

## Guidance on the Strategic Report - editorial amendments to Appendices

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### Appendix II

#### The Companies Act 2006 strategic report disclosure requirements

Reference	Requirement	Public Interest Entity	Quoted public company (< 500 employees)	Other public company including AIM	Large and medium-sized private company and qualifying partnership (other than PIEs with >500 employees)	Small private company
s414C(7)(a)	The strategic report must, to the extent necessary for an understanding of the development, performance or position of the company's business, include the main trends and factors likely to affect future development, performance and position.	<del>✓</del> x	✓	x	x	x
S414CZA(1)	A strategic report for a financial year of a company must include a statement (a "section 172(1) statement") which describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172.	✓	✓ (Large companies only – s414CZA(2))	✓ (Large companies only – s414CZA(2))	✓ (large companies only (s414CZA(2)))	x

Note - The following definitions which are used in the Appendices relevant to these editorial amendments are included in the glossary on page 66 and 67

**Public Interest Entity** – A traded, banking or insurance company with more than 500 employees

**Quoted company** – A company whose equity share capital has been included in the official list in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000; or is officially listed in an EEA state; or is admitted to dealing on either the New York Stock Exchange or the exchange known as NASDAQ

**Large company** – A company that does not qualify as medium-sized under section 465 of the Act or is excluded from being treated as medium-sized as it is ineligible under section 467 of the Act.

## Appendix III

### The Companies Act 2006 directors' report disclosure requirements

Regulations reference <sup>80</sup>	Requirement	Quoted public company	Other public company including AIM	Large and medium sized private company	Small private company
Sch 7.11(1)	<p>The directors' report for a financial year must contain a statement:</p> <p>(a) describing the action that has been taken during the financial year to introduce, maintain or develop arrangements aimed at:</p> <p>(i) providing employees systematically with information on matters of concern to them as employees;</p> <p>(ii) consulting employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests;</p> <p>(iii) encouraging the involvement of employees in the company's performance through an employees' share scheme or by some other means;</p> <p>(iv) achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.</p> <p>(b) summarising:</p> <p>(i) how the directors have engaged with employees; and</p> <p>(ii) how the directors have had regard to employee interests, and the effect of that regard, including on the principal decisions taken by the company during the financial year.</p>	<p>✓</p> <p>(Where the monthly average number of UK-based employees exceeds <sup>1</sup> <u>250 in both this year and the preceding year</u>)</p>	<p>✓</p> <p>(Where the monthly average number of UK-based employees exceeds<sup>1</sup> <u>250 in both this year and the preceding year</u>)</p>	<p>✓</p> <p>(Where the monthly average number of UK-based employees<sup>1</sup> exceeds <u>250 in both this year and the preceding year</u>)</p>	x

<sup>1</sup> In the case of a parent company, this should be determined by reference to the number of employees in the group