

Calling all directors and company secretaries of UK incorporated companies – minor changes to the content requirements for directors reports and remuneration reports on the near horizon.

The UK government has recently passed two pieces of legislation impacting what information needs to be included in a company's annual report and accounts, thankfully removing items rather than requiring the inclusion of more information. The first set of changes are for financial years starting on or after the 5 April 2025 and the second set of changes are for financial years starting on or after the 11 May 2025. As the changes are minor and the first reporting cycle they will impact is at least 12 months away, there is a danger they could be overlooked or forgotten.

The Companies (Accounts and Reports) (Amendment and Transitional Provision) Regulations 2024 - financial years starting on or after the 5 April 2025

Changes

Turnover and balance sheet thresholds used to classify if a company is micro-entity, small or medium sized have been increased.

Items no longer required to be included in the Directors Report

- important events affecting the company since the end of the financial year;
- likely future developments in the business of the company;
- branches of the company outside the UK;
- employment, training and advancement of disabled persons; and
- engagement with employees, suppliers, customers and others.

The Companies (Directors' Remuneration and Audit) (Amendment) Regulations 2025 - financial years starting on or after the 11 May 2025

Items no longer required to be included in the Remuneration Report include:

- the comparison of each director's annual pay change with the average pay change for employees over the same period;
- the total fixed pay and total variable pay for each director from the single total figure table in the remuneration report;
- details of any changes to the exercise price or date of any share options awarded to directors;
- information in relation to the duration of directors' service contracts;
- information in relation to the decision-making process for the determination, review and implementation of the remuneration policy; and
- where the company awards share-based remuneration, information on any vesting periods and any holding periods.

Next steps for directors and company secretaries

- Understand how these changes will impact the content of your company's annual accounts (i.e. some changes are only applicable for medium/large sized companies, others only for traded but not quoted companies).
- Ensure reminders are scheduled so that the changes are enacted in the first set of applicable annual accounts which will either be the 2026 or 2027 year end, dependent on when the company's year end falls.

April 2025