



Are your assets tax efficient?

Helping your business make
the most of its assets



Audit / Tax / Advisory / Risk

Smart decisions. Lasting value.

Making your company's assets tax efficient

All businesses have assets. These range from property, including any fixtures and fittings, to plant and equipment used in the business, through to patents and other intangibles, and not forgetting the workforce itself. Assets are crucial to a business, but they depreciate, cost money to maintain, and cannot always be seen.

When did you last review whether you are getting the most out of your assets?

Tangible assets

Tax reliefs are available for most tangible assets. Unfortunately, many of the reliefs for traditional assets have become less generous in recent years, making it more important to ensure that they are properly categorised for tax purposes.

Did you know?

- Spend on tangible assets of up to £1,000,000 a year can attract 100% allowances until December 2020, and £200,000 after
- By making a simple tax election for assets with a useful life of less than eight years can accelerate the timing of tax deductions by over 20 years.
- Spend on tangible assets used in research and development (R&D) can attract 100% tax relief.





Intangible assets

Many of the most generous tax reliefs are available to businesses investing in and creating intangible assets. These enhanced reliefs include cash tax benefits for:

- Research and development (R&D)
- Patent Box
- Creative and cultural spend on: high-end television productions, animated films, video games, theatre productions, museums and galleries and temporary and touring exhibitions.

There is also a reduced tax rate that can be applied to profits of businesses exploiting self-generated patented technology, the Patent Box.

Did you know?

- If your product contains even one patented item, the whole of the sales revenue could qualify for the Patent Box.
- The Patent Box tax rate is 10% compared to the main corporate tax rate of 19%.
- Profitable small companies can claim 43.7% tax relief on R&D spend. Loss making SME companies can claim up to £33.35 of the R&D spend in cash from HMRC.
- Profitable large companies can claim up to 10.53% tax relief on its R&D spend. Loss making large companies can claim up to 10.53% of the R&D spend in cash from HMRC.

People

Many businesses say people are their biggest asset. Even though they do not sit on the balance sheet, staff often represent the biggest recurring business cost. Payroll tax rules, national insurance and employment law issues can mean any problems with process can result in large exposures for the business.

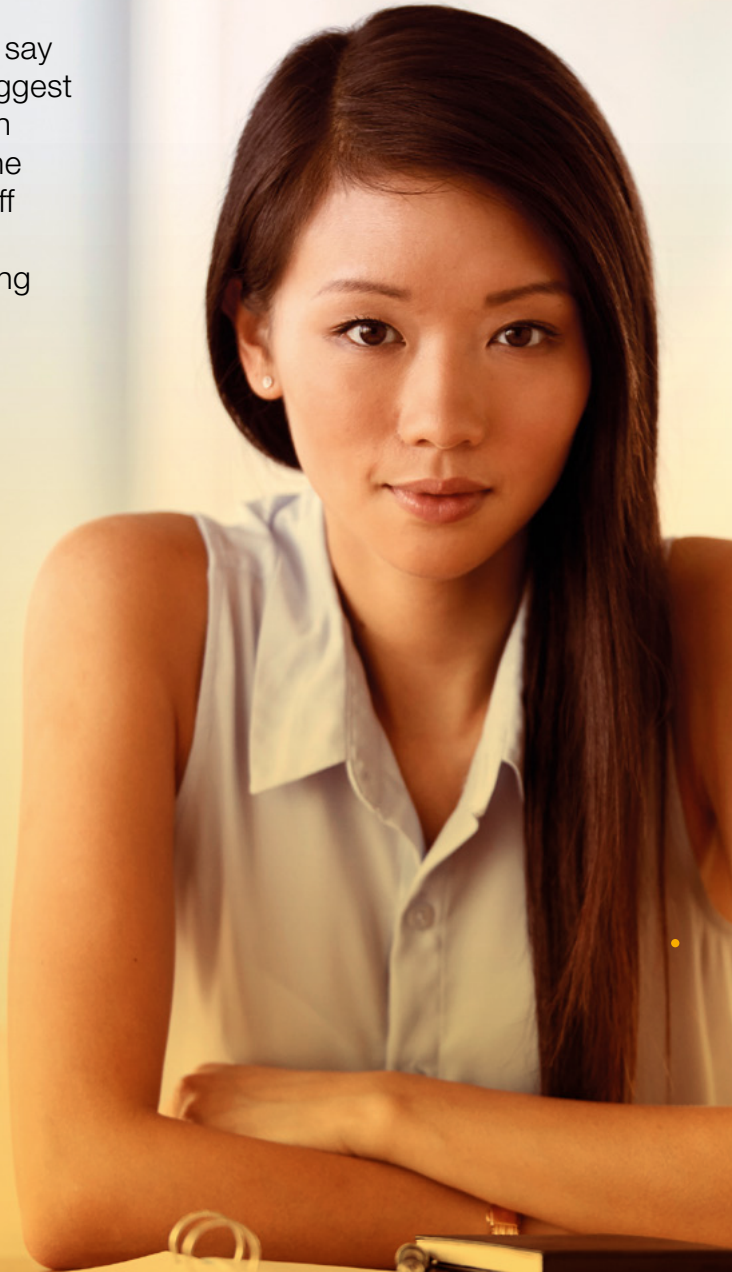
“Many of the most generous tax reliefs are now available for businesses investing in and creating intangible assets”

Did you know?

- If staff move across borders, for tax purposes a secondment will be treated differently to a transfer.
- You can save money and reduce tax/national insurance contributions on car allowances through some simple structuring and good record keeping. People tend to underestimate the costs of sending staff overseas by 50%. This can severely impact the profitability of overseas work.
- Companies who have short-term visitors to the UK can still have PAYE obligations even when they remain on an overseas payroll.



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Start the conversation

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