

# NON-FINANCIAL REPORTING REVIEW: SIMPLER CORPORATE REPORTING

A public consultation issued by the UK Department for Business and Trade  
Comments from ACCA to the UK Department for Business and Trade

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## **About ACCA:**

ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

We're a thriving global community of **252,500** members and **526,000** future members based in **180** countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance, and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business, and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in our purpose. We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations, and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. Find out more at [accaglobal.com](https://accaglobal.com)

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## GENERAL COMMENTS

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ACCA welcomes the Department of Business and Trade's (DBT) non-financial reporting review into simpler corporate reporting. SMEs<sup>1</sup> are the backbone of economies and unsurprisingly facing ever increasing pressures across costs, inflation, talent, and access to finance. Our work<sup>2</sup> on challenges to SMEs in 2023 found that inflation was a key issue, and higher costs continue to be a pressing concern.

However, ACCA believes that a more comprehensive review and simplification of the company reporting limits would be advantageous. Individual reporting requirements vary considerably, and set different reporting requirements for PIEs, publicly traded or quoted companies, very large entities, large, medium and small entities. Regulations relating to employment use thresholds relating to the number of employees, and modern slavery requirements apply to companies based on turnover thresholds (amongst other requirements).

As detailed in our response to the Department for Business and Trade and FRC consultation on smarter regulation non-financial reporting review<sup>3</sup> ACCA's view is that non-financial reporting is key to attracting funds to the UK economy due to increased investment in and focus on green activities, from both an investor and a lender perspective, as investors and lenders seek to decarbonise and move toward more sustainable portfolios. We anticipate that the UK Government's objectives will support inward investment to the UK.

In simplifying the UK corporate reporting landscape, we would recommend that existing thresholds are reconsidered to provide clear and consistently applied thresholds, that consider the wider jurisdictional reporting requirements (such as those relating to the Corporate Sustainability Reporting Directive in the EU), and wider regulatory reporting requirements (such as those relating to the FCA and PRA).

In order to achieve effective simplification, ACCA believes that a standardised set of limits would be more appropriate and advantageous, rather than seeking to adjust limits only for organisations of a particular size, many of which will have existing international trade and other reporting requirements. We would also suggest that when considering obligations for medium and larger organisations, that their international obligations are mapped and considered. We would be very

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<sup>1</sup> The UK's system of corporate reporting is based on 4 size-based 'tiers':

- micro-entities
- small companies
- medium-sized companies
- large companies

<sup>2</sup> [PI-SME-CHALLENGES-INNOVATION v4.pdf \(accaglobal.com\)](#)

<sup>3</sup> <https://www.accaglobal.com/uk/en/technical-activities/technical-resources-search/2023/August/Consultation-smarter-regulation-non-financial-reporting-review.html>

pleased to discuss these areas in more detail and engage with any future comprehensive review and simplification of the company reporting limits.