

SCHEDULE 1

Regulation 15(2)

Relevant undertakings

Large undertakings, and small or medium undertakings

1. In these Regulations—

- (a) a “large undertaking” means an undertaking which either—
 - (i) employs at least 250 persons, or
 - (ii) has an annual turnover in excess of 50 million euro and an annual balance sheet total of 43 million euro, and
- (b) a “small or medium undertaking” means an undertaking which employs fewer than 250 persons and either—
 - (i) has an annual turnover not exceeding 50 million euro, or
 - (ii) has an annual balance sheet total not exceeding 43 million euro

determined in accordance with this Schedule.

Financial thresholds

2. The annual turnover, and the annual balance sheet total, of an undertaking must be determined as follows.

3. Any conversion into euro of the annual turnover or the annual balance sheet total for the purposes of paragraph 1, must be calculated on the basis of the currency conversion rate applicable on the qualification date for the compliance period.

4. In this Schedule “turnover” has the meaning given in section 474(1) of the Companies Act 2006⁽¹⁾ with the modification that for “company” there is substituted “undertaking”.

5. In relation to an undertaking the directors of which are required to prepare accounts under section 394 of the Companies Act 2006 (*duty to prepare individual accounts*)—

- (a) the annual turnover and the annual balance sheet total for that undertaking are the annual turnover and annual balance sheet total recorded in those accounts for the financial year ending on, or in the 12 months immediately preceding, the qualification date, or
- (b) where those accounts are not based on an accounting period of 12 months in accordance with sub-paragraph (a), a calculation of the annual turnover for a 12 month period, on a pro-rata basis.

6. In relation to an undertaking the directors of which are not required to prepare accounts under section 394 of the Companies Act 2006, and have prepared accounts which comply with section 395 of that Act (*Individual Accounts: applicable accounting framework*), the annual turnover and the annual balance sheet total for that undertaking are—

- (a) the annual turnover and annual balance sheet total recorded in those accounts for the financial year ending on, or in the 12 months immediately preceding, the qualification date, or
- (b) where those accounts are based on an accounting period of other than 12 months in accordance with sub-paragraph (a), a calculation of the annual turnover for a 12 month period, on a pro-rata basis.

(1) 2006 c. 46, to which there are amendments not relevant to these Regulations.

Status: This is the original version (as it was originally made).

7. In relation to an undertaking where individual accounts are not required under the Companies Act 2006, unless the undertaking is a relevant undertaking falling within regulation 15(1)(b), a responsible officer of the undertaking must estimate the annual turnover and annual balance sheet total for the undertaking for a 12 month period including the qualification date.

Employee threshold

8. The number of persons employed by an undertaking must be determined as follows.
9. For the purposes of this Schedule, a person is employed by an undertaking if they are—
 - (a) an employee of the undertaking,
 - (b) an owner manager of the undertaking,
 - (c) a partner in the undertaking.

10. The number of persons employed by an undertaking on the qualification date is the total of the number of persons employed by the undertaking in each of the months in the accounting period used to calculate the undertaking's annual turnover and balance sheet total, divided by the number of months in that period.

Change of status

11. Where, in any accounting period, an undertaking is a large undertaking (or a small or medium undertaking, as the case may be), it retains that status until it falls within the definition of a small or medium undertaking (or a large undertaking, as the case may be) for two consecutive accounting periods.