



2008-2010 ESF Co-financing Programme

Small and Medium Sized Employers- Definitions



For European Social Fund purposes a Small and Medium Sized Enterprise (SME) is defined as an enterprise which has:

- Fewer than 250 employees; an **either**
- An annual turnover of 50 million euros or less; **or**
- An annual balance sheet total of 43 million euros or less.

Where it is necessary to distinguish between **small** and **medium** enterprises the “small enterprise” is defined as an enterprise which has:

- Fewer than 50 employees; and **either**
- An annual turnover of 10 million euros or less: **or**
- An annual balance sheet of 10 million euros or less.

Where it is necessary to distinguish between **small** and **micro** enterprises the “micro enterprise” is defined as an enterprise which has:

- Fewer than 50 employees; an **either**
- An annual turnover of 2 million euros or less; **or**
- An annual balance sheet of 2 million euros or less.

The European Commission’s definition of micro, small or medium-sized enterprises was revised on 1 January 2003 in Commission Recommendation 2003/361/EC (6 May 2005) and are as described above. The new definition also sets out the types of enterprise, such as “autonomous” (or independent) or “partner” to be taken into consideration when calculating staff numbers and financial amounts.

Commission Recommendation 2003/361/EC can be found on the ESF website- www.esf.gov.uk in the “Regulations” section of the “Library”