

Costs



This factsheet is designed to explain which training costs qualify for Corporation Tax relief via your Limited company.

Work-related training costs can be paid by your company provided that the purpose of the training is to upgrade or enhance a current skill and this will receive Corporation Tax relief. However, if the purpose of the training is to gain new skills, the cost will be treated as capital expenditure and your company may be able to claim Capital Allowances.

You should note the following criteria:

- The training must be designed to impart, instil, improve or reinforce any knowledge, skills or personal qualities which are likely to prove useful when performing your duties
- Costs associated with the provision of the training should be allowable i.e. travel and hotel accommodation provided the training is at a temporary location.

Overseas Training

It will be quite difficult to be able to persuade HM Revenue & Customs that an overseas training course is allowable.

The costs will not be allowed unless you can demonstrate that your attendance at the overseas training course is necessary in order for you to carry out your duties. To do this you would have to be able to do the following as a minimum:

- Produce an itinerary of the trip, detailing what activities were involved to show that it's not a personal trip
- Demonstrate that your duties could not be performed without the training.

The following matters should also be taken into account:

- The Revenue will be wary of trips to exotic locations and possibly scrutinise these in greater detail
- Portions of the cost will be disallowed if you have gone on a leisure trip or stayed an extra week for a holiday etc
- If the main purpose of the trip was leisure and the training was incidental to this then no costs will be allowable.

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