ATEK ACCOUNTING GUIDE

A Guide to Theatre Tax Relief

Using this tax incentive to benefit your theatrical production company

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Numbers People for Creative People

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> *"Theatre Tax Relief is an investment in our world-class theatre sector, which is integral to the UK's place on the global stage."*
>
> **Eleanor Lloyd**
>
> President, Society of London Theatre

What Is Theatre Tax Relief?

Theatre Tax Relief (TTR) is a UK government incentive allowing qualifying production companies to reduce their Corporation Tax liability — or receive a cash payment from HMRC even if the company is loss making. Introduced in 2014, it is one of the most generous and most underutilised incentives in the UK tax system.

Even if your company makes a loss, you can surrender the loss for a payable cash credit — meaning TTR can put money back in your pocket when you need it most.

TTR works through two mechanisms:

PROFITABLE COMPANIES

Claim a percentage deduction on qualifying core expenditure — directly reducing your Corporation Tax bill.

LOSS-MAKING COMPANIES

Where the additional deduction creates or increases a loss, surrender it to HMRC for a payable cash credit — a powerful cash flow tool.

Industry bodies SOLT and UK Theatre have described the permanent higher rates as **"transformational."** In 2023/24 alone, TTR claims totalled **£261 million** across **1,380 productions** — and that figure is expected to grow.

The Landmark 2025 Rate Changes

The biggest recent development for the sector came into effect on **1 April 2025**, when the government made the enhanced TTR rates **permanent**.

40%	45%
NON-TOURING PRODUCTIONS	TOURING PRODUCTIONS

A *touring production* is one playing at least two different venues during its run. A qualifying touring production spending on core costs could receive a sizeable tax credit — money that can be reinvested directly into the production or used to fund what comes next.

> **When to claim:** Claims are made via your Company Tax Return. You may make, amend, or withdraw a claim up to **2 years** after the end of the accounting period to which it relates.

Key Points to Know

WHO CAN CLAIM?

- The company must be a qualifying production company subject to UK Corporation Tax
- The production must be a live theatrical performance where the chief focus is the depiction of a story
- It must be for general release to the public — to a paying audience or for educational purposes
- Both touring and non-touring productions are eligible
- A minimum percentage of core costs must be UK expenditure
- Claims must be submitted within two years of the end of the relevant accounting period

WHAT COSTS QUALIFY?

Core costs spent on *producing and closing* the production — not costs incurred while it is running:

- Creative costs — writers, directors, designers, choreographers
- Cast and production team fees
- Set design, costumes, props and construction
- Sound, lighting and technical equipment
- Performer fees and rehearsal costs
- Venue hire during the production period (not during the run)

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Numbers People for Creative People

Most accountants speak the language of business. We speak the language of creativity too.

At Atek, we work exclusively with people in the performing arts, creative industries, and tech — founders, producers, freelancers, and growing companies who want a financial partner who genuinely gets it.

That means knowing Theatre Tax Relief inside out. It means understanding the irregular income of a freelance creative. It means giving you clarity, not jargon — so you can keep doing the work you love.

How We Can Help

- ✓ Eligibility assessment and production structure review
- ✓ Core expenditure analysis and UK qualifying threshold calculation
- ✓ Full claim preparation including the CT600P and Additional Information Form
- ✓ Transition period guidance for productions spanning April 2025
- ✓ Ongoing compliance and keeping you informed of regulatory changes

Not sure if you qualify? Many theatrical production companies qualify but never claim. We help you assess eligibility, calculate your claim, and handle everything with HMRC.

GET IN TOUCH

Ready to Claim What You’re Entitled To?

Our team can assess your eligibility, calculate your TTR claim, and manage the entire process with HMRC — so you can focus on making great theatre.

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Clarity for Creators and Innovators

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