

Boardroom Briefing – June 2025

A brief monthly update on corporate governance and related areas

FRC publishes digital reporting developments

Since 2021, Main Market listed companies have been required to produce their annual financial report in a structured digital format which allows it to be machine-readable. The Financial Reporting Council has [published](#) its annual report on structured digital reporting for 2024-25, based on its assessment of 25 annual reports filed with the National Storage Mechanism during 2024. The FRC was pleased to note that simple errors previously observed have been resolved but highlighted certain quality issues which remain. Some unnecessary custom tags (called “extensions”) had been created, which make analysis problematic according to the FRC, and some extensions were not “anchored” (linked) to an IFRS standard correctly, making comparison to the IFRS standard unclear. In some cases, the accounting meaning of the tags did not correspond to the facts or reflect the correct standard, and there were instances of amounts being reported with an incorrect sign (positive/negative), balance attribute (debit/ credit), or scale (pounds/ pence). Missing mandatory block tags and lack of granularity when tagging made it difficult for investors to find information about a topic, the FRC noted. The FRC found that issuers were not always applying the same level of attention to the design and usability of their digital reports as they do to the printed/PDF versions. The FRC says it will carry out a sample of reviews alongside its normal monitoring of annual reports and may contact issuers directly to address issues or tagging errors.

The FRC has also [published](#) a feedback statement on the future of the UK’s digital reporting framework, following an earlier discussion paper which sought views considering the potential divergence from European reporting requirements and the impact of recent reforms allowing digital-only submissions to Companies House. The FRC states that respondents’ feedback supported regulators and issuers working together on the next phase of digital reporting, to reduce costs and complexity of producing digital reports, noting the burden on smaller companies and the trade-offs between meeting UK-specific reporting requirements and maintaining global comparability. No immediate policy decisions will be made in 2025, but feedback will inform future regulatory developments.

GC 100 2024-25 poll on AGM reform

A poll of GC 100 members [published](#) by Practical Law (only available to subscribers) has found that the most common change in AGM format from previous years was removing online participation and hosting an in-person only event, with fewer planning to hold a hybrid meeting than in previous years (24% in 2025, compared with 33% in 2024). The poll’s insights are expected to inform discussions with the government on potential legislative amendments regarding AGMs. Just over half of respondents said that the cost of holding a hybrid meeting and lack of stakeholder engagement were key factors driving the decision on AGM format.

Media mergers regime update

We reported in the June 2024 edition on the foreign screening regime applicable to media mergers which prohibits foreign state ownership, control or influence over UK news media. The government has now [published](#) a response to its earlier consultation regarding draft regulations which will set out targeted exemptions to the regime for investments up to a low threshold, to limit any “potential chilling effect” that the regime may have on wider inward investment into the media sector. The government has set the threshold at 15%, meaning that a state-owned investor could hold, directly or indirectly, no more than 15% of the total available shares or voting rights in a UK news media owner. Draft [regulations](#) have been published and laid before Parliament, stating that the exemptions will be treated as having come into force on 13 March 2024. The government has stated that legislative requirements will apply to digital and print media alike, and that it intends to publish updated guidance on the media mergers regime later this year.

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New Practice Statement for Schemes and restructuring plans

The Chancellor of the High Court has [launched](#) a consultation on a new practice statement for schemes of arrangement and restructuring plans under Part 26 and 26A respectively of the Companies Act 2006. The existing practice statement was introduced in 2020; we reported in the June 2020 edition on the “cross-class cram down” feature which allows for dissenting classes of creditors or members to be bound by a restructuring plan. The replacement practice statement is aimed at improving the efficiency and fairness of the process, following nearly 5 years’ experience of the use of restructuring plans. The stated objectives are to enable early identification and resolution of issues concerning the Court’s jurisdiction to sanction restructuring plans, the composition of classes of creditors and/or members and convening of meetings, and to ease contested issues by resolving them in an efficient way, to make the best use of the Court’s time and resources. Comments on the draft practice statement are requested by 13 June 2025 and the replacement practice statement is expected to be published by end July 2025.

Government publishes PISCES regulations

The government has [published](#) regulations establishing PISCES, the secondary platform for the periodic trading of private company shares, which came into force on 5 June 2025. Investors who may participate include professional investors, sophisticated and high net worth investors, employee share plan and share scheme trustees, and employees, consultants and officers of the PISCES company (or other companies within its group). As we noted in the May 2025 edition, the FCA expects to publish a policy statement and accompanying final rules in June 2025, which will set out how the platform will operate in practice.

Securities litigation - further developments

The High Court has [refused](#) an application by Standard Chartered PLC to strike out investors’ claims alleging that the bank had made untrue or misleading statements or omissions in its published information, and dishonestly delayed in publishing information, on which the investors relied and subsequently suffered loss. The Court did not follow the judgment in an earlier case involving Barclays, on which we reported in the January 2025 edition, which struck out similar claims, determining that in the circumstances, the questions in dispute in this case should be resolved based on factual evidence heard at trial.

Supreme Court rules on scope of liability for fraudulent trading

The Supreme Court has [upheld](#) a decision of the Court of Appeal, finding that the scope of liability for fraudulent trading under section 213 of the Insolvency Act 1986 was not limited to persons involved in the management or control of a company, and could extend to persons dealing with the company if they were knowingly parties to the fraudulent activities. The case related to a fraudulent carbon credits trading scheme involving five companies, all of which were left with significant VAT liabilities owing to HMRC. The five companies and their liquidators brought a claim against a third party, alleging that it had knowingly participated in the scheme, and dishonestly assisted the claimant companies’ directors in breach of their fiduciary duties. The Court found that the third party could still be liable to contribute to the companies’ assets, despite not being involved in the management or control of the companies, finding that the natural meaning of “any persons who were knowingly parties to the carrying on of the business” in section 213(2), was wide enough to cover not only company “insiders” but also those persons dealing with the company if they knew that those transactions were being carried out for a fraudulent purpose.

If you would like further information on any of the topics covered, please get in touch with your usual Pinsent Masons contact or [Kirsty Divers](#).