



Companies Act 2006

2006 CHAPTER 46

PART 15

ACCOUNTS AND REPORTS

[^{F1} CHAPTER 4A

STRATEGIC REPORT

[^{F1} **Non-financial [^{F3} and sustainability] information statement**

[^{F2} 414CA

[A strategic report of a company to which this subsection applies must include a non-^{F4}(A1) financial and sustainability information statement.]

- (1) [^{F5} Subsection (A1) applies to a company if it] was at any time within the financial year to which the report relates—
- (a) a traded company,
 - (b) a banking company,
 - (c) an authorised insurance company, ^{F6}...
 - (d) a company carrying on insurance market activity [^{F7} or
 - (e) a company any securities of which are admitted to trading on the market known as the Alternative Investment Market.]

[Subsection (A1) also applies to a company if it was a high turnover company in relation ^{F8}(1A) to that financial year.

(1B) Subsections (1) and (1A) are subject to subsections (3) to (7).]

- (2) If the company's strategic report is a group strategic report, the non-financial [^{F9} and sustainability] information statement to be included in the report under [^{F10} subsection (A1)] must be a consolidated statement (a "group non-financial [^{F9} and sustainability] information statement") relating to the undertakings included in the consolidation.

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- [A company is a “high turnover company” in relation to a financial year—
- ^{F11}(2A) (a) where the company was not a parent company in that financial year, if in that year the company’s turnover was more than £500 million;
- (b) where the company was a parent company at any time within that financial year, if in that year a group headed by the company had an aggregate turnover of more than £500 million net.
- (2B) For a period that is a company’s financial year but not in fact a year the figures for turnover given by subsection (2A) must be proportionately adjusted.
- (2C) For the purposes of subsection (2A)(b)—
- (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).
- (2D) Section 383(7) applies for the purposes of subsection (2A)(b) of this section as it applies for the purposes of section 383.]
- (3) [^{F12}Subsection (A1) does not apply to a company if]—
- (a) the company is subject to the small companies regime in relation to that financial year (see sections 382 to 384), or
- (b) the company qualifies as medium-sized in relation to that financial year (see sections 465 to 467).
- (4) [^{F13}Subsection (A1) does not apply—
- (a) to a company which was not a parent company in that financial year, if] the company had no more than 500 employees in that financial year, or
- (b) [^{F14}to a company which was a parent company at any time within that financial year, if] the aggregate number of employees for a group headed by that company in that financial year was no more than 500.
- (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.
- (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.
- (7) [^{F15}Subsection (A1) does not apply to a company if] the company is a subsidiary undertaking at the end of that financial year and is included in—
- (a) a group strategic report of a parent undertaking of the company that satisfies the requirements in subsection (8), ^{F16}...
- ^{F16}(b)
- (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),

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- (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 non-financial [^{F17}and sustainability] information statement in respect of all the undertakings included in the consolidation.

^{F18}(9)

- (10) A company to which subsection [^{F19}(A1)] does not apply may include a non-financial [^{F20}and sustainability] information statement in its strategic report or, as the case may be, a group non-financial [^{F20}and sustainability] information statement in its group strategic report.]]

Textual Amendments

- F1** Pt. 15 Ch. 4A inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Companies Act 2006 \(Strategic Report and Directors' Report\) Regulations 2013 \(S.I. 2013/1970\)](#), regs. 1(2)(3), **3**
- F2** Ss. 414CA, 414CB inserted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies, Partnerships and Groups \(Accounts and Non-Financial Reporting\) Regulations 2016 \(S.I. 2016/1245\)](#), regs. 1(1), **4**
- F3** Words in s. 414CA heading inserted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(a)**
- F4** S. 414CA(A1) inserted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(b)**
- F5** Words in s. 414CA(1) substituted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(c)**
- F6** Word in s. 414CA(1)(c) omitted (with application in accordance with reg. 1(2) of the amending S.I.) by virtue of [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(d)**
- F7** S. 414CA(1)(e) and word inserted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(e)**
- F8** S. 414CA(1A)(1B) inserted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(f)**
- F9** Words in s. 414CA(2) inserted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(g)(ii)**
- F10** Words in s. 414CA(2) substituted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(g)(i)**
- F11** S. 414CA(2A)-(2D) inserted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(h)**
- F12** Words in s. 414CA(3) substituted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(i)**
- F13** Words in s. 414CA(4) substituted (with application in accordance with reg. 1(2) of the amending S.I.) by [The Companies \(Strategic Report\) \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/31\)](#), regs. 1(2), **3(j)(i)**

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- F14** Words in s. 414CA(4)(b) substituted (with application in accordance with reg. 1(2) of the amending S.I.) by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (S.I. 2022/31), regs. 1(2), **3(j)(ii)**
- F15** Words in s. 414CA(7) substituted (with application in accordance with reg. 1(2) of the amending S.I.) by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (S.I. 2022/31), regs. 1(2), **3(k)**
- F16** S. 414CA(7)(b) and word omitted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by virtue of The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 2 para. 12(a)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F17** Words in s. 414CA(8)(c) inserted (with application in accordance with reg. 1(2) of the amending S.I.) by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (S.I. 2022/31), regs. 1(2), **3(l)**
- F18** S. 414CA(9) omitted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by virtue of The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 2 para. 12(b)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F19** Word in s. 414CA(10) substituted (with application in accordance with reg. 1(2) of the amending S.I.) by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (S.I. 2022/31), regs. 1(2), **3(m)(i)**
- F20** Words in s. 414CA(10) inserted (with application in accordance with reg. 1(2) of the amending S.I.) by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (S.I. 2022/31), regs. 1(2), **3(m)(ii)**

Modifications etc. (not altering text)

- C1** Pt. 15 Ch. 4A applied in part (with modifications) by S.I. 2008/565, **reg. 3** (as substituted (with effect in accordance with reg. 2(4) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 3** (with reg. 2(6)(7)))

Changes to legislation:

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