

2021 Super Deduction Tax Savings with PERI

Investing in new PERI formwork and scaffolding has never been more attractive thanks to finance options available and tax savings from HM Treasury.



The UK government is incentivising investment in new plant and machinery by encouraging businesses to bring forward investment decisions

The new initiative is called a 130% '**Super Deduction**'

- For example, by spending £1m on new PERI products, profits eligible for tax can be reduced by 130% of that value, or in this case £1.3m
- The government is enabling companies to reduce profits eligible for tax by 30% more than the purchase price of qualifying PERI products
- With corporation tax rates currently at 19%, this would equate to a saving of £0.247m ($19\% * £1.3\text{m}$) on a company tax bill ⁽¹⁾
- This new initiative applies to all qualifying purchases made from 1st April 2021 until 31st March 2023.

Worked Example

Previous system	with super-deduction
A company spends £10m on qualifying assets	The same company spends £10m on qualifying assets
Deducts £1m using AIA in year 1 leaving £9m	Deducts £13m using the super-deduction in year 1
Deducts £1.62m using WDAs at 18%	
Deductions total £2.62m - and a tax saving of 19% * £2.62m = £0.498m	Receives a tax saving of 19% * £13m = £2.47m



Glossary

- "AIA -Annual Investment Allowance. Currently £1m until Dec 2021. Allows companies to reduce their taxable profits by up to £1m for qualifying plant and machinery purchases
- WDA -Written Down Allowance. Allows companies to reduce their taxable profits by 18% for qualifying plant and machinery purchases after the AIA (noted above) is applied"

Finance options are available on your purchase of NEW PERI equipment subject to credit approval. For further information please contact Duncan McPhillips at City and European Asset Finance Ltd (2):

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(1) PERI Ltd and City and European Asset Finance Ltd cannot provide specific financial advice. Speak to your own accountant or financial advisors to determine the suitability of the super deduction scheme for your business.

(2) City and European Asset Finance Ltd are a finance broker and not a lender and are authorised and regulated by the Financial Conduct Authority.

Contact us by email
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