



**AVEY OF LONDON**

Accounting | Financial Reporting

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# **DIRECTORS' REPORT AT A GLANCE: WHAT TO DISCLOSE**

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AVEY OF LONDON  
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This guidance is designed to alert to an important issue of general application. It is not intended to be a definitive statement covering all aspects of the related legislation. It is only a brief summary and no action should be taken without consulting the detailed legislation or seeking professional advice.

Should you require further information or would like to discuss any specific elements of the relevant legislation you can contact AVEY of London using details below and we will be happy to assist.

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No responsibility for any person acting or referring to act as a result of any material contained in this guidance can be accepted by AVEY of London.

The following table summarises the disclosure requirements of the Companies Act 2006 and its associated regulations in respect of the directors' report.

It should be noted that a **micro-entity is not required** to prepare a **directors' report**.

Reference <sup>2</sup>	Strategic Report Requirements	Small	Medium <sup>1</sup>	Large unquoted	AIM	Quoted
s416(1)	Name of directors	✓	✓	✓	✓	✓
S416(1)	Principal activities	✓	✓	✓	✓	✓
s416(3)	Dividends	✗	✓	✓	✓	✓
S236	Directors' indemnity provision	✓	✓	✓	✓	✓
s418(2)	A statement to the effect that, in the case of each of the persons who are directors at the time the report is approved:  (a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and  (b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.	✓ (if audited)	✓	✓	✓	✓
s419(1)	Approval and signature	✓	✓	✓	✓	✓
s419(2)	If in preparing the report advantage is taken of the small companies' exemption, the directors' report must contain a statement to that effect in a prominent position above the signature.	✓	✗	✗	✗	✗
Sch7.1A	Reference to information contained in strategic report that otherwise would be required in the directors' report	✗	✓	✓	✓	✓
Sch7.3(2) Sch7.4(1) Sch5.2(2-3) Sch5.3(1)	Political donations (above £2,000 in aggregate)	✓ <sup>3</sup>	✓ <sup>3</sup>	✓ <sup>3</sup>	✓ <sup>3</sup>	✓ <sup>3</sup>
Sch7.6(1)(a)	Financial risk management, including hedging	✗	✓ <sup>4</sup>	✓ <sup>4</sup>	✓ <sup>4</sup>	✓ <sup>4</sup>
Sch7.6(1)(b)	Exposure to price risk, credit risk, liquidity risk and cash flow risk	✗	✓ <sup>4</sup>	✓ <sup>4</sup>	✓ <sup>4</sup>	✓ <sup>4</sup>
Sch7.7(1)(a)	Significant subsequent events	✗	✓	✓	✓	✓
Sch7.7(1)(b)	Future developments	✗	✓	✓	✓	✓
Sch7.7(1)(c)	Research and development	✗	✓	✓	✓	✓
Sch7.7(1)(d)	Overseas branches	✗	✓	✓	✓	✓
Sch7.8-9	Acquisition of own shares	✗	✗	✗	✓	✓
Sch7.10(3) Sch5.5(3)	Employment of disabled people – if > 250 UK weekly average employees	✗	✓	✓	✓	✓
Sch7.11(3)	Employee involvement – if > 250 UK weekly average employees	✗	✓	✓	✓	✓
Sch7.13(2)& 14	Information with regard to: (a) share capital structure; (b) restrictions on the securities' transfer;	✗	✗	✗	✗	✓ (Company quoted on an EU-

	(c) significant direct or indirect securities holding in the company; (d) securities carrying special control rights; (e) voting rights of shares in employee share schemes; (f) restrictions on voting rights; (g) agreements which may result in restrictions on securities transfer or on voting rights; (h) rules about replacement of directors, or the amendment of the company's articles of association; (i) directors' powers in relation to the issuing or buying back by of shares; (j) agreements which take effect after or terminate on change of control following a takeover bid and its effects; (k) compensation agreements for loss of office or employment that occurs because of a takeover bid.					regulated market only)
Sch7.15(2), (3), (18) & (19)	Carbon dioxide emissions including period if different to the financial reporting period	×	×	×	×	✓
Sch7.15(4)	A statement of what information in Sch7.15(2) & (3) is not disclosed and why, if it is not practicable for the company to obtain some or all of that information.	×	×	×	×	✓
Sch7.16	The methodologies used to calculate the information disclosed under Sch7.15(2) & (3).	×	×	×	×	✓
Sch7.17&18	Annual emissions ratio	×	×	×	×	✓

<sup>1</sup> Except those that would be small if not in an ineligible group [s415A].

<sup>2</sup> Sch7 refers to Schedule7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations2008'. Sch5 refers to Schedule 5 of the 'Small Companies and Groups (Accounts and Directors' Reports) Regulations2008'.

<sup>3</sup> Other than wholly owned subsidiaries of UK incorporated companies.

<sup>4</sup> Unless the information is not material for an assessment of the assets, liabilities, financial position and profit or loss of the company (and any subsidiaries included in its consolidation).