the OFR	210
Confidentiality	215
Impact of the OFR requirements on directors' duties	216
Directors' liability	219
What would the OFR have meant for the role of the auditor?	221
Users	223
Enforcement of the OFR requirements	225
Conclusion	226
<b>10 Social and environmental reporting</b>	<b>228</b>
Introduction	228
Definitions	230
What are the objectives of social and environmental reporting and accounting?	232
Regulatory approaches to social and environmental reporting	234
Features of environmental and social reporting	244
Poor quality of reporting	245
The voluntary framework	247
Should social and environmental reporting be linked to financial measures?	251
Role of auditors in social and environmental reporting	253
Sustainability reporting	257
Conclusion	260
<b>11 Corporate reporting and employees</b>	<b>262</b>
Introduction	262
Human capital reporting	264
Why has human capital reporting not developed in the same way as financial reporting?	266
What are the features of human capital reporting?	269
What are the potential benefits of human capital reporting?	271
What are the potential limits of human capital reporting?	275
Other jurisdictions?	278
What is the appropriate way forward?	281
Employee involvement in corporate decision-making	286
Conclusion	290
 <b>PART IV: A WAY FORWARD</b>	
<b>12 Conclusions – rethinking the disclosure agenda</b>	<b>295</b>
Introduction	295
A communicative approach	297
Organising the stakeholders	308
Electronic communication	309
 <i>Bibliography</i>	 311
<i>Index</i>	325