

Charities & Not-for-Profit newsletter.

June 2026

pem.

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Fundraising under the spotlight.

Fundraising by individuals

In June 2026 the Charity Commission has issued new guidance on **raising money for charity**. In an era of easily accessible technology, with a proliferation of funding platforms, individuals are more often taking a lead in charity fundraising. This guidance is aimed at supporting those individuals raising funds for charities, personal causes, and emergencies, and emphasises their responsibilities as they take a fundraising lead. The guidance draws out key points including:

- Understanding your fundraising platform (and costs)
- Being clear how the funds will be used (including information about deductible expenses, which charity (registered number), purpose, secondary purpose)
- Paying over the funds promptly
- Keeping clear records
- If you are completing a challenge being clear about the contingency plan or what happens if you fail, do you need to return the funds to the donor?

Individuals may raise money on behalf of charities, directed and managed by the charity, or in aid of charities, on their own behalf.

If an individual is raising funds **'in aid of'** a charity, their activities will not be regulated but the guidance makes clear that individuals are **encouraged** to follow this advice and the standards relevant to their activity that are set out in the **Code of Fundraising Practice** and **must** be supervised by the charity. If an individual has been asked by the charity to raise funds, they will be fundraising **'on behalf of'** the charity. In this case, the fundraising is regulated by the Fundraising Regulator, and the individual **must** follow the Code of Fundraising Practice.

This will help to make sure fundraising is **legal, open, honest and respectful**. If an individual is unsure whether or not they have been formally instructed, they should check with the relevant charity first and ensure that they have appropriate support and training. Charities should be offering supervision and management in line with the fundraising code of practice.

Next steps

Individual fundraisers should ensure that they understand their responsibilities to donors and to charities and the role they have taken.

Understanding the behaviours in the code of fundraising practice will help individuals ensure their fundraising reflects good practice and protects the reputation of the charity they are raising money for.

Charities who encourage, formally or informally, individual fundraisers, should consider whether they have made available appropriate guidance to those engaging with the charity to help manage their reputation should things go wrong.

Fundraising soft opt-in

The commencement regulation for the The Data (Use and Access) Act 2025 (DUAA) was published in February 2026 and amends the Privacy and Electronic Communications Regulations 2003 (PECR) to introduce the charitable purposes soft opt-in.

Under current PECR rules, businesses can apply the soft opt-in to commercial transactions which essentially enables follow-up communications for customers who have previously expressed an interest that those goods or services.

The new legislation extends this to charities, with some key conditions.

- The contact details were obtained when the individual expressed interest, or supported the charity (e.g. donation, event)
- The new communication is solely to further charitable purposes, this includes but is not limited to fundraising appeals, campaign updates and volunteer engagement.
- The individual was given an opt out at the point of data collection, and is given an opt out in every message.

Systems and reputational considerations may mean that some charities will continue to work with their explicit opt-in approach. However for those who do want to take advantage of the change considerations should include:



- The legislation is not retrospective. Charities are therefore likely to only be able to implement it for donors and supporters who are recruited in the future. Depending on the charity's approach this may be tricky to manage internally as some supporters will be contacted under the old consent regime, whereas others will be contacted on the basis of legitimate interest. Good record keeping and database management will therefore be important
- Privacy notices need to be reviewed and updated to explain to supporters the basis on which their personal data will be used to send direct marketing, and the types of communications they will receive. Opt-out statements also need to be added to all webpages and materials where people provide their contact details. An option to opt-out must be available in every communication
- The most appropriate legal basis for processing personal data using the soft opt-in exemption is legitimate interests. The charity should understand and assess the impact of changing their approach (from consent to legitimate interests), such as the impact on supporters and vulnerable persons, and update their policies to help ensure that people are not receiving too much marketing or feeling pressured to donate. The Fundraising Regulator in its blog 'Update on soft opt-in and refreshed data privacy guide' reminds charities of the importance of rule 1.1.1 of the code fundraising must be legal, open, honest and respectful
- Guidance has been published by the Information Commissioner's Office (ICO) including Guidance on direct marketing using electronic mail, Electronic mail marketing, Direct marketing guidance and further guidance is expected from the Fundraising Regulator.

Next steps

The practical impact of the change may mean that it is easier to:

- Grow mailing lists
- Re engage donors and volunteers
- Increase fundraising reach.

But brings with it increased reputational and compliance risks.

We recommend that charities consider the guidance from the ICO when considering whether and how they should revise their fundraising approach. Whilst some guidance has already been published further guidance is expected from both the Fundraising Regulator and the ICO which plans to issue PECR guidance for small organisations in summer 2026, so trustees may wish to plan a review later in the year.

If you would like to discuss further, please get in touch with our Charities & Non-Profit team.

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Update on mandatory payrolling for benefits in kind.

As employment tax advisers work towards the P11D submission of 6 July with clients, what better time for us to receive updated guidance from HMRC on the mandatory real-time payrolling of benefits in kind (BIKs) from April 2027.

On 15 June 2026, HMRC announced that, following feedback from stakeholders, the mandatory payrolling of certain BIKs and taxable expenses will now be phased in. Phase 1 will commence from 6 April 2027 and Phase 2 will commence from 6 April 2028. The aim is to support a smoother transition for employers.

From 6 April 2027, HMRC has confirmed that during Phase 1 mandatory payrolling will be commenced for:

- Company car and van benefits
- Car and van fuel benefits
- Employer-provided medical benefits.

HMRC will provide "draft data item guidance in the coming weeks", reflecting the removal of 94 real time information (RTI) data fields for benefits from Phase 1.

Following this update, HMRC says it will continue to work with stakeholders to resolve outstanding issues, including the potential to "introduce voluntary Class 1A reporting for non-mandated benefits, throughout summer 2026".

Phase 2 will commence from 6 April 2028, to include the mandatory payrolling of most other BIKs but still excluding loans and accommodation which will remain voluntary at that point.

Further updates are expected in the coming weeks with the aim of HMRC's final guidance for Phase 1 from 6 April 2027 published to align with the Autumn Budget 2026.

Although it is welcome that HMRC appear to be listening regarding concerns on outstanding issues, we feel having different reporting requirements for different BIKs over an extended period will likely create more uncertainty and work for employers as we head towards full mandatory payrolling.

If we can help you with any queries about mandatory payrolling of BIKs, please contact our Employment Tax team.

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Donation of goods to charities by businesses.

A new VAT relief from 1 April 2026 removes the VAT charge on certain goods donated by VAT-registered businesses to eligible charities, helping more surplus items reach good causes at lower cost.

Overview

The donation of goods by a VAT-registered business to a charity or its trading subsidiary for onward sale by the recipient is zero rated. This means there are no VAT concerns for both the donor and the charity.

VAT would typically apply in other scenarios including the donation of goods forming part of the assets of a business to a charity for a charity's own use. However, a new relief now applies to certain goods donated to eligible charities, reducing the VAT burden associated with charitable giving.

The new VAT relief was announced in the 2025 Budget and came into effect recently following a consultation period.

Before 1 April 2026, businesses were required to account for VAT on a deemed supply when goods forming part of their assets were donated to a charity and VAT had been recovered on their initial purchase. Many transactions that triggered a VAT charge under this rule now no longer do so.

New relief

Eligibility

From 1 April 2026, VAT registered businesses do not have to account for VAT where eligible goods are donated to an eligible charity for:

- Onward donation to an individual, another charity, or another organisation
- Use in the charity's own non-business activities.

An eligible charity is one that is either registered with the Charity Commission, corresponding regulator (where required) or registered with HMRC for charity tax purposes.

Alcohol, tobacco products subject to excise duty and vaping products liable to duty are specifically excluded from the relief.

For other goods, relief applies where an individual item does not exceed £200 (excluding VAT) in the case of specified items or £100 (excluding VAT) for other items.

The following items are subject to the higher £200 limit:

- Household appliances including but not limited to cookers, fridges, washing machines, dryers, and heaters
- Furniture, including mattresses
- Flooring (including carpets and rugs)
- Computers including tablets
- Mobile phones.

Valuation

The value of eligible goods is the lower of:

- The original cost to the donor of purchase or production of the item
- The amount a donor would have to pay to obtain an identical item having regard to age and condition at the time of donation.

Under the first valuation method, HMRC will accept a reasonable estimate where it is difficult to establish the original cost, particularly where the donated goods are below the £100 and £200 value limits.

Under the second valuation method, a similar item can serve as a substitute for an identical item if valuation against an identical item is not possible.

The second valuation method is aimed at:

- Used business assets
- Aged or old stock that has depreciated in value since purchase.

The calculated value would apply as being lower than the original cost under the first valuation method. The second valuation method would also apply where the original purchase price cannot be determined.

Evidence

A charity in receipt of a donation of eligible goods should provide the donor with written evidence of its status as an eligible charity so the donor can evidence its relief entitlement.

If regular donations are to be made, HMRC do not expect charities to provide evidence every time they receive a donation. Annual confirmation statements are fine.

VAT registered businesses applying the relief should ensure that any supporting documentation regarding the charity should include:

- The name and address of the registered charity
- Details of the charity's registration (including number)
- A signed statement from a charity official that the goods will be used for a qualifying purpose

In addition, the records of a business should include the following information (to be made available to HMRC if so required):

- A description of the goods and quantity
- Original purchase price or value at the time of donation
- Date of donation
- Proof that the goods have been dispatched to or collected by the eligible charity.

Summary

This is a notable change that is beneficial to all. More goods that are otherwise destined for landfill will now enjoy a new lease of life in the charitable sector at no cost to charities or businesses.

The tax take may be lower because of the change, but that is a price worth paying when weighed against the upsides elsewhere.

If you would like to discuss further, please **get in touch with our Charities & Non-Profit team**.

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Identifying and managing conflicts of interest in a charity.

In April 2026, the Charity Commission issued updated guidance on identifying and managing conflicts of interest in charities.

What are conflicts of interest?

Conflict of interest: a conflict of interest is any situation in which a trustee's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the charity.

Conflicts can arise from actual or perceived benefits, or from divided loyalties.

Conflicts may also be perceived by other charity stakeholders, even where trustees are confident they have acted in the charity's best interests. This is why transparency and disclosure are essential to managing conflicts effectively.

Overview

The updated guidance follows Charity Commission findings showing an increase in cases involving unmanaged conflicts. Analysis of these investigations suggests that some trustees are unclear about what constitutes a conflict.

Managing conflicts is part of trustees' legal responsibilities, and each trustee is responsible for ensuring conflicts are properly identified, recorded and kept up to date.

Failure to do so could lead to decisions being challenged, loss of funds, reputational damage, or evidence of misconduct in a Charity Commission investigation.

Conflicts of interest can take many forms, and the guidance covers a range of examples. These include loyalty conflicts, involving a person or organisation connected to a trustee, and financial conflicts, where a connected person or organisation may receive a financial benefit. The guidance also sets out a step-by-step process for managing conflicts. It reminds trustees and charities to review their governing documents for any specific rules on conflicts of interest and includes links to further guidance for charitable companies. It also highlights situations in which the Charity Commission may need to be involved. Finally, the guidance includes practical examples to help charities recognise similar issues in their own organisations.

Next Steps

We recommend that trustees and management review the updated guidance to ensure they understand how to identify conflicts of interest and manage their responsibilities effectively.

If you would like to discuss further, please get in touch with our Charities & Non-Profit team.

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Gift Aid on charity membership subscriptions.

The Government has confirmed that certain charity membership subscriptions will be excluded from the new DMCCA subscription rules, reducing concerns about their impact on Gift Aid and membership income.

Overview

Recently there has been concern that requirements under The Digital Markets, Competition and Consumers Act 2024 (DMCCA) would prohibit charities from claiming Gift Aid on membership subscriptions. This is because there must be a cooling off period, where a refund could be claimed.

Charities raised their concerns in a Government consultation on DMCCA and the response to the consultation has confirmed that the Government intends to exclude certain types of charity membership subscriptions from the subscriptions element of the DMCCA, where the subscriptions are closely linked to a charity's purposes.

Broadly, this will apply to contracts between a charity and a consumer that allow the consumer to attend performances, see collections, or visit places such as museums, galleries, historic properties, landscapes, wildlife sites or performing arts venues, where this access is related to the charity's purposes.

Charities providing other types of subscriptions will still need to consider whether they are within the scope of the DMCCA rules.

The aim of introducing the DMCCA rules on subscriptions is to help people manage unwanted subscriptions, rather than being caught in a trap, for example when free trials end and turn into paid subscriptions. It was not intended to penalise the charity sector.

If you would like to discuss further, please get in touch with our Charities & Non-Profit team.

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VAT cut for family visitor attractions and children's meals.

A temporary VAT rate will apply from June to September 2026 to certain family attraction tickets and children's meals.

HMRC have announced a temporary VAT rate of 5% on entry fees and children's meals from **25 June 2026 to 1 September 2026** inclusive. The relief forms part of the government's Great British Summer Savings scheme and applies to three main categories of supply:

- All admission tickets to certain attractions suitable for families with children
- Children's admission to theatres, cinemas, concerts, exhibitions and shows
- Some supplies of children's meals

1. Group-Wide Family Attractions (Applies to ALL Customers)

For specified family-focused venues, the 5% VAT rate applies to entry tickets for all visitors, including adults, provided the attraction is suitable for families with children. In practice, this means the relief can apply across a wide range of family attractions, including the following qualifying venues:

- Theme parks, amusement parks
- Water parks
- Zoos
- Aquariums
- Safari parks
- Wildlife attractions.
- Fairs
- Circuses
- Soft-play centres
- Indoor play facilities.
- Museums
- Heritage attractions
- Botanical gardens
- Nature reserves.

It is important to note that existing exemptions take precedence. If your venue benefits from the Cultural VAT exemption, your entry fees remain exempt.

2. Performance and Event Venues (Applies only to Children/Family Tickets)

The position is narrower for shows, exhibitions and performance spaces. Here, the 5% rate does not apply to standard adult tickets and is strictly limited to tickets marketed, priced, and presented as intended for children or family bundles.

The qualifying categories are set out below:

- Theatres
- Cinemas
- Concerts and live music shows
- Exhibitions
- Cultural events.

Exclusions

There are also important exclusions to bear in mind. If your venue already benefits from the cultural VAT exemption, your entry fees remain exempt.

The 5% rate applies solely to the right of admission, and you cannot opt into the 5% scheme to reclaim input tax on those admission tickets.

Retail purchases, parking, event upgrades, and generic merchandise remain at the 20% standard rate.

Entry fees for spectators at sporting competitions or fees to participate in sports tournaments remain standard-rated or follow separate sports exemption rules.

3. Children's Meals

The temporary 5% rate can also apply to certain food and drink sales, but only where strict conditions are met. For children's meals to qualify, they must satisfy the presentation and service requirements set out below:

- Dedicated Kids' Menus - The foods must be explicitly marketed, priced, and sold from a dedicated children's menu, kids' meal deal, or distinct children's section of a main menu
- On-Premises Consumption - The food must be supplied for eating on the business premises (e.g., dine-in at restaurants, cafes, pubs, or within designated seating areas at theme parks and attractions).

Where those conditions are met, the relief covers both hot and cold food and drink items, provided they are structured as a child's portion or meal.

Exclusions

However, there are a number of important exclusions for takeaway sales and other non-qualifying supplies:

- Cold takeaway food remains zero-rated
- Hot takeaway meals remain standard-rated at 20%
- Regular menu items or smaller portions of adult meals requested for a child do not qualify if they are not explicitly designated on the children's menu. These remain at 20%.
- Any meals that are served with an alcoholic drink are also specifically excluded from the temporary VAT rate reduction!
- Sales from automated vending machines do not qualify for the reduced rate.

Next Steps

Trustees and finance personnel should review whether any of the charity's admissions, tickets or catering supplies fall within the temporary 5% VAT relief, and ensure pricing, systems and VAT treatment are updated correctly for the applicable period.

If you would like to discuss further, please **get in touch with our Charities & Non-Profit team**.

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In your charity's best interests – mergers and survival.

The duties of a charity trustee, as set out in CC3 the essential trustee involve acting in the best interests of the charity, but more importantly of the charity's beneficiaries. Once that may have been a focus on continuing the charity at all costs but rising demand for services, financial pressures and expectations for greater impact are prompting trustees to consider partnership and consolidation as part of long-term sustainability strategies.

Some recent examples:

Maggie's and the Ruth Strauss Foundation

In May 2026, Maggie's and the Ruth Strauss Foundation (RSF) announced that they would merge, combining resources, expertise and staff into a single organisation. Maggie's has a turnover of around £30m and RSF £2m.

Both charities already worked closely and shared similar aims—supporting people affected by cancer and their families. By merging:

- RSF staff will transition into Maggie's, ensuring continuity of services such as family support and training programmes
- The combined organisation aims to extend reach and support more people across the UK, including through both physical centres and online services
- Long-term sustainability and service coverage is enhanced by leveraging Maggie's national infrastructure and RSF depth
- Distinctive features core to RSF such as Red for Ruth will continue.

FareShare and the Felix Project

FareShare and Felix announced plans to merge in September 2025. Working to help get food to families FareShare has a national network and Felix a London focus.

The charity will go forward with the Felix Brand (tweaks promised) and the FareShare charity number. The last published accounts reported approximately £20m of income for Fareshare and £15m for the Felix project.

FareShare's accounts promise a bigger, bolder charity with one clear mission: to rescue more good food and get it to the people and places that need it the most, strengthening communities through food.

By merging, the charity takes advantage of:

- FareShare's trusted long-standing expertise in food sourcing and logistics, with national reach
- The Felix Project's ability to be a dynamic challenger, building depth in the London community alongside rapid growth
- The ability to streamline operations to reduce duplication.

RefuAid and Breaking Barriers

In February 2025 Breaking Barriers announced a transformation programme integration with RefuAid to strengthen employment support for refugees in the UK.

RefuAid is a collective fund operating under the auspices of Prism The Gift Fund, who run an interest-free lending programme dedicated to helping refugees in the UK complete their training and licencing so they can work in their field in the UK.

By joining forces: Breaking Barriers will:

- Expand their reach nationally
- Add structured language tuition and re-accreditation guidance to their current specialist advice services.

RefuAid can:

- Focus on expanding its financial support services, offering interest-free loans to refugees to cover the cost of licensing, training, exams, housing, education and family reunification.

Underlying all of these examples is the desire for greater reach, strength and national impact at time when charitable mission is both more critical and under threat. Mergers and partnership does not have to come from a position of fragility and need, but can be a proactive way to develop, improve and join up services.

They show clearly that there is not just one way to operate in the 'best interest's of a charity'.

Decisions may be driven by beneficiary need for example, the desire to scale frontline services, the financial context of one or both partners looking for a robust response to external economic pressures, as well as being a potential opportunity to simplify governance or streamline administration.

How to merge

The Charity Commission updated its guidance 'How to merge charities' in December 2025. Several practical lessons emerge from the guidance:

1. Align purpose first

The Charity Commission reports that mergers should only proceed where charities have compatible objects and missions, this is highlighted in the strategic and beneficiary risk below.

2. Consider all the evidence

Boards must put beneficiaries first and how they achieve their charitable objectives, decisions should not just be about organisational survival but improve (or protect) the delivery of services.

The decision rests with trustees, who must assess benefits vs costs, risks and alternatives.



3. Strengthen financial oversight and manage risk

Strategic and beneficiary risk is a fundamental consideration for trustees. A merger may fail to deliver improved outcomes for beneficiaries or could even disrupt existing services if not carefully managed. Trustees must ensure that the merger enhances, or at least preserves, the charity's ability to meet its objects. Misalignment in strategy or vision between the merging organisations can dilute impact and undermine the purpose of the combined entity.

Legal and regulatory risk is another critical area. Trustees must confirm that their charity has the legal power to merge and understand whether Charity Commission consent or other approvals are required. Complex issues can arise around restricted funds, permanent endowment and property transfers, all of which must continue to be applied in accordance with legal requirements. Failure to follow correct governance processes can invalidate decisions or delay the merger.

Financial and liability risk often presents hidden challenges. Trustees need to conduct thorough due diligence to identify any liabilities being transferred, including debt, contractual obligations or contingent liabilities. Pension liabilities in particular can be significant and sometimes crystallise on merger. In addition, merger costs—such as professional fees, restructuring and integration—can exceed expectations if not carefully planned.

People and employment risk should not be underestimated. Mergers may trigger TUPE obligations, leading to changes in employment terms, redundancies or restructuring. There is also a real risk of losing key staff or leadership during the transition. Differences in organisational culture can create friction, affecting morale and ultimately the effectiveness of the merged charity.

Governance and control risk arises where there is uncertainty over leadership and decision-making. Trustees must agree in advance how the new board will be structured, how decisions will be made and how power will be balanced between the merging organisations. Without clarity, there is a risk of conflict, inefficiency or weakened accountability in the new entity.

Operational and delivery risk relates to the practical challenge of combining systems and services. Integrating finance systems, IT platforms, contracts and service delivery models can disrupt day-to-day operations if not carefully managed. Trustees need to ensure there is a clear implementation plan that maintains service continuity throughout the process.

Reputational and stakeholder risk can also be significant. Beneficiaries, funders, staff and partners may react negatively if the merger is poorly communicated or creates uncertainty. Confusion over branding, services or organisational direction can damage confidence and support. Effective stakeholder engagement and communication are therefore essential throughout the merger process.

Finally, **execution and timing risk** is a common issue in practice. Mergers often take longer and require more resource than anticipated, particularly where legal or regulatory complexities arise. Delays can increase costs, reduce momentum and create uncertainty for staff and stakeholders. Trustees need to ensure the merger is supported by a realistic timetable, clear governance and sufficient capacity to deliver.

To merge or not?

The guidance has a very clear checklist to work through and support trustees in identifying whether merger is the correct approach. However, collaborative working may provide another solution while retaining the charity's separate legal identity. There is Charity Commission guidance in this area: Collaborative working (CC34) but the key principals remain the same, trustees should understand who they are working with, ensure their purposes align, manage operational and financial risks, and act in the best interests of their beneficiaries.

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Guidance on grant-making.



In June 2026, the Charity Commission published updated guidance on grant-making to help trustees make confident, responsible grant-making decisions.

The guidance replaces and expands on existing guidance to now cover all grant-making. Key changes include clearer confirmation that charities can provide unrestricted grants to charities with the same, or narrower, purposes than their own, as well as make grants to non-charities, provided trustees properly assess and manage the associated risks.

Grant-making charities number in the thousands and are a vital resource for the sector. In March, the regulator reported that grant-making charities awarded £17.84 billion in grants during 2024, up from £16.97 billion in 2023, including £12 billion to other charities, despite analysis indicating continued financial pressure across parts of the sector.

Key points from the updated guidance

Trustees and management should confirm that they have:

Purpose & public benefit

- Checked the grant furthers the charity's purposes as set out in the governing document
- Ensured the funding will deliver public benefit and not support other purposes.

Decision-making & process

- Agreed clear grant making priorities, criteria and decision-making processes
- Identified and managed any conflicts of interest.
- Kept an appropriate record of decisions and reasons.

Due diligence & risk

- Carried out proportionate checks on the recipient organisation, including whether it is a charity or not
- Assessed delivery, governance, financial and safeguarding risks
- Taken extra care and applied enhanced checks where risks are higher (for example, overseas or non-charity grants).

Grant terms

- Set clear written terms explaining what the grant can and cannot be used for
- Confirmed reporting, monitoring and clawback arrangements if terms are not met
- Restricted grants where required, particularly for non-charities or charities with wider purposes.

Monitoring & oversight

- Agreed how the grant will be monitored and what evidence will be required
- Considered whether the grant achieved its intended impact
- Taken prompt action if funds are not used as agreed, including suspending funding or escalating issues where appropriate.

Reporting

- Ensured grant-making policies and activity are appropriately explained in the Trustees' Annual Report where grant-making is significant.

Next Steps

We recommend reviewing the updated guidance and using the points above as a practical checklist for your organisation. If you would like to discuss the guidance further, or would like support reviewing your existing processes, please get in touch with PEM.

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BREAKING NEWS

Changes to Companies House annual accounts filing requirements from April 2028.

Companies House announced in June 2026 that the significant changes to annual accounts filing will now take effect in April 2028.

Background

As part of the move to modernise and digitise filing routes, all annual accounts, including those for dormant companies, must be filed using commercial software.

These reforms aim to enhance the efficiency and security of filings, while improving the quality of data on the register. They were introduced as part of the broader measures set out in the Economic Crime and Corporate Transparency Act 2023 (ECCTA).

We summarised the proposed reforms in our September 2025 newsletter and on our website, including the impact on charities. In our March 2026 newsletter and online, we shared an update on the delay to the original implementation date, moving away from the previously envisaged April 2027 date.

Update

In its June 2026 announcement, Companies House confirmed that from **April 2028**, all UK-registered companies will be required to file their annual accounts in Inline eXtensible Business Reporting Language (iXBRL) format using commercial software. This gives companies one full accounting year, plus 9 months (21 months), to prepare. A list of software providers has been published, which can be used for subsidiary accounts.

The announcement also sets out a number of wider accounts reforms, including:

- Requiring small companies and micro entities to file profit and loss accounts with Companies House
- Removing the option for companies to file abridged accounts
- A strengthened eligibility statement for all companies claiming an audit exemption
- The ability for the registrar to require all companies to file accounts via software (using (iXBRL) format)
- Requiring component parts of the filed accounts and reports to all be filed together.

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