

Deduction for gifts to Enterprise Trust Ltd. FA92 s56; FA96 s56(b); FA97 s64 88.—(1) In this section, “the company” means the company incorporated on the 30th day of October, 1991, as The Enterprise Trust Limited.

(2) This section shall apply to a gift of money which—

(a) on or before the 31st day of December, 1999, is made to the company and accepted by it,

(b) is to be applied by the company solely for the objects set out in its memorandum of association,

(c) apart from subsection (3) would not be deductible in computing for the purposes of corporation tax the profits or gains of a trade or profession, and

(d) is not income to which section 792 applies.

(3) (a) Subject to paragraph (b) and subsection (2), where a company (in this section referred to as a “donor”) makes a gift to which this section applies and claims relief from tax by reference to the gift, the net amount of the gift shall be treated for the purposes of corporation tax as—

(i) a deductible trading expense of a trade carried on by the donor, or

(ii) an expense of management deductible in computing the total profits of the donor,

incurred by it in the accounting period in which the gift is made.

(b) In determining for the purposes of paragraph (a) the net amount of the gift, the amount or value of any consideration received by a donor as a result of making the gift, whether received directly or indirectly from the company or any other person, shall be deducted from the amount of the gift, and relief under this section shall not be given to a donor for an accounting period—

(i) if the net amount of the gift (or the aggregate of the net amounts of gifts) made by the donor in that accounting period, being a gift or gifts, as the case may be, to which this section applies, does not exceed £500,

(ii) to the extent to which the net amount of the gift (or the aggregate of the net amounts of gifts) made by the donor in that accounting period, being a gift or gifts, as the case may be, to which this section applies, exceeds £100,000,

(iii) in respect of a gift made at any time in the year ending on the 31st day of December in the year 1998 or 1999, if at that time the aggregate of the net amounts of all gifts to which this section applies made to the company within that year exceeds £1,500,000.

(4) A claim under this section shall be made with the return required to be delivered under section 951 for the accounting period in which the payment is made.

(5) Where a donor makes a gift in respect of which relief is not to be given by virtue of subparagraph (iii) of subsection (3)(b), the company shall, by notice in writing given to the donor within 30 days of the making of the gift, advise the donor accordingly.

(6) Where a gift to which this section applies is made by a donor in an accounting period of the donor which is less than 12 months, the amounts specified in subparagraphs (i) and (ii) of subsection (3)(b) shall be proportionately reduced.