

# TAX BREAKS FOR TECHNOLOGY COMPANIES

## CHANCELLOR INCREASES TAX CREDIT RELIEF FOR SME R&D

Chancellor George Osborne has increased the rate of payable tax credit to SME companies carrying out qualifying research and development activities that do not have corporation tax liabilities. That maybe because they are loss making or they have other allowances available, such as capital allowances, which exceed their profits.

The new rate of payable tax credit increased from 11% to 14.5% on 1st April 2014. From now on, for every £100 of qualifying costs, a repayment of up to £32.63 is available.

There are a number of key issues

for affected companies to think about:

- Financial reporting period – whether to move the year-end to maximise the advantage of the new rate.
- Reconsider the paying of low salaries and then paying dividends to shareholders/directors, along with the interaction with NI costs.
- Company pension contributions in respect of staff involved in R & D are included in the calculation of qualifying expenditure. A review of the amounts paid in for these staff should also be undertaken.

Call Newtons now to discuss the tax credit implications for your R&D work on 0115 960 9955

## ELLERTON TAKES DIRECTORSHIP AT NEWTONS



Dan Ellerton

“Dan Ellerton joins our Board of Directors at an exciting time for the company as it continues to grow and as we seek to maintain director level relations with our developing client base”, explains Chris Newton, managing director of Newtons Accountants Ltd.

This is an exciting career development for Dan, a mathematics graduate, who says, “the past few years have been incredibly busy. I’ve been in accountancy since 2005,

passing exams for the Association of Chartered Certified Accounts (ACCA) in 2010 and the Chartered Institute of Taxation (CTA) in 2013. The CTA exams were the hardest thing I’ve ever done, but through it I’ve developed a passion for helping companies and high net-worth individuals with their tax affairs.”

Dan has become both a director and shareholder in the company, sealing his confidence in the development potential of Newtons, which already has a higher proportion of Chartered staff than the vast majority of accountancy firms, and has been expanding through a programme of personal recommendations from a client base which includes local and national clients, the vast majority of them being owner-managed businesses.

The company offer the expertise you’d expect from a national name and the hands-on partner level help you’d expect from a local firm.

Our range of tailored services include:

- Research and development tax relief specialists

## GAMES TAX RELIEF APPROVED BY THE EC

The newly announced video games tax relief (GTR) will provide an incentive to video game developers to produce games meeting certain cultural criteria. The relief enables companies to be eligible for a payable tax credit worth 25% of qualifying production costs, and builds on the successful model of the film tax relief which can be claimed on production expenditure in the UK, and the new High-End TV and animation tax reliefs.

Chancellor George Osborne says the relief is “one of the most generous in the world and will help [UK video games companies] to grow, creating new jobs for hardworking people”.

The news is welcomed by TIGA, the trade association representing the UK video games industry, which fought for the relief. Its CEO, Dr. Richard Wilson, says “it will create or protect 4,661 direct and indirect jobs, boost additional investment of approximately £188 million and enable the production of more British video games.”

Mark Gerhard, CEO and CTO, Jagex, multi-award winning game developer, publisher and maker of RuneScape said “tax breaks for the British games industry have been a very long time coming, but this is far from being the end of the matter. Studios across the UK need to collectively show that the fight for their introduction has been a worthwhile one by maximising their potential to deliver a robust expanding games industry in this country. Our industry should be held in the highest regard, strengthening the British economy and fuelling job creation, both things which tax breaks will help reinforce.”

Call Newtons now to discuss tax relief for your Video Games productions on 0115 960 9955

- Proactive tax advice from qualified professionals with years of experience
- Structuring businesses to minimise tax liabilities
- Preparation and/or audit of annual accounts and planning for the future
- Unrivalled personal services for owner managed businesses
- Recession survival techniques
- Improving business performance

Call Newtons now to discuss your needs on 0115 960 9955 or email: [chris@newtax.co.uk](mailto:chris@newtax.co.uk)