

Beta This part of GOV.UK is being rebuilt – [find out what beta means \(/help/beta\)](#)

HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
([/government/organisations/hm-revenue-customs](#))

Published 11 March 2016

Updated: 10 September 2025 - [See all updates](#)

[Back to contents](#) > [CIRD10000](#) > [CIRD12700](#)

CIRD12725 - Core computational rules: deductible debits: relief for capitalised expenditure on an intangible asset: grants received

CTA09/PART8/S853

Where a company nets off a grant, subsidy or similar sum receivable against the accounting cost of an intangible asset, no adjustment to the sums written off that asset in the accounts will normally be necessary as a result. But the general

exemption from corporation tax of certain grants made in Northern Ireland out of UK public funds is preserved under Part 8 (see CA14200).

Where an exempt grant is netted off in this way the sums written off that asset in the accounts should be increased for the purposes of Part 8 by the amount by which the grant has caused the sum written off to be reduced.

Example

For example, assume an asset costing £1000, purchased with the aid of an exempt grant of £100, is written off on a straight-line basis in a company's accounts over 10 years. Its initial cost for accounting purposes is £900 (£1000 - £100) and the annual amortisation charge in the accounts is £90.

This reflects the recognition of the grant of £100 over the same period, effectively at a rate of £10 per annum. In computing the deductible debit, therefore, the sum written off the asset each year in the accounts (£90) should be increased by £10 to £100.

Grants taken to profit and loss account

See [CIRD13030 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13030\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird13030) for the treatment of grants taken to the profit and loss account, and so recognised as accounting gains, as they arise.

← **Previous page**

(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12720)

→ **Next page**

(/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird12730)



OG

All content is available under the Open Government Licence v3.0, except where otherwise stated



© Crown copyright