



**The Quoted
Companies Alliance**

12 March 2008

Room for improvement

The Quoted Companies Alliance (QCA) is disappointed that in spite of rhetoric to help small and medium sized companies, changes announced today by Alistair Darling will not go far enough to undo the damage done to smaller quoted companies (SQC) by recent changes.

The Chancellor has raised the amount of investment for tax relief that can be invested in Enterprise Investment Schemes (EIS) from £400,000 to £500,000 and the employee share limit available for tax relief under Enterprise Management Incentive (EMI) schemes from £100,000 to £120,000. Both these initiatives are to be welcomed, however, they do little to undo recent changes that have been made both EIS and EMI less attractive.

Behind these headline changes is the detail though – an employee cap of 250 people has been introduced for EMI schemes and coal, steel and shipbuilding companies are excluded from EMI as well as EIS and other investment schemes.

John Pierce, Chief Executive of the QCA, commented on the budget, “We are pleased to see the Chancellor making encouraging statements regarding investment in SQCs and changing EMI, which is an important scheme for retaining key staff at SQCs. However, he must go much further to undo the damage done by the restrictions placed on EIS by his predecessor and the damage done by the change to capital gains tax (CGT) to the attractiveness of EMI.

“The Chancellor has a long way to go to regain any support from the smaller quoted community, and entrepreneurs more generally. Today’s statement does little to achieve that and we will continue to campaign for a more proportionate tax environment for SQCs, which encourages investment and the ability to attract and retain talented staff in an important, dynamic section of the economy.”

ENDS

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Notes to editors

The Quoted Companies Alliance (QCA) is the only organisation dedicated solely to fighting for the interests of small and mid-cap companies in one of the most important sectors of the UK economy - the thousands of companies outside the FTSE 350 on the Main Market, and companies on AIM and the PLUS markets. Its members also include companies seeking admission to a UK equity market.

The QCA promotes the interests and views of its members to Government, Europe, regulators and other professional bodies, educates its members on best practices and provides a vital forum for networking. Celebrating 16 years in 2008, the QCA forms its views through highly focused committees and working groups comprising senior representatives from across the smaller quoted companies sector.

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