



corporate | directors' reports

contact



David Cox
partner
020 7969 5564
dcox@haysmacintyre.com



Natasha Frangos
partner
020 7969 5663
nfrangos@haysmacintyre.com

The following disclosure is required in directors' reports:

financial instruments

The directors' report of medium and large companies should now include a statement on the use by the company of financial instruments indicating:

- (a) the financial risk management objectives and policies of the company, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and
- (b) the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk.

This disclosure is not required where such information is not material for the assessment of the company's assets, liabilities, financial position and profit or loss.

Financial Reporting Standard (FRS) 25 *Financial Instruments: Disclosure and Presentation* defines a financial instrument as "any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity." Financial instruments include bank balances, bank overdrafts, trade creditors, trade debtors, loans to the company and finance lease agreements. Definitions of the type of risks referred to above are also included in FRS 25.

business review

The directors' report should include an enhanced business review containing a fair review of the business of the company and a description of the principal risks and uncertainties facing the company.

In summary, the review must:

- be a balanced and comprehensive analysis of the development and performance of the company during the financial year, and the position of the company at the end of the year
- be consistent with the size and complexity of the business
- include analysis using financial key performance indicators, to the extent necessary for an understanding of the development, performance or position of the company
- where appropriate, include analysis using other non financial key performance indicators, including information relating to environmental and employee matters, to the extent necessary for an understanding of the development, performance or

haysmacintyre t 020 7969 5500
Fairfax House f 020 7969 5600
15 Fulwood Place
London e marketing@haysmacintyre.com
WC1V 6AY w www.haysmacintyre.com

- position of the company
- where appropriate, include references to, and additional explanations of, amounts included in the annual accounts of the company.

Companies that qualify as small are exempt from including a business review and medium sized companies are not legally obliged to include information about key non-financial performance indicators.*

Small and medium sized companies that are part of groups can take advantage of exemptions regarding the directors' report as if they are stand-alone companies.

** A small or medium sized company cannot take advantage of these exemptions if it is a public company, if it has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on one or more regulated activities, or if it carries on an insurance market activity.*

about haysmacintyre

haysmacintyre, Chartered Accountants and tax advisers, comprises 24 partners and 160 staff based in Holborn, London. It provides high quality auditing and assurance, business and personal taxation, corporate finance, financial planning and other business support services.

Around 50% of the firm's business is within the corporate sector – small and medium sized enterprises, many of which are in the property, media and entertainment, technology, sports and business services sectors. The firm acts for a number of listed companies and assists new companies raise initial funds on the capital markets and through private equity. 35% of the firm's business is for charitable and not for profit organisations and the remainder is for professional practices and private individuals – whether senior executives, entrepreneurs or those with significant land or wealth at home or overseas.

haysmacintyre is a founding member of MSI Global Alliance (MSI), an international alliance of independent legal and accounting firms, with 250 members in 100 countries.



Disclaimer: This datasheet has been produced by the partners of haysmacintyre and is for private circulation only. Whilst every care has been taken in preparation of this document, it may contain errors for which we cannot be held responsible. In the case of a specific problem, it is recommended that professional advice be sought. The material contained in this datasheet may not be reproduced in whole or in part by any means, without prior permission from haysmacintyre.

