

## **Discounts and grants**

We should all search out free resources at all times and take advantage of what is on offer. Many trade associations offer discounted attendance for 'first timers' at trade shows. Exporting businesses may be eligible for government assistance with travel or other costs to attend sales events overseas. There are often government-funded initiatives for particular industries or particular regions. For example, development grants are often available for deprived areas or old coal mining areas, perhaps through the EU, national or local government. In the UK there is a government-sponsored organisation called Business Link, with its own website, that supports smaller businesses. There are also commercial resources such as the [www.is4profit.com](http://www.is4profit.com) website. Search the internet – ask people – there are lots out there and often similar schemes in countries outside the UK.

The UK government, for example, claims to administer a wide variety of schemes providing some £5 billion per annum to businesses through:

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### **144 Effective Financial Management**

- **grants – though these are usually on a matching basis, up to 50 per cent of project requirements;**
- **subsidised training;**
- **free or subsidised consultancy;**
- **soft loans, etc.**

These schemes will depend upon: location, such as in a designated area in need of development; size, invariably applying to smaller businesses; and industry, either excluding some industries or applying solely to industries with recognised problems.

In the UK there is also the government's Small Firms Loan Guarantee Scheme that helps businesses that do not have assets to offer as security for loans. This is administered by the lending banks and guarantees 75 per cent of loans up to £250,000, though the average was just under £80,000 in 2007 across over 2,700 businesses. The borrower has to pay an extra 2 per cent interest for the guarantee. This encourages banks to invest in businesses where they would otherwise feel the risk was too high for them.

## **Reclaim taxes**

Are you reclaiming all those tax rebates you are entitled to?

If you have paid foreign VAT on goods and services then you may be unable to reclaim it through your domestic returns but may be entitled to reclaim it directly. Which VAT on expenses is covered varies from country to country but can cover hotel accommodation, car rental, marketing costs, some professional services, etc. For some businesses these can be substantial sums and, although the process can be difficult, it is worth pursuing. From 1 January 2010 each EU country should provide an online gateway for its registered VAT businesses to make claims throughout the EU. Further information should be found from

your own authority if you are registered for VAT within the EU; in

## **145 Use All Those Free Resources**

the UK HMRC provides information on <http://www.hmrc.gov.uk/vat/managing/international/overseas-traders.htm>.

If, unfortunately, you have been associated with a business that has failed you may be able to reclaim a part, at least, of your losses. The way this works is that if you invested money in the shares of an unquoted company and those shares are now worthless, you can make a claim to your tax office to offset your loss against income taxes you have paid rather than just against capital gains tax profits. This enables you to get the money back much faster and means the opportunity is not lost if you have no capital gains to offset. You just write a letter citing a 'Section 574 Negligible Value Claim'; this is section 574 of the Income and Corporation Taxes Act 1988. Clearly you must be able to prove that the shares are now worthless and you really need to show that the company is in administration or being liquidated, but if you can prove it is no longer trading and is dormant then that may be sufficient. Although many accountants will offer to submit such claims for a percentage of the money they recover, in fact you ought to be able to do this yourself: it is not hard. Just write a letter to your HMRC office making the claim and explaining it is a Section 574 claim. You will need to specify which tax year you want to offset the claim against and you can use either the current year or carry it back up to two years. Carrying the claim back has the advantage of getting the money back more quickly. Also choose the year where you paid most tax at the highest rate.

If there is not enough tax to offset in any year then you can offset against each of the two years available for carry-back.

### **Paying taxes**

If cash is tight and you have a significant tax bill coming up, there may be scope to delay the payment or spread it out over several months. This may require you to pay interest and the authorities may want to be reassured that the problem is temporary and that you will be able to pay over a short period.

### **146 Effective Financial Management**

It is also worth checking with your tax adviser to see whether more recent losses can be used to offset a past tax liability before you have to pay it. Can your tax year-end be changed to achieve this?