

press cutting

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Online reporting still not good enough, says survey

Most large companies are still not taking full advantage of new corporate reporting legislation to properly communicate online, according to a new report.

Corporate communications consultancy Radley Yeldar's latest survey of FTSE 100 annual reporting has revealed that, while the number of summary financial statements produced by companies has fallen by a third over the past year, few have improved their online reports as a result. Indeed, a fifth of businesses surveyed continue to provide their report in pdf format only, rather than in a more usable webpage style.

2008 is the first year that companies have been able to default to online communications with shareholders, under clauses of the new Companies Act which were implemented in January 2007.

'In the past, annual reviews and summary financial statements have been considered a cost-effective way to communicate, particularly for those companies with a large retail shareholder base,' says Richard Carpenter, development director at Radley Yeldar. 'With the new legislation now in place, many companies are choosing to direct these shareholders online instead. But relatively few online reports have improved as a result.'

'Companies are still viewing this as a chance to save budgets rather than to communicate properly online.'

In general, the survey reveals that strategic information, risk management and 'at a glance' business overviews all show improvements on previous years' reporting, and that corporate responsibility content is increasingly being integrated into narrative reporting. It does argue, however, that reports could include more employee information, better explanation and presentation of key performance indicators, and that marketplace information has 'stalled'.

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