

## **SITR and Social Investment in Jericho**

### **Frequently Asked Questions**

Here are answers to some questions you might have but please call Nick Wallace, our Finance Manager on 0121 647 1960, if you would like to discuss anything further.

#### **Who is eligible for Social Investment Tax Relief ?**

Anyone who is a taxpayer can reclaim 30% of the loan up to the value of their tax liability for that year. There are some criteria around your relationship with the Social Enterprise. You cannot be a partner, trustee, paid director or employee of the Social Enterprise or of a subsidiary of the Social Enterprise. You and your 'associates' cannot own more than 30% of the ordinary share capital, loan value or voting rights of the Social Enterprise for the 5 year duration of the loan and the year prior to the investment.

Full details are available here;

<https://www.gov.uk/government/publications/social-investment-tax-relief-investors>

#### **What happens at the end of the 5 year loan period?**

At the end of the of 5 year loan period you have 3 options;

1. You can reinvest for another 5 years and enjoy further returns (details of our next scheme will be made available 6 months prior to the end of the term)
2. You can have your money returned
3. You can agree to write off the loan, effectively turning it into a grant and benefit from additional returns via gift aid.

#### **4. How do I get the tax back?**

You can claim the relief through the self-assessment tax return process, either in your return or to reduce your own account bill, or you can write to the HMRC with the relevant documentation and they will re-issue your tax code. For both of these options you will need a 'compliance certificate' from us that we can only issue once you have invested and we have submitted a 'compliance statement' to the HMRC. Please be aware that there may be a slight delay whilst this process goes through the HMRC admin system.

More details are available here;

<https://www.gov.uk/government/publications/social-investment-tax-relief-how-to-claim-tax-relief>

### **How can I be sure that the HMRC will agree I can have the tax relief?**

We have been through the pre-approval process with the HMRC and they have issued the 'letter of assurance' (below).

Once you have invested, we have to make a 'compliance statement' to the HMRC who will then allow us to issue a 'compliance certificate'.

### **Are there other tax reliefs available?**

Capital Gains hold-over relief and capital gains disposal relief are also available and full details can be found here;

<https://www.gov.uk/government/publications/social-investment-tax-relief-investors>

### **Can the HMRC recover my tax relief?**

If the eligibility criteria ceases to apply then the tax relief will become repayable to the HMRC if it has already been given ie you become employed by us or you withdraw the loan before the end of the 5 year minimum period.

Full details are here;

<https://www.gov.uk/government/publications/social-investment-tax-relief-investors>

### **Where can I find the Jericho Foundation accounts ?**

Our accounts are published here on the Charity Commission website;

<http://apps.charitycommission.gov.uk/Showcharity/RegisterOfCharities/CharityWithPartB.aspx?RegisteredCharityNumber=1037084&SubsidiaryNumber=0>



# HM Revenue & Customs

The Jericho Foundation  
196 – 198 Edward Road  
Balsall Heath  
Birmingham  
B12 9LX

**Date** 24 September 2014  
**Our ref** LC/MSB/S0970/43350 31699/MTS  
**Your ref**

Dear Mr Wallace,

## The Jericho Foundation

Thank you for your letter dated 10<sup>th</sup> September 2014, I am pleased to confirm that, on the basis of the information supplied, I would be able to authorise the company to issue certificates under Section 257PB(1) Finance Act 2014 in respect of Ordinary Shares or Qualifying Debt Investments issued to individuals, following receipt of a properly completed form SITR1 as prescribed by Section 257PC.

You are reminded that:

- Responsibility for the accuracy of the information supplied and considered by me rests wholly with the company.
- This provisional assurance is based solely on the information supplied in and with the clearance application and will not apply in circumstances that vary from those described therein. You are therefore advised to forward particulars of any proposed changes, and the draft of any shareholders subscription, loan agreement, investment or similar agreement, for clearance prior to the issue of shares.
- This clearance does not guarantee the availability of any form of relief under the Social Investment Tax Relief Scheme to any particular subscriber.

Yours faithfully

**Mrs M T Skuse**  
H M Inspector of Taxes

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Information is available in large print, audio tape and Braille formats.  
Text Relay service prefix number – 18001

Assistant Director: Colin Wood



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