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## HMRC internal manual

# Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)  
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## CIRD260140 - Patent Box: supplementary: meaning of 'group'

### CTA10/S357GD

The definition of group for the purposes of the regime is widely drawn to include joint venture entities and smaller groups that would otherwise fall outside the definition because they may not be required to be fully consolidated in group accounts under S399 Companies Act 2006.

A group includes a company (company A) and each company associated with company A.

Company A will be associated with company B at a time ('the relevant time') if any of the following five conditions is met:

1. The financial results of company A and company B meet the consolidation condition. The consolidation condition is met if the financial results are required to be fully comprised in group accounts, would be required to be fully comprised in group accounts but for the application of an exemption or they are in fact fully comprised in such accounts. For the purposes of this condition, group accounts are accounts prepared under S399 Companies Act 2006 or any corresponding provision in territories outside of the UK. 'Comprised in' in this context means fully consolidated, that is, the requirement is that all the subsidiary's assets, liabilities and equity are transferred to the parent company's balance sheet and all the revenues and expenses to the parent company's income statement.
2. Company A and company B are connected parties, as defined at CTA09/S466 to S471, for the accounting period of company A in which the relevant time falls.
3. If, at the relevant time, company A has a major interest in company B, or vice versa. Major interest is defined at CTA09/S473 and S474.
4. Company A and a third company meet the consolidation condition at the relevant time and at the relevant time company B has a major interest in the third company.
5. There is a connection between company A and a third party during the accounting period of company A in which the relevant time falls and at the relevant time the third company has a major interest in company B.

The definition of a 'group' is relevant for the purposes of the development condition ([CIRD210190 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird210190\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird210190)), the active ownership condition ([CIRD210210](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird210210))

(<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird210210>), routine return ([CIRD220430](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird220430) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird220430>)), tax advantage schemes ([CIRD250130](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird250130) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird250130>)) and the procedure for dealing with set-off amounts ([CIRD240130](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird240130) (<https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird240130>)).

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