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Insights

UK CORPORATE BRIEFING APRIL 2026

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SUMMARY

Welcome to the Corporate Briefing, where we review the latest developments in UK corporate law that you need to know about. In this month's issue we discuss:

John Wood Group PLC — FCA Final Notice

The Financial Conduct Authority (FCA) has imposed a financial penalty of £12,993,700 on John Wood Group PLC ("Wood Group") for serious breaches of the Listing Rules (in particular Listing Principle 1). The breaches involved publishing misleading financial information and failing to maintain adequate internal controls and systems.

Consultation on UK Corporate Re-Domiciliation Regime

The government has published a consultation paper on corporate re-domiciliation, enabling a foreign-incorporated company to change its place of incorporation whilst retaining its legal identity. Responses are due by 19 June 2026.

FRC comply or explain guidance

The FRC has published guidance to help companies improve the quality of their comply or explain reporting under the UK Corporate Governance Code (the "Code"), emphasising that a well-reasoned explanation is itself evidence of good governance and should not be treated as a mere compliance exercise.

FCA amends UK Listing Rules on notification of purchase of own securities

Issuers running share buyback programmes will have greater flexibility for notifying the market of share buyback transactions.

The Parker Review — Annual Report 2026

The Parker Review has published its Annual Report for 2026, which highlights continued progress in Ethnic Minority representation.

Recent case highlights the importance of clear drafting

Synthos Spolka Akcyjna v Ineos Industries Holdings Ltd [2026] EWHC 83 (Comm)

This case is a good reminder of the importance of clear drafting. The courts approach much of the drafting of share purchase agreements as an apportionment of risk by the parties - and they will look to hold them to the bargain they have struck.

Supreme court rules that there is no time limit to bringing a claim for unfair prejudice

THG plc v Zebra Trust Company (Jersey) Ltd [2026] UKSC 6

The Supreme Court has ruled that shareholder claims for unfair prejudice under the Companies Act 2006 are not subject to any statutory limitation period.

JOHN WOOD GROUP PLC — FCA FINAL NOTICE

Background and Failings

Wood Group is an international engineering and consulting company listed on the London Stock Exchange. Between 1 January 2023 and 7 November 2024 (the "relevant period"), Wood Group operated a poor financial culture, which resulted in poor practices around accounting judgements in its Projects Business Unit and Group Finance. Its control framework was insufficiently robust to ensure that accounting judgements made in relation to its projects were appropriate and compliant with applicable accounting standards.

Wood Group:

- failed to account properly for certain costs on Project A which led to a cumulative overstatement of reported operating profit of $26 million across FY22 and FY23;
- recognised unrealistic costs savings estimates and underestimated future costs to complete Project B resulting in an overstatement of reported operating profit of $22.9 million and $20 million in its FY23 results;
- released provisions and contingencies held against specific risks in the Projects Business Unit in order to offset losses elsewhere in the business without proper regard to the specific projects that the provisions were allocated to or the risks or progress in those projects. This led to an overstatement of Wood Group's adjusted EBITDA and operating profit of $28 million across the FY22 and FY23 results;
- failed to write off unsupportable debit amounts held on the balance sheet which resulted in a cumulative overstatement of $25 million to Wood Group's adjusted EBITDA and operating profit across FY22 and FY23; and

- recognised a $140 million exceptional charge in its HY24 results which was not characterised by Wood Group as prior year accounting errors and were not disclosed to its auditors and the Board until shortly before the HY24 results were announced, leaving its auditors with insufficient time to review the proposed charge.

The Financial Impact

Wood Group's FY23 results reported an operating profit of $38 million and adjusted EBITDA of $423 million. According to its FY24 results, these numbers should have been an operating loss of $55 million and adjusted EBITDA of $378.2 million.

Between November 2024 and March 2025, Wood Group's share price fell by around 78%, and its shares were subsequently suspended on 1 May 2025 from its failure to publish the FY24 results within the required timeframe.

Key Takeaways

- Financial culture: Wood Group's poor financial culture was driven in part by commercial pressures and a desire to maintain investor confidence ahead of a potential acquisition. Staff felt under pressure to maintain financial performance in line with market expectations — the failure to maintain a robust control framework created an environment in which inappropriate accounting judgments could be made and information was “inappropriately withheld” from its auditors.

- Systems and controls: Listing Principle 1 requires a listed company to take reasonable steps to establish and maintain adequate procedures, systems and controls that provide clear, consistent and transparent reporting throughout the company. This should include procedures, systems and controls which ensure that its auditors are provided with sufficient information on a timely basis to enable them to properly assess relevant accounting judgments.

- Aggravating factors: The Final Notices against Carillion (June 2022) and Metro Bank (December 2022) shortly before the relevant period aggravated the breach by acting as a warning for Wood Group and other listed firms to consider whether similar risks existed within their own businesses. Wood Group was aware of the risk of similar potential failings around its financial culture as a result of an internal review in 2022.

Practical Steps

- Boards must mandate a culture in which concerns about financial reporting, data accuracy or regulatory compliance are surfaced immediately. This should be done without fear of commercial or reputational consequences. A company's ability to identify and address issues early is central to maintaining market trust.

- When a disclosure issue or internal control failure emerges, how the company responds materially influences both FCA treatment and market perception.
- Companies should consider whether commercial pressures on finance teams are creating an environment in which staff feel unable to challenge or escalate concerns.
- Strengthen auditor communication protocols to ensure that auditors are provided with sufficient information on a timely basis.

How we can help

We are offering training specifically designed for corporate boards and advisers to help spot the warning signs early, guide you away from regulatory risk before it becomes an enforcement problem and if it becomes an enforcement problem, how to manage that. Please do get in touch if you think this might be of interest.

CONSULTATION ON UK CORPORATE RE-DOMICILIATION REGIME

The government has published a consultation paper on corporate re-domiciliation, enabling a foreign-incorporated company to change its place of incorporation whilst retaining its legal identity. Responses are due by 19 June 2026.

WHAT IS BEING PROPOSED?

A UK corporate re-domiciliation regime will make it easier for a foreign-incorporated company to change its place of incorporation to the UK whilst retaining its legal identity. This will create a significantly more efficient pathway than currently available mechanisms, which are costly and complex and, in some cases, financially unviable.

The key proposals in the consultation are:

1. **Inward-only regime:** The government has concluded that the potential drawbacks of an outward regime outweigh the benefits and will instead proceed with an inward only re-domiciliation regime addressing demand for companies wishing to move to the UK.
2. **Eligibility criteria:** To successfully re-domicile to the UK, an entity would need to meet the definition of a 'body corporate' as defined in the Companies Act 2006. Bodies which are insolvent or in the process of being wound up would not be eligible. Nor would a body corporate involved in a compromise or arrangement between it and any other person, either up until the time the court decides whether or not to sanction the compromise or arrangement or, if later, until the compromise or arrangement has been implemented.
3. **Solvency statement:** The persons who will be directors when the applicant becomes a UK company must make a solvency statement based on the requirements for a reduction of capital

under the Companies Act 2006, to be refreshed if the application is not determined within 6 months. Making a statement without reasonable grounds would constitute an offence.

4. **Companies House as administrator:** Companies House will administer the regime and determine applications for re-domiciliation to the UK.

5. **Effect of inward re-domiciliation:** Upon completing the re-domiciliation process, the applicant would become a UK-incorporated company under the Companies Act 2006, retaining its existing legal personality together with all property, rights, obligations, liabilities and responsibilities held immediately before re-domiciliation. Any legal proceedings pending by or against the company would continue.

6. **Certificate of re-domiciliation:** There would be an obligation on the company to provide evidence of de-registration from its departing jurisdiction within a period of 60 days of UK registration, failing which Companies House could impose daily or fixed penalties and potentially de-register the applicant.

KEY BENEFITS

Existing mechanisms for moving a company's place of registration to the UK are costly and complex, making the process unattractive or financially unviable in some cases. The government believes that introducing a re-domiciliation regime will create a more efficient pathway, reduce costs and administrative burdens whilst ensuring continuity of operations.

WHEN WILL IT COME INTO FORCE?

No specific commencement date has been set. A corporate re-domiciliation regime will require primary legislation to implement the required changes to company and tax legislation and operational implementation led by Companies House.

FRC COMPLY OR EXPLAIN GUIDANCE

The FRC notes that some stakeholders have turned the Code into a compliance exercise, from which companies feel they cannot depart, but emphasises that an explanation is evidence of better governance than tick-box compliance, especially where a Code provision does not suit a company's circumstances. The Code recognises that all companies are different and that companies are often able to demonstrate good governance without following all the provisions.

The Five Criteria for a Good Explanation

The guidance sets out five criteria intended as a helpful checklist for drafting explanations, with companies deciding the extent to which each needs to be addressed given their particular circumstances. A good explanation should:

1. set the context and background, explicitly naming the provision not complied with and describing the circumstances;

2. give a convincing rationale for the approach being taken, including the reasons for choosing the alternative arrangement;

3. consider any risks and describe any mitigating actions;

4. set out whether departure is time-limited or indefinite, and where it extends beyond the accounting year, provide an estimate of when compliance is planned; and

5. be understandable and persuasive, written in plain language with sufficient detail for investors and stakeholders to evaluate why the company has not complied and what the alternative entails.

Additional Guidance

Reporting should focus on the activities and decisions of the board, not the work of senior management. Explanations should demonstrate actions and outcomes, not just policies and procedures. It is also good practice to consult with shareholders and, where they are supportive of the departure, to state this within the explanation.

FCA AMENDS UK LISTING RULES ON NOTIFICATION OF PURCHASE OF OWN SECURITIES

Key changes

With effect from 27 February 20256, the deadline for notifying post-trade information on share buyback transactions has been extended from **by 7:30am on the next business day** to **no later than the end of the 7th daily market session** following the date of execution of the purchase (UKLR 9.6.6R). This aligns the UKLR deadline with the reporting deadline under the Market Abuse Regulation – safe harbour for share buybacks. Issuers will now have the flexibility to consolidate daily notifications into a single weekly notification if they wish to do so. The content of the required notification remains unchanged for now.

Similarly, the deadline for notifying purchases, early redemptions or cancellations of convertible securities under UKLR 9.7.3R has been extended to within 7 business days following the relevant threshold being crossed.

Issuers and their advisers should review their existing share buyback notification procedures and consider whether to take advantage of the extended deadlines.

THE PARKER REVIEW — ANNUAL REPORT 2026

The Parker Review has published its Annual Report for 2026, covering the position as at December 2025 across the FTSE 350 and 50 of the UK's largest private companies. There has been continued progress in Ethnic Minority representation, with 98% of the FTSE 100 now meeting the 2024 target of having at least one director from an Ethnic Minority background on the board, compared with 52% in 2019.

Original Targets

The Parker Review recommended that there should be at least one Ethnic Minority director on each:

- FTSE 100 board by 2021;
- FTSE 250 board by 2024; and
- top 50 of the UK's largest private companies board by 2027.

FTSE 350 companies and the top 50 of the UK's largest private companies should set their own targets for the percentage of Ethnic Minority individuals within senior management, with a deadline of December 2027.

Key themes and findings from the latest report

- Continued progress in overall Ethnic Minority representation at both board and senior management levels, particularly within the FTSE 100.
- Sustained engagement from FTSE 350 companies, despite broader political and economic shifts.
- Mixed progress across Ethnic Minority groups, company types, and levels of seniority, indicating that further work remains necessary.

SUMMARY TABLE

Metric	**FTSE 100**	**FTSE 250**	**Top 50 Private Companies**
Companies meeting the Ethnic Minority Director target	98%	82%	42%
Ethnic Minority Directors as a proportion of all board directors	20%	16%	12%
Ethnic Minority Executives as a proportion of UK-based senior management	11%	10%	10%

Average 2027 senior management target	15%	13%	15%

Slower Progress for the Black Community

Progress for the Black community has been slower, with evidence of declining representation at both board and senior management levels. Black directorships in the FTSE 100 fell from 25 to 24, while Asian directorships increased from 121 to 124.

Overall Assessment

In summary, the Parker Review 2026 reports significant progress since its inception, but notable areas of concern remain: the persistent under-representation of the Black community at both board and senior management level; the slow pace of progress among private companies, which remain well behind the 2027 target; and the gap between current senior management diversity levels and the targets that companies have set for 2027.

RECENT CASE HIGHLIGHTS THE IMPORTANCE OF CLEAR DRAFTING

Synthos Spolka Akcyjna v Ineos Industries Holdings Ltd [2026] EWHC 83 (Comm)

This case is a good reminder of the importance of clear drafting. The courts approach much of the drafting of share purchase agreements as an apportionment of risk by the parties - and they will look to hold them to the bargain they have struck, even if it may seem onerous.

The case concerns Synthos' acquisition of Ineos' expandable polystyrene business. After the deal completed, it emerged that the business had participated in an unlawful buyers' cartel to manipulate the monthly contract price of styrene. Synthos brought various claims for breach of warranty and for failure to notify relevant 'events and developments' between signing and completion of the deal. Ineos argued that the claims were out of time – because of a contractual time limit under the warranties (and that a fraud exception to that limit did not apply).

The main issues determined by the court were largely ones of 'contractual interpretation' – i.e. what the objective meaning of the relevant contractual provisions was, as determined in the context of the terms of the share purchase agreement generally and the facts and circumstances that existed when it was entered into. As a result, there is a limit to what can be learnt from the decision itself – as every case turns on its own facts and similar drafting could be held to mean (and has been held to mean) something different by another judge. Also, it's worth noting that the decision in this case is subject to an application for an appeal.

However, the case is a good reminder to make drafting as clear as possible, including as regards matters such as: whether 'events and developments' have to be new or could be part of a continued pattern; whether notification provisions are qualified by awareness (so that an obligation

to notify only arises upon awareness), how the awareness of a corporate is to be assessed (i.e. whose knowledge counts and how is it counted/aggregated), which claims are covered by any limitation of liability provisions (e.g. just breach of warranty or other claims) and what constitutes fraud in the context of a carve-out from those limitations.

SUPREME COURT RULES THAT THERE IS NO TIME LIMIT TO BRINGING A CLAIM FOR UNFAIR PREJUDICE

THG plc v Zedra Trust Company (Jersey) Ltd [2026] UKSC 6

The Supreme Court has ruled that shareholder claims for unfair prejudice under s994 Companies Act 2006 are not subject to any statutory limitation period (because that section does not create obligations, but instead provides relief from conduct that amounts to unfair prejudice). This reverses the decision of the Court of Appeal which had imposed time limits of six or 12 years depending on the remedy sought.

The case itself relates to claim for unfair prejudice in relation by a shareholder who claimed to have been wrongly excluded from a bonus share issue more than six years ago.

The main takeaway - for potential claimants and defendants alike – is to be aware that a claim for unfair prejudice may be made many years after the conduct complained of took place. However, it should also be noted that the courts retain discretion to limit or deny relief under equitable principles - and an unreasonable delay may be relevant to the exercise of its discretion.

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