

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reforming UK Narrative Reporting	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
IA Number	None Given	
Date submitted to RPC	13/08/2012	
RPC Opinion date and reference	17/08/2012	RPC11-BIS-0955(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion have been addressed. In particular the IA now makes it clear that the policy will have no impact on the 60,000 non-quoted companies. In addition it is now clear that costs to the Financial Reporting Council (FRC) have been included in the overall NPV figure.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion have been addressed. In particular the IA now makes it clear that the policy will have no impact on the 60,000 non-quoted companies. In addition it is now clear that costs to the FRC have been included in the overall NPV figure.</p> <p>While the IA still contains only a limited assessment of option 2 (Reintroduction of the 2005 mandatory reporting and audit regime) sufficient discussion is now included of the greater costs. The IA also better explains why it is not expected to generate sufficient benefits to justify taking the option forward.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of (-)£0.37m. This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.</p>		
Signed	Michael Gibbons, Chairman	
		