

2024 No. 1303

COMPANIES

**The Companies (Accounts and Reports) (Amendment and
Transitional Provision) Regulations 2024**

<i>Made</i> - - - -	<i>9th December 2024</i>
<i>Laid before Parliament</i>	<i>10th December 2024</i>
<i>Coming into force</i> - -	<i>6th April 2025</i>

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 15(a) and 17(3) of the Limited Liability Partnerships Act 2000(a) and sections 416(4), 468(1) and (2) and 473(2) of the Companies Act 2006(b).

PART 1

Introductory

Citation and commencement

1.—(1) These Regulations may be cited as the Companies (Accounts and Reports) (Amendment and Transitional Provision) Regulations 2024.

(2) These Regulations come into force on 6th April 2025.

Extent and application

2.—(1) These Regulations extend to the United Kingdom.

(2) The amendments made by Parts 2 and 3 have effect in relation to financial years beginning on or after 6th April 2025.

Transitional provision

3.—(1) Paragraphs (2) and (3) apply to determine whether a company or group qualifies as a micro-entity or as small or medium-sized under section 382(1A)(c), 383(2A)(d), 384A(2)(e), 465(2) or 466(3) of the Companies Act 2006 in relation to a financial year beginning on or after 6th April 2025.

(a) 2000 c. 12.

(b) 2006 c. 46.

(c) Section 382(1A) was inserted by S.I. 2013/3008.

(d) Section 383(2A) was inserted by S.I. 2013/3008.

(e) Section 384A was inserted by S.I. 2013/3008.

(2) The company or group is to be treated as having qualified as a micro-entity or as small or medium-sized in any previous year in which it would have so qualified if amendments to the same effect as the amendments made by regulations 9 and 10 had had effect in relation to that year and preceding financial years.

(3) The company or group is to be treated as having met the qualifying conditions to be a micro-entity or to be small or medium-sized in any previous year in which it would have so met the qualifying conditions if amendments to the same effect as the amendments made by regulations 9 and 10 had had effect in relation to that year.

(4) Paragraphs (5) and (6) apply to determine whether a limited liability partnership or group qualifies as a micro-entity or as small or medium-sized under section 382(1A), 383(2A), 384A(2), 465(2) or 466(3) of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008^(a) in relation to a financial year beginning on or after 6th April 2025.

(5) The limited liability partnership or group is to be treated as having qualified as a micro-entity or as small or medium-sized in any previous year in which it would have so qualified if amendments to the same effect as the amendments made by regulation 11 had had effect in relation to that year and preceding financial years.

(6) The limited liability partnership or group is to be treated as having met the qualifying conditions to be a micro-entity or to be small or medium-sized in any previous year in which it would have so met the qualifying conditions if amendments to the same effect as the amendments made by regulation 11 had had effect in relation to that year.

PART 2

Information to be included in the Directors' Report

Amendments to the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008

4.—(1) The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008^(b) are amended as follows.

(2) In Schedule 5 (matters to be dealt with in directors' report), omit paragraph 5.

Amendments to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

5.—(1) The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008^(c) are amended as follows.

(2) In regulation 10, paragraph (2), omit—

- (a) "Part 3 relates to the employment, training and advancement of disabled persons," and
- (b) "Part 4 relates to the engagement by the company with employees, suppliers, customers and others,".

(3) In Schedule 7 (matters to be dealt with in directors' report)^(d), omit paragraphs 6 and 7 and Parts 3 and 4.

(a) S.I. 2008/1911.

(b) S.I. 2008/409.

(c) S.I. 2008/410.

(d) Paragraph 6(3) was amended by S.I. 2019/145; paragraphs 10(1) and (2) were amended, Part 4 was substituted, and paragraphs 11A to 11C were inserted, by S.I. 2018/860.

Amendments to the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008

6.—(1) The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008(a) are amended as follows.

(2) In paragraph (3) of regulation 3, omit sub-paragraph (i)(b).

Amendments to the Partnerships (Accounts) Regulations 2008

7.—(1) The Partnerships (Accounts) Regulations 2008(c) are amended as follows.

(2) In paragraph 2(2)(g) of the Schedule, omit the words “except paragraph 7”.

PART 3

Qualifying conditions for micro-entities, small and medium-sized companies and limited liability partnerships

Chapter 1

Amendments to the Companies Act 2006

Amendments to the Companies Act 2006

8. The Companies Act 2006 is amended in accordance with regulations 9 and 10.

Chapter 1 of Part 15 (accounts and reports: introduction)

9.—(1) In section 382(3) (companies qualifying as small: general)(d), in the second column of the table—

(a) for “Not more than £10.2 million” substitute “Not more than £15 million”;

(b) for “Not more than £5.1 million” substitute “Not more than £7.5 million”.

(2) In section 383(4) (companies qualifying as small: parent companies)(e), in the second column of the table—

(a) for “Not more than £10.2 million net (or £12.2 million gross)” substitute “Not more than £15 million net (or £18 million gross)”;

(b) for “Not more than £5.1 million net (or £6.1 million gross)” substitute “Not more than £7.5 million net (or £9 million gross)”.

(3) In section 384A(4) (companies qualifying as micro-entities)(f), in the second column of the table—

(a) for “Not more than £632,000” substitute “Not more than £1 million”;

(b) for “Not more than £316,000” substitute “Not more than £500,000”.

(a) S.I. 2008/565.

(b) Sub-paragraph (i) was amended by S.I. 2017/1164.

(c) S.I. 2008/569.

(d) Section 382(3) was amended by S.I. 2015/980.

(e) Section 383(4) was amended by S.I. 2015/980.

(f) Section 384A was inserted by S.I. 2013/3008.

Chapter 12 of Part 15 (accounts and reports: supplementary provisions)

10.—(1) In section 465(3) (companies qualifying as medium-sized: general)(a), in the second column of the table—

- (a) for “Not more than £36 million” substitute “Not more than £54 million”;
- (b) for “Not more than £18 million” substitute “Not more than £27 million”.

(2) In section 466(4) (companies qualifying as medium-sized: parent companies)(b), in the second column of the table—

- (a) for “Not more than £36 million net (or £43.2 million gross)” substitute “Not more than £54 million net (or £64 million gross)”;
- (b) for “Not more than £18 million net (or £21.6 million gross)” substitute “Not more than £27 million net (or £32 million gross)”.

Chapter 2

Amendments to the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

Amendments to the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

11.—(1) The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 are amended as follows.

(2) In regulation 5 (LLPs subject to the small LLPs regime), in section 382(3) (companies qualifying as small: general) as applied to LLPs by that regulation, in the second column of the table(c)—

- (a) for “Not more than £10.2 million” substitute “Not more than £15 million”;
- (b) for “Not more than £5.1 million” substitute “Not more than £7.5 million”.

(3) In regulation 5 (LLPs subject to the small LLPs regime), in section 383(4) (companies qualifying as small: parent companies) as applied to LLPs by that regulation, in the second column of the table(d)—

- (a) for “Not more than £10.2 million net (or £12.2 million gross)” substitute “Not more than £15 million net (or £18 million gross)”;
- (b) for “Not more than £5.1 million net (or £6.1 million gross)” substitute “Not more than £7.5 million net (or £9 million gross)”.

(4) In regulation 5A (LLPs qualifying as micro-entities)(e), in section 384A(4) (companies qualifying as micro-entities) as applied to LLPs by that regulation, in the second column of the table—

- (a) for “Not more than £632,000” substitute “Not more than £1 million”;
- (b) for “Not more than £316,000” substitute “Not more than £500,000”.

(5) In regulation 26 (medium-sized LLPs), in section 465(3) (companies qualifying as medium-sized: general) as applied to LLPs by that regulation, in the second column of the table(f)—

(a) Section 465(3) was amended by S.I. 2015/980.
(b) Section 466(4) was amended by S.I. 2015/980.
(c) Subsection (3) was amended by S.I. 2016/575.
(d) Subsection (4) was amended by S.I. 2016/575.
(e) Regulation 5A was inserted by S.I. 2016/575.
(f) Subsection (3) was amended by S.I. 2016/575.

- (a) for “Not more than £36 million” substitute “Not more than £54 million”;
 - (b) for “Not more than £18 million” substitute “Not more than £27 million”.
- (6) In regulation 26 (medium-sized LLPs), in section 466(4) (companies qualifying as medium-sized: parent companies) as applied to LLPs by that regulation, in the second column of the table(a)—
- (a) for “Not more than £36 million net (or £43.2 million gross)” substitute “Not more than £54 million net (or £64 million gross)”;
 - (b) for “Not more than £18 million net (or £21.6 million gross)” substitute “Not more than £27 million net (or £32 million gross)”.
- (7) In this regulation “LLP” means a limited liability partnership registered under the Limited Liability Partnerships Act 2000.

9th December 2024

Justin Madders
Parliamentary Under-Secretary of State
Department for Business and Trade

(a) Subsection (4) was amended by S.I. 2016/575.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Companies Act 2006 and the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They also make consequential amendments.

Part 2 reduces the information required to be included in the directors' report.

Regulation 4 removes the requirement for small companies to include in their directors' report disclosure on the employment of disabled persons.

Regulation 5 removes the requirements for large and medium-sized companies to include in their directors' report information on financial instruments, miscellaneous provisions, disclosure on the employment of disabled persons and their engagement with employees, suppliers, customers and others.

Regulations 6 and 7 make consequential amendments.

Part 3 increases the turnover and balance sheet thresholds to determine the size of a company for reporting and audit purposes.

Regulation 3 is a transitional provision for the amendments made by Part 3.

Regulation 9 increases the thresholds for a company to qualify as small, including the thresholds for parent companies and groups to fall within the small companies regime. It also increases the thresholds for micro-entities.

Regulation 10 increases the thresholds for medium-sized companies, including the thresholds for parent companies and groups to fall within the medium-sized companies regime.

Regulation 11 extends the increased thresholds for micro-entities and small and medium-sized companies to limited liability partnerships.

A full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector and community bodies is annexed to the Explanatory Memorandum which is available alongside this instrument on www.legislation.gov.uk. Copies may also be obtained from the Department for Business and Trade at Old Admiralty Building, Admiralty Place, London, SW1A 2DY.

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