

Companies

SCHEDULE 9

Section 293

DEFINITION OF SMALL AND MEDIUM-SIZED COMPANIES

1. Subject to paragraph 3 in respect of any financial year (“the relevant year”) a company is a small company if, in respect of the year or years specified in paragraph 4(2), the company satisfied at least two of the following conditions-

- (a) that the amount of the company’s net turnover did not exceed £6.5 million;
- (b) that its balance sheet total did not exceed £3.26 million;
- (c) that the average number of persons employed by the company in each year did not exceed 50.

2. Subject to paragraph 3 in respect of any financial year (“the relevant year”) a company is a medium-sized company if, in respect of the year or years specified in paragraph 4(2), the company satisfied at least two of the following conditions-

- (a) that the amount of its net turnover did not exceed £25.9 million;
- (b) that its balance sheet total did not exceed £12.9 million;
- (c) that the average number of persons employed by the company in each year did not exceed 250.

3. A company is not a small company or a medium-sized company if it is, or was at any time within the financial year to which the accounts relate, a public company.

4.(1) In paragraphs 1 and 2 “net turnover” means the amounts derived from the provision of goods and services falling within the company’s ordinary activities, after deduction of trade discounts and sales-based taxes (for example excise duty and value added tax).

(2) The following years are specified for the purposes of paragraphs 1 or 2-

- (a) the relevant year, if that is the company’s first financial year;
or

- (b) if a small or medium-sized company exceeds or ceases to exceed the limits of more than one of the conditions in paragraphs 1 or 2 in a financial year, that fact will not affect its qualification as a small or medium-sized company for the relevant year unless it occurs in 2 consecutive years.

5. In this Schedule, balance sheet total, in relation to any financial year of a company means—

- (a) in the case of traditional accounts-
 - (i) the aggregate of the amounts shown in the balance sheet under the headings corresponding to items A to D of Format I set out in Schedule 11, or
 - (ii) if Format 2 is adopted, the aggregate of the amounts shown under the general heading “ASSETS”;
- (b) in the case of IAS accounts, the aggregate of the amounts shown as assets in the balance sheet.

6. In the application of this Schedule to any year which is a financial year of a company, but not a year, the maximum figures for turnover set out in paragraphs 1 and 2 must be proportionately adjusted.