



Invest in a brighter future

Better lighting can reduce your business's carbon footprint, bring down running costs, and unlock the benefits of connected lighting. And with the UK's new capital allowances offer, there's never been a better time to make the switch.

What is the new capital allowances offer?

In its Spring Budget 2021, the UK government announced two new capital allowances to encourage business investment and stimulate economic growth. Under the scheme, companies investing in 'plant and machinery' – such as lighting systems – may qualify for a limited-time tax saving.

From 1 April 2021 until 31 March 2023, companies investing in qualifying new plant and machinery assets will be able to claim:

- a 130% super-deduction capital allowance on qualifying plant and machinery investments
- a 50% first-year allowance for qualifying special rate assets.

See www.gov.uk/guidance/super-deduction for more information.

How can my business benefit?

For a lighting investment that meets the criteria, you may be eligible for a 50% first-year allowance.

For every £10,000 spent on lighting, a £5,000 year-one tax deduction could be available, as opposed to a tax deduction of £600 under normal circumstances.

This equates to an additional cash tax saving of as much as £836 in year one alone, and a net present value benefit of £316 over the life of the asset, assuming that the tax relief is offset in full against taxable profits.

We recommend that you seek specialist tax advice to confirm that you are entitled to tax deduction on expenditure incurred on our products.



Does my lighting investment qualify?

You may be eligible to claim an allowance if you meet the following criteria:

- The invoice for your product, either directly from us or indirectly from a contractor, is dated between 1 April 2021 and 31 March 2023.
- You are a company within the charge to UK Corporation Tax.
- Your purchase contract, either directly with us or indirectly with a contractor, is signed on or after 3 March 2021.
- You are not a landlord, or if you are, the lighting units have not been installed in the demised area of a tenant's lease.
- The lighting is a capital investment for the long-term benefit of your trade or property business.
- You hold a freehold / leasehold interest in the property at the time of installation.
- You are currently trading/carrying on a property business, or will start one between 1 April 2021 and 31 March 2023.
- The lighting system installed is either:
 1. New (i.e. a lighting installation was not in the property previously) or an improvement/ enhancement of the existing unit which could not be considered a like-for-like or modern-day equivalent (because the previous unit is still on the market); or
 2. A like-for-like replacement or nearest modern day equivalent, where the cost incurred in a 12-month period is more than 50% of the cost of replacing the entire lighting system in the building in question.

Where can I find out more?

For more information on the UK's capital allowances offer, please see www.gov.uk/guidance/super-deduction.

To learn more about Signify's products, systems and services, please visit www.signify.com