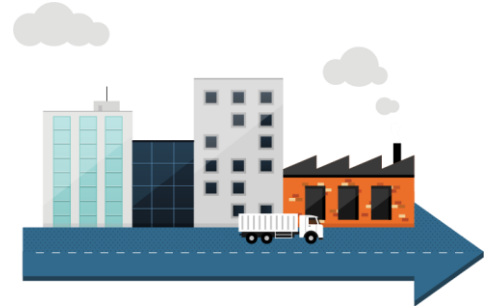


NEED TO KNOW

R&D Capital Allowances

Research and development capital allowances (RDAs) allow you to claim 100% of your expenditure on R&D facilities, plant and machinery, and IT systems against your corporation tax liability in the first year.



Understanding the rules for R&D capital allowances

R&D capital allowances release cash into your business by allowing you to write down all your R&D spending on fixed assets.

Your company should apply for R&D capital allowances if it has:

- Built or refurbished R&D facilities.
- Developed an IT system for internal use.
- Invested in plant, machinery, fixtures, or fittings to support R&D activities.



What types of capital expenditure qualify for R&D capital allowances?

Most R&D-related capital expenditure qualifies for a tax reduction under R&D capital allowances, notably spending on R&D facilities such as buildings, laboratories, etc. However, spending on land, and on intellectual property, is not allowed.

Spending on the following is always allowable under R&D capital allowances:

- R&D facilities (such as buildings) or on refurbishing a development facility. If an R&D centre forms part of a larger facility – and if the centre accounts for at least 75% of the overall cost of the facility – then R&D capital allowances can apply to the entire facility.
- Laboratory equipment.
- Company cars for R&D staff.

Spending on the following may be allowable under R&D capital allowances:

- Developing new IT systems for internal use.
- Equipment to enable a technological advancement in a process, material, device, product, or service. The advancement must increase the overall knowledge or capability in a field of science or technology.

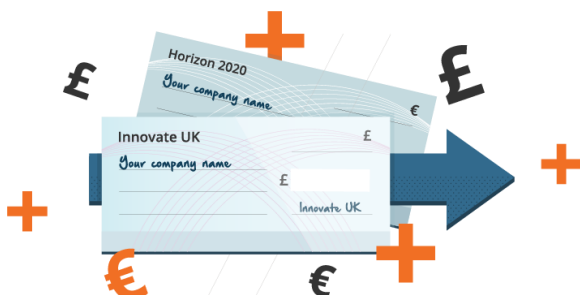
Your company can claim its R&D capital allowances up to a year after the filing deadline of its tax return – and R&D capital allowances can be claimed retrospectively, up to two years in arrears. Because this is also true for R&D tax relief, it is often sensible to claim both allowances at the same time.

Our other services

Myriad Associates is a leading R&D tax relief and R&D grant application writing specialist. In addition to our R&D capital allowances services, we can also help your business with:

R&D Tax Credits

R&D tax credits can improve your company's cash position by reducing its corporation tax bill



R&D Grants

R&D grants can provide an essential source of match funding for your innovative project

Video Games Tax Relief

Tailored tax relief for UK games developers – up to 20% funding available



Get in touch

Contact us today to discuss how working with Myriad Associates can maximise and secure R&D funding opportunities for your company.

Myriad Associates operates across the UK.

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