

DRAFT

Draft Regulations laid before Parliament under sections 473(3) and 1290 of the Companies Act 2006 Act, for approval by resolution of each House of Parliament.

STATUTORY INSTRUMENTS

2023 No. 0000

COMPANIES

The Companies (Strategic Report and Directors' Report) Regulations 2023

Made - - - -

Coming into force

[1st January 2024]

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 468(1) and (2) of the Companies Act 2006(a).

In accordance with sections 473(3) and 1290 of the Companies Act 2006 a draft of this instrument must be laid before Parliament and approved by a resolution of each House of Parliament.

PART 1

INTRODUCTION

Citation and commencement

1.—(1) These Regulations may be cited as the Companies (Strategic Report and Directors' Report) Regulations 2023.

(2) [These Regulations come into force on 1st January 2024.

(3) The sections of the Act, which are inserted by regulations 4, 5, and 6, apply to a relevant company and to its auditor, in respect of—

- (a) any financial year of the company, which commences on or after 1st January 2024, in the case of a company whose equity share capital is admitted to trading on a UK regulated market; and
- (b) any financial year of the company, which commences on or after 1st January 2025, in the case of other companies.]

(a) 2006 c. 46.

PART 2

AMENDMENT OF PART 15 CHAPTER 4A (STRATEGIC REPORT)

2. In section 414C(2)(a)—
 - (a) for the “and” before “sections 414CA and 414CB (non-financial and sustainability information statement)” substitute a comma;
 - (b) after “sections 414CA and 414CB (non-financial and sustainability information statement)” insert “and sections 414CC to CF (resilience statement and audit and assurance policy statement)”.
3. In section 414C(11), after—
 - (a) “The strategic report” insert “, including the non-financial and sustainability statement, the resilience statement and the audit and assurance policy statement,”; and
 - (b) “section 416(4)” insert “or section 468”.
4. After section 414CB insert—

“Company with a high level of employees and turnover

414CC.—(1) For the purposes of this Act, a company is a “company with a high level of employees and turnover” in relation to a financial year—

- (a) where the company was not a parent company—
 - (i) if the company had 750 or more employees; and
 - (ii) if the company’s turnover equals or exceeds £750 million; and
 - (b) where the company was a parent company -
 - (i) if the aggregate number of employees for a group headed by that company equalled or exceeded 750 employees; and
 - (ii) if in that year a group headed by the company had an aggregate turnover of £750 million or more.
- (2) For a period that is a company’s financial year but not in fact a year the figures for turnover given by subsection (1) must be proportionately adjusted.
- (3) For the purposes of subsection (1)(b)(ii)—
- (a) aggregate turnover is ascertained by aggregating the relevant figures determined for each member of the group;
 - (b) “net”, in relation to aggregate turnover, is to be interpreted in accordance with section 383(6).
- (4) Section 383(7) applies for the purposes of subsection (1)(b) of this section as it applies for the purposes of section 383.
- (5) The number of employees means the average number of persons employed by the company in the year, determined as follows—
- (a) find for each month in the financial year the number of persons employed under contracts of service by the company in that month (whether throughout the month or not),
 - (b) add together the monthly totals, and
 - (c) divide by the number of months in the financial year.

(a) Sections 414A to 414D were inserted into the Companies Act 2006 by S.I. 2013/1970. Sections 414CA and CB were inserted after section 414C by S.I. 2016/1245. Section 414CA was amended by S.I. 2019/145. Sections 414CA and CB were amended by S.I. 2022/31.

(6) The aggregate number of employees for a group is ascertained by aggregating the relevant figures determined in accordance with subsection (5) for each member of the group.

Resilience statement

414CD.—(1) If, during a financial year, a company is a company with a high level of employees and turnover, the company’s strategic report for that financial year must contain a resilience statement which—

- (a) is structured to have an introduction followed by sections dealing with the short, medium and long term; and
- (b) sets out the information described in subsections (3) to (8) to the extent that it is necessary for an understanding of the company’s approach to managing risk and building resilience over the short, medium and long-term.

(2) If the company’s strategic report is a group strategic report, the resilience statement must be a consolidated statement (a “group resilience statement”).

(3) The introduction to the resilience statement must—

- (a) summarise the company’s approach to managing risk and building resilience over the short, medium and long-term including the company’s—
 - (i) strategic approach to managing material risks and how this relates to the company’s business planning and investment cycle; and
 - (ii) internal governance processes for managing material risks and the role of directors;
- (b) in the case of a quoted company and to the extent not already dealt with under paragraph (a), explain how the resilience statement has been informed by and is consistent with the forward-looking disclosures which the company is required to make by:
 - (i) section 414C(7)(a) (the main trends and factors likely to affect the future development, performance and position of the company’s business);
 - (ii) section 414C(8)(a) (a description of the company’s strategy); and
 - (iii) section 414C(8)(b) (a description of the company’s business model).

(4) The short-term section of the resilience statement must—

- (a) identify and explain the time period which is covered by the short-term section which must equal the period set out in accordance with paragraph (d);
- (b) set out, in addition to any material risks which the directors set out in accordance with subsection (6), as relevant to the resilience of the company in the short-term, any other information necessary for the understanding of the company’s management of material risk over the short term;
- (c) contain a summary of the matters relevant to the going concern status of the company which—
 - (i) summarises the reasons for the company’s decision whether or not to adopt the going concern basis of accounting in the relevant period, including, where relevant to that decision, reference to the company’s levels of drawn and undrawn borrowing facilities and any covenants that may impact on the company’s continuing ability to access those facilities;
 - (ii) discloses any material risks or uncertainties that cast significant doubt on the company continuing to operate as a going concern during the relevant period;
 - (iii) where necessary to help users of the summary to understand the current position and future prospects of the business, disclose and explain the reasons why the directors have decided that there are no material risks or uncertainties

to the company operating as a going concern, including any mitigating action taken by the directors to enable this decision to be taken;

- (d) set out the period covered by the summary of the going concern status of the company, which must equal or exceed twelve months commencing on the date on which the company's annual accounts for the previous financial year are approved and signed on behalf of the board in accordance with section 414 (approval and signing of accounts).

(5) The medium-term section must—

- (a) identify and explain the time period which is covered by the medium-term section including how the chosen period aligns with the company's strategy and its business investment cycle;
- (b) set out, in addition to any material risks which the directors have set out in accordance with subsection (6) as relevant to the resilience of the company in the medium-term, any other information necessary for the understanding of the company's management of material risk over the medium term;
- (c) provide an assessment of the company's prospects and of the likelihood that the company will continue in operation and meet its liabilities as they fall due during the period covered by the medium-term section which:
 - (i) takes account of the material risks which the directors have set out in accordance with subsection (6) as relevant to the resilience of the company in the medium-term;
 - (ii) demonstrates how the assessment has had regard to the company's expected financing facilities and financing needs, and any related covenants over the medium term;
 - (iii) demonstrates how the assessment has had regard to the company's strategy and the main trends and factors likely to affect the future development, performance and position of the company's business; and
 - (iv) sets out at least one reverse stress test, which must:
 - (aa) identify a combination of adverse circumstances which would cause the company's business plan to fail;
 - (bb) assess the likelihood of such a combination of circumstances occurring; and
 - (cc) summarise the results of this assessment and any mitigating action put in place by the directors.

(6) The directors must set out, in the short or medium-term sections of the resilience statement, as they consider to be appropriate—

- (a) those material risks that could threaten the business model, operations, future performance, solvency or liquidity of the company over the relevant period, and
- (b) each of the following matters to the extent that they either constitute a material risk in themselves or are relevant to the company's management of material risk during the relevant period—
 - (i) the company's financial liabilities or expected refinancing needs;
 - (ii) the company's operational and financial preparedness for a significant and prolonged disruption to its normal business trading;
 - (iii) accounting judgements or estimates which are contained in the company's annual accounts for the financial year to which the strategic report relates and which are material for the solvency and liquidity of the company;
 - (iv) the company's digital security risks, including cyber security threats and the risk of significant breaches of its data protection obligations;

- (v) areas of business dependency, with regard to the company's suppliers, customers, products, contracts, services or markets, which may constitute a material risk; and
- (vi) the impact of climate-related risks on the company's business model, to the extent that this is not already disclosed in the non-financial and sustainability information statement or elsewhere in the strategic report.

(7) The directors must, in addition, set out in the short or medium-term sections of the resilience statement, as they consider to be appropriate, the following information concerning each risk which is set out in accordance with subsection (6)(a) and (b)—

- (a) the likelihood of the risk occurring and its impact on the company's operations or financial health if it were to occur;
- (b) the time period over which the risk is expected to continue as a risk or to occur, if known;
- (c) what mitigating action, if any, the company has put or plans to put in place to manage the risk; and
- (d) any significant changes to the disclosures required by paragraphs (a) to (c) since the previous resilience statement.

(8) The long-term section must—

- (a) identify and explain the time period covered by the long-term section and the reasons for choosing it;
- (b) contain a summary assessment of those long-term trends and factors that are likely to remain or occur beyond the medium-term assessment period, and which the directors believe could represent a major threat in future to the company's business model or operations; and
- (c) an explanation of any plans that the company has put in place and of any adaptations that the company is proposing to make to its business model or operations to meet the long-term challenges which it has identified.

(9) Subsection (1) does not apply if the company is a subsidiary undertaking at the end of that financial year and is included in a group strategic report of a parent undertaking of the company that satisfies the requirements in subsection (10).

(10) The requirements in this subsection are that—

- (a) the group strategic report relates to undertakings that include the company and its subsidiary undertakings (if any),
- (b) the report is prepared for a financial year of the parent undertaking that ends at the same time as, or before the end of, the company's financial year, and
- (c) the report includes a group resilience statement in respect of all the undertakings which are included in the consolidation.

Audit and assurance policy statement

414CE.—(1) If, during a financial year, a company is a company with a high level of employees and turnover, the company's strategic report for that financial year must, to the extent necessary for an understanding of the company's development, position and performance, contain an audit and assurance policy statement which sets out the information which is described in paragraphs (a) to (h)—

- (a) an explanation of the company's plans for obtaining internal audit and assurance over any corporate disclosures in the reports and accounts which the company will be required to produce during the next three years and which will not be subject to statutory audit under section 495 nor to audit under sections 496, 497 and 497A;
- (b) a description of the company's operation and governance of internal auditing and assurance;

- (c) an explanation of how any management conclusions and judgements, which are disclosed in the annual report and accounts, may be challenged and verified within the company;
 - (d) a statement of whether, and if so how, the company is proposing to strengthen its internal audit and assurance capabilities over the next three years;
 - (e) what independent assurance, if any, the company intends to obtain in the next three years, in relation to the annual accounts and annual and half yearly reports of the company, in addition to—
 - (i) the statutory audit of the accounts under section 495; and
 - (ii) the statutory auditor’s duties under sections 496, 497 and 497A;
 - (f) specific information on whether, and if so how, the company intends to obtain independent assurance over:
 - (i) the company’s resilience statement; and
 - (ii) the effectiveness of the company’s internal controls over financial reporting;
 - (g) an explanation of how shareholder views have been taken into account in the development of the audit and assurance policy, including the extent to which the views of employees and any other stakeholders have been taken into account; and
 - (h) an explanation of the company’s policies in relation to the tendering of external audit services, including the extent to which the company intends to contract with the company’s statutory auditor to provide services in addition to the statutory audit.
- (2) The statement must set out whether any independent assurance which is referred to in subsections (1)(e) and (f)—
- (a) will be reasonable or limited assurance, as described in the definition of “reasonable or limited assurance engagement” in the Glossary, which forms part of the revised Ethical Standard, dated December 2019, published by the Financial Reporting Council in its role of competent authority responsible for the oversight of statutory auditors; or
 - (b) will take an alternative form of assurance as agreed between the company and the external provider; and
 - (c) will be carried out in accordance with—
 - (i) the International Standard on Assurance Engagements (ISAE) 3000 Revised (which covers information other than audits or reviews of historical financial information) which was adopted for use in the UK in July 2020 by the Financial Reporting Council in its role of competent authority responsible for the oversight of statutory auditors; or
 - (ii) any other international standard on assurance which is adopted in future for use in the UK by the Financial Reporting Council in its role of competent authority responsible for the oversight of statutory auditors.
- (3) The duty, which is set out in subsection (1),
- (a) first applies in respect of the financial year of the company which commences on or after the later of—
 - (i) [1st January 2024] or, in the case of a company whose equity share capital is not admitted to trading on a UK regulated market, [1st January 2025]; and
 - (ii) the date on which the company becomes a company with a high level of employees and turnover; and
 - (b) thereafter, in every third financial year of the company.
- (4) In those financial years in which the company is not required to produce an audit and assurance policy statement, in accordance with subsection (1), the company must include in

its strategic report a short audit and assurance update which sets out how, during the relevant financial year, the company has—

- (a) implemented its audit and assurance policy during the relevant financial year; and
- (b) obtained the independent assurance described in subsection (1)(e).

(5) In each financial year, in which the company is required to produce an audit and assurance policy statement, other than the first audit and assurance policy statement, the company must include in the statement—

- (a) a short update which sets out how the company has implemented its audit and assurance policy during the previous financial year; and
- (b) a description of the extent to which it has obtained the independent assurance described in subsection (1)(e).

(6) If the company's strategic report is a group strategic report, the audit and assurance policy statement to be included in the report under subsection (1) must be a consolidated statement (a "group audit and assurance statement") relating to the undertakings in the consolidation.

(7) Subsection (1) does not apply if the company is a subsidiary undertaking at the end of that financial year and is included in a group strategic report of a parent undertaking of the company that satisfies the requirements in subsection (8).

(8) The requirements in this subsection are that—

- (a) the group strategic report relates to undertakings that include the company and its subsidiary undertakings (if any),
- (b) the report is prepared for a financial year of the parent undertaking that ends at the same time as, or before the end of, the company's financial year, and
- (c) the report includes a group audit and assurance policy statement in respect of all the undertakings which are included in the consolidation.

The production of the resilience statement and the audit and assurance policy statement

414CF.—(1) To the extent that information is set out in the resilience statement or the audit and assurance policy statement, a company is not required to repeat it elsewhere in the strategic report.

(2) Section 414CD does not require the disclosure of information about impending developments, matters in the course of negotiation or other matters if the disclosure would, in the opinion of the directors, be seriously prejudicial to the commercial interests of the company, provided that the non-disclosure does not prevent a fair and balanced understanding of the company's development, performance or position or the impact of the company's activity.

(3) The directors of the company must prepare and retain documentary evidence of each stress test which is carried out in accordance with section 414CD(5)(c)(iv)."

PART 3

Directors' Report

5. After section 416(a) insert—

(a) Section 416 has been amended but in a manner which is not relevant to these Regulations.

“Contents of directors’ report: distribution policy statement

416A. If, during a financial year, a company is a company with a high level of employees and turnover, the directors’ report for that financial year must contain a distribution policy statement which describes—

- (a) the board’s policy towards the amount and timing of distributions to shareholders during the period covered by the medium-term section of the resilience statement;
- (b) the considerations and factors underlying the distributions policy including the availability of distributable profits and cash within the company or group,
- (c) the directors’ approach to capital allocation;
- (d) the constraints and key risks to implementing and sustaining the directors’ distribution policy; and
- (e) how the policy has been implemented in the financial year being reported upon.

Contents of directors’ report: statement of distributable profits

416B.—(1) If, during a financial year, a company is a company with a high level of employees and turnover, the directors’ report for that financial year must contain a statement of distributable profits.

(2) The directors must set out in the statement of distributable profits for the relevant financial year—

- (a) the amount of the company’s accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital, as described by section 830(2) of the Companies Act (“distributable profits”); and
- (b) the amount by which the distributable profits have increased or decreased during the relevant financial year.

(3) If during the relevant financial year, the company was both a company with a high level of employees and turnover and a public company—

- (a) the statement of distributable profits must, in addition, state whether the amount of the distributable profits is affected by the application of the net asset restriction which is set out in section 831 of the Companies Act (“distributable profits after the application of the net asset restriction”) and,
- (b) if so, the amount—
 - (i) of the distributable profits after the application of the net asset restriction; and
 - (ii) by which those profits have increased or decreased during the relevant financial year.

(4) If during a financial year, a company was both a company with a high level of employees and turnover and an authorised insurance company, carrying on long-term business within the meaning of section 833A(9) (“relevant insurance company”), subsection (1) and, where relevant subsection (2), is modified so that, for the purpose of calculating the company’s distributable profits, section 833A(2) to (9) applies to determine how the realised profit or loss of the relevant insurance company, during the relevant financial year, is calculated.

(5) If during a financial year, a company was both a company with a high level of employees and turnover and an investment company, within the meaning of section 833, (“a relevant investment company”), subsections (1) and (2) do not apply, and the directors’ report for that financial year must contain a statement of distributable revenue profits.

(6) The statement of distributable revenue profits must state—

- (a) the amount of the company’s accumulated, realised revenue profits, so far as not previously utilised by a distribution or capitalisation, and which are available for

distribution, during that year within the meaning of section 832 of the Companies Act (“distributable revenue profits”);

- (b) the amount by which the distributable revenue profits have increased or decreased during the relevant financial year;
 - (c) any distributable revenue profits which—
 - (i) have not previously been utilised by a distribution or capitalisation; and
 - (ii) exceed the company’s accumulated revenue losses (whether realised or unrealised) so far as not previously written off in a reduction or reorganisation of capital, duly made; and
 - (d) whether the amount of the distributable revenue profits is affected by the net asset restriction, which is set out in section 831 of the Companies Act (“distributable revenue profits after the application of the net asset restriction”), and, if so, the amount—
 - (i) of the distributable revenue profits after the application of the net asset restriction; and
 - (ii) by which the distributable revenue profits after the application of the net asset restriction have increased or decreased during the relevant financial year.
- (7) Where it is impractical to calculate and disclose an exact figure for—
- (a) a company’s distributable profits or distributable profits after the application of the net asset restriction, or
 - (b) in the case of a relevant investment company, distributable revenue profits or distributable revenue profits after the application of the net asset restriction

including as a result of historical trading activity, the directors must—

- (a) in each case show a minimum figure for the relevant amount; and
- (b) explain why they regard it as impractical to calculate an exact figure.

Contents of directors’ report: distribution confirmation statement

416C.—(1) If, during the relevant financial year, the company was a company with a high level of employees and turnover, the directors’ report for that financial year, must contain a distribution confirmation statement in which the directors must confirm, in respect of the relevant financial year, the issues which are set out in subsections (2) to (5).

(2) That the amounts (if any) which, during the relevant financial year—

- (a) the company has made by way of distribution, complied with the requirements which are set out in sections 836 to 840 (justification of distribution by reference to accounts); and
- (b) the directors have recommended be made by way of distribution, do not exceed the amount of distributable profits which are stated in accordance with subsection 416B(2).

(3) If during the relevant financial year, the relevant company was a public company, the directors must, in addition, confirm, that the amounts (if any) which, during the relevant financial year, the company has made by way of distribution or recommended to be made by way of distribution complied with the net asset restriction imposed by section 831.

(4) If during the relevant financial year, the company was a relevant insurance company the directors must, in addition, confirm that section 833A(2) to (9) was applied to determine how the realised profit or loss of the relevant insurance company was calculated.

(5) If during the relevant financial year, the company was a relevant investment company subsection (2) does not apply and the directors’ confirmation statement for that financial year, must confirm that the company’s distributable revenue profits and distributable revenue profits after the application of the net asset restriction were calculated in accordance with sections 831 and 832 of the Companies Act.

Contents of directors' report: material fraud statement

416D.—(1) The directors' report for a financial year, during which the company was a company with a high level of employees and turnover, must contain a material fraud statement which must—

- (a) describe any material fraud detected by the company during the relevant financial year including the effect of the fraud on the business and the actions taken by directors to address it;
- (b) summarise the directors' assessment of the risk of material fraud to the company's business operations, including how the directors have assessed the company's susceptibility to material fraud and the types of material fraud considered; and
- (c) describe those measures which the directors have taken to prevent and detect the occurrence of material fraud during the relevant financial year.

(2) For the purposes of this section, fraud is "material" when its nature or magnitude could reasonably be expected to influence the decisions which shareholders take in connection with their shareholding in the company.

Application of distribution policy statement, statement of distributable profits, distribution confirmation statement in the case of a subsidiary undertaking and of the material fraud statement in the case of a group directors' report

416E.—(1) Subsections 416A(1), 416B(1) and (5), 416C(1) and (5) do not apply if during the relevant financial year –

- (a) the company is a subsidiary undertaking, and the company, together with its subsidiaries (if any), is included in a group directors' report, which is prepared by the directors of a parent company, for a financial year of the parent company which ends at the same time as, or before the end of, the company's financial year;
- (b) the parent company is a company with a high level of employees and turnover, and
- (c) the group directors' report, for the relevant financial year, includes a distribution policy statement, statement of distributable profits and distribution confirmation statement which relate to the distributions and distributable profits of the parent company and are produced in accordance with subsections 416A(1), 416B(1) and (5) and 416C(1) and (5).

(2) Where the directors of a parent company, which is a company with a high level of employees and turnover, produce a group directors' report, the report, in its application to distributions, must contain a distribution policy statement, statement of distributable profits and distribution confirmation statement in respect of the distributions and distributable profits of the parent company rather than in respect of the undertakings which are included in the consolidation.

(3) Subsection 416D(1) does not apply if the company is a subsidiary undertaking at the end of the relevant financial year and is included in a group directors' report of a parent undertaking of the company that satisfies the requirements in subsection (4).

(4) The requirements in this subsection are that—

- (a) the group directors' report relates to undertakings that include the company and its subsidiary undertakings (if any),
- (b) the report is prepared for a financial year of the parent undertaking that ends at the same time as, or before the end of, the company's financial year, and
- (c) the report includes a group material fraud statement in respect of each of those undertakings which are included in the consolidation."

PART 4

Section 496 Auditors' report on strategic report and directors' report

- 6.—(1) At the beginning of subsection 1, insert “Subject to subsection (3),”.
- (2) After subsection (2), insert—
- “ (3) The auditor, in his report on the company’s annual accounts for a relevant financial year, must—
- (a) report to the company’s members on any description of distributable profits, distributable profits after the application of the net asset restriction, distributable revenue profits and distributable revenue profits after the application of the net asset restriction which are set out in the directors’ report in accordance with sections 416B and C; and
 - (b) state whether in his opinion those statements have been properly prepared in accordance with this Act and are in agreement with the accounting records and returns of the company.”.

PART 5

Review

- 7.—(1) The Secretary of State must from time to time—
- (a) carry out a review of the regulatory provision contained in these Regulations, and
 - (b) publish a report setting out the conclusions of the review.
- (2) The first report must be published before 6th April 2027.
- (3) Subsequent reports must be published at intervals not exceeding 5 years.
- (4) Section 30(4) of the Small Business, Enterprise and Employment Act 2015(a) (“the 2015 Act”) requires that a report published under this regulation must, in particular—
- (a) set out the objectives intended to be achieved by the regulatory provision referred to in paragraph (1)(a);
 - (b) assess the extent to which those objectives are achieved;
 - (c) assess whether those objectives remain appropriate; and
 - (d) if those objectives remain appropriate, assess the extent to which they could be achieved in another way which involves less onerous regulatory provision.
- (5) In this regulation, “regulatory provision” has the same meaning as in sections 28 to 32 of the 2015 Act (see section 32 of that Act).

Date

Name
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial Strategy

(a) 2015 c.26. Section 30 has been amended but not in a way which is relevant to these Regulations.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations require certain companies to provide additional statements to be included in the strategic report and the directors' report. The provisions apply to a company with a high level of employees and turnover.

The Regulations commence on [1st January 2024. The sections of the Act, which are inserted by regulations 4, 5, and 6, apply to a relevant company and to its auditor, in respect of any financial year of the company, which commences on or after 1st January 2024, in the case of a company whose equity share capital is admitted to trading on a UK regulated market, and any financial year of the company, which commences on or after 1st January 2025, in the case of other companies.]

Part 2 inserts sections 414CC–CF into the Companies Act. These sections define a company with a high level of employees and turnover and place a duty on the company's directors to include a resilience statement and an audit and assurance policy statement in the company's strategic report. A company is required to produce an audit and assurance policy statement in every third financial year with an update in the other financial years.

Part 3 inserts sections 416A–E, which place a duty on the company's directors to include in the directors' report a distribution policy statement, a statement of distributable profits, a distribution confirmation statement and a material fraud statement.

Part 4 makes consequential amendments to section 496 (auditors' report on strategic report and directors' report).

Part 5 provides for a review of the Regulations before 6th April 2027 with subsequent reviews at intervals not exceeding five years.

A full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from the Department for Business, Energy and Industrial Strategy at 1 Victoria Street, London SW1H 0ET and is published on the website www.legislation.gov.uk. It is also published with the Explanatory Memorandum alongside the instrument on www.legislation.gov.uk.