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COVID-19: Flexibility for LSE-listed offshore companies' audited annual financial statements

APRIL 2020

For companies listed on the AIM Market and Main Market of the London Stock Exchange (**LSE**), new measures have recently been announced to provide some flexibility to listed companies in complying with their financial reporting obligations in the present environment of restricted travel and social distancing.

In particular, the current conditions are significantly impacting the ability of listed companies to finalise their audited financial statements in accordance with the timing requirements of the Listing Rules and AIM Rules.

*Extensions to deadlines for reporting audited annual financial statements (**Filing Extensions**).*

To assist AIM listed companies, LSE has recently announced that the AIM-listed company's nominated adviser may apply to AIM Regulation for a three month extension to the reporting deadline for the publication of its annual audited accounts. This will apply for AIM companies with financial year ends between 30 September 2019 and 30 June 2020.

As a result, those companies will now have **nine** months after the end of its financial year to publish its audited financial accounts.

For Main Market listed companies, an extension has also been announced by the Financial Conduct Authority, whereby there will be no breach of the reporting requirement (and no potential for suspension of trading of securities) provided that annual financial reports are published within **six** months of their financial year-end, i.e. a two month extension.

Both of these measures are temporary and will be kept under review.

The full LSE update for AIM companies can be found here.

The full statement applicable to Main Market listed companies can be found here.

*Application to offshore companies listed on AIM or the Main Market (**Listed Offshore Companies**).*

These extensions have been designed, in part, to mirror provisions extensions provided in the UK to UK incorporated companies' filing obligations. So, how do these fit in with reporting requirements under offshore companies legislation?

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BVI

There is no requirement under BVI companies legislation for a BVI company to file or deliver to its members, audited annual financial statements.

Cayman

There is no requirement under Cayman companies legislation for a Cayman exempted company to file or deliver to its members, audited annual financial statements.

Guernsey

Under Guernsey's companies legislation, Guernsey companies are only required to deliver audited financial statements to their members, within 12 months after the end of the relevant financial year.

Jersey

In Jersey, a public company is required to deliver accounts for each financial period to which they relate within seven months of the end of that financial period.

As a result, AIM companies which are incorporated in Jersey will need to be mindful that the deadline under Jersey law to file accounts with the Registry will fall **before** the extended deadline under the AIM Rules.

We understand that discussions are ongoing to determine whether any extension will be provided. If there is any further change, we will provide an additional update.

Summary

In summary, in each case unless the company's constitutional documents provide otherwise:

- Listed Offshore Companies incorporated in BVI, Cayman, Guernsey and Jersey (for Jersey, only to the extent listed on the Main Market) may benefit from the Filing Extensions set out above, without taking any additional actions as a matter of local law.
- A Jersey company listed on AIM must bear in mind that currently there is a requirement for financial statements to be filed with the Jersey Companies Registrar within seven months of the end of the relevant financial period. This means that, irrespective of the extended period under the AIM Rules, audited annual financial statements must be prepared in good time to meet this timeframe.

How Collas Crill can help you

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Collas Crill prides itself on being easy to do business with. We take a hands-on approach and are here to help you and your business in these uncertain times.

If you have any questions as to how this may impact on your business, please feel free to reach out to any of the contacts listed in this briefing or any of your usual Collas Crill contacts. We are here to help.

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