

*Status: Point in time view as at 10/07/2003.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Part 2A. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 12

#### TAX RELIEF FOR EXPENDITURE ON RESEARCH AND DEVELOPMENT

#### [<sup>F1</sup>PART 2A

##### ENTITLEMENT OF SME TO ADDITIONAL RELIEF AVAILABLE TO LARGE COMPANIES

###### Textual Amendments

- F1** Sch. 12 Pt. 2A inserted (with effect in accordance with s. 168(4)(d)(iii) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 31 para. 15](#)

###### *Entitlement to relief under this Part*

- 10A (1) A company (“the SME”) is entitled to tax relief under this Part for an accounting period if—
- (a) it qualifies as a small or medium-sized enterprise in that period, and
  - (b) its aggregate R&D expenditure for that period is not less than—
    - (i) £10,000, if the accounting period is a period of 12 months, or
    - (ii) such amount as bears to £10,000 the same proportion as the accounting period bears to 12 months.
- (2) Sub-paragraphs (2) and (3) of paragraph 7 (meaning of “aggregate R&D expenditure” and “for an accounting period”) apply for the purposes of this paragraph as they apply for the purposes of that paragraph.
- (3) Any relief to which a company is entitled under this Part for an accounting period is in addition to any relief to which it may be entitled under—
- (a) Schedule 20 to the Finance Act 2000, or
  - (b) Part 2 of this Schedule.

###### *Qualifying additional SME expenditure*

- 10B For the purposes of this Schedule, the SME’s “qualifying additional SME expenditure” is any expenditure which—
- (a) had the SME been a large company throughout the accounting period in question, would have been qualifying R&D expenditure of that company (see paragraph 3), but
  - (b) is not qualifying R&D expenditure for the purposes of Schedule 20 to the Finance Act 2000 (see paragraph 3 of that Schedule) in the case of the SME by reason only of paragraph 3(7) or 10(2)(a)(iv) of that Schedule

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- (subsidised expenditure, within the meaning given by paragraph 8 of that Schedule); and
- (c) is not qualifying sub-contracted R&D expenditure for the purposes of this Schedule (see paragraph 8) in the case of the SME.]

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