

### SCHEDULE 3

#### FORM AND CONTENT OF ACCOUNTS PREPARED BY SMALL COMPANIES

9. After paragraph 52 (interpretation) insert—

**“Financial instruments**

**52A.** References to “derivatives” include commodity-based contracts that give either contracting party the right to settle in cash or in some other financial instrument, except when such contracts—

- (a) were entered into for the purpose of, and continue to meet, the company’s expected purchase, sale or usage requirements,
- (b) were designated for such purpose at their inception, and
- (c) are expected to be settled by delivery of the commodity.

**52B.—(1)** The expressions listed in sub-paragraph (2) have the same meaning as they have in Council Directive [78/660/EEC](#) on the annual accounts of certain types of companies, as amended.**(1)**

(2) Those expressions are “available for sale financial asset”, “business combination”, “commodity-based contracts”, “derivative”, “equity instrument”, “exchange difference”, “fair value hedge accounting system”, “financial fixed asset”, “financial instrument”, “foreign entity”, “hedge accounting”, “hedge accounting system”, “hedged items”, “hedging instrument”, “held for trading purposes”, “held to maturity”, “monetary item”, “receivables”, “reliable market” and “trading portfolio”.

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**(1)** O.J. L222 of 14.8.1978, page 11, as amended in particular by Directive [2001/65/EEC](#) (O.J. L238 of 27.12.2001, page 28).